Monday, February 21, 2022
City Council Combined Meeting

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

Members of the public who wish to submit their written comments on a listed agenda item can also submit their comments by filling out the public meeting speaker form at: http://www.cityofsachse.com/328/Agendas-Minutes-Videos or by visiting the Agendas & Minutes button on the homepage of the City's website.

Comments must be received before 4:00 p.m. on Monday, February 21, 2022.

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

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

A. 6:30 PM WORKSHOP MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Workshop Meeting on Monday, February 21, 2022, at 6:30 p.m. to consider the following items of business:

2. Conduct and discuss Boards and Commissions interviews.

3. Any workshop item not completed prior to the City Council regular meeting at 7:00 p.m. may be continued following the regular meeting.

4. Discussion of City Council meeting agenda items.

5. Adjournment.

B. 7:00 PM REGULAR MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Monday, February 21, 2022, at 7:00 p.m. to consider the following items of business:

2. Invocation and Pledges of Allegiance.

C. Special Announcements

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

2. Proclamation recognizing the outstanding service of retired Finance Director, Teresa Savage.

D. Citizen Input

1. Citizen Input: The public is invited at this time to address the Council. Please come to the microphone and state your name and address for the record. However, if your remarks pertain to a specific agenda item, please hold them until that item, at which time the Mayor may solicit your comments. Time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act,

but may take them under advisement. Issues raised may be referred to City Staff for research and possible future action.

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

1. Approve the minutes of the January 20, 2022, Joint City Council - Economic Development Corporation workshop.

2. Approve the minutes of the February 7, 2022, combined meeting.

3. Approve the Consent Agenda Items as presented.

F. Regular Agenda Items

1. Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2021.

2. Discuss and consider a Charter Review Commission and a potential charge.

3. Discuss and consider appointing representatives to serve on a Charter Review Commission.

4. Receive Sachse Police Department's 2021 Year in Review.

G. Regular Meeting Closing

1. Adjournment.

I, the undersigned authority, do hereby certify that this notice of 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

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 972.429.4770, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	A. 6:30 PM WORKSHOP MEETING
Subject	2. Conduct and discuss Boards and Commissions interviews.
Access	Public
Type	Discussion

Public Content

BACKGROUND
With the exception of the Municipal Development District, each Board and Commission term expires every two years in November. Interviews must be conducted to fill vacancies as necessary.

OVERVIEW
Board and Commission vacancies were filled with applicants at the December 6 Council meeting. There are currently five vacancies that need to be filled as follows:

Library Board - two seats
TIF #1 Board - two seats
EDC Board - one seat

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

RECOMMENDATION
Conduct and discuss Boards and Commissions interviews.

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	C. Special Announcements
Subject	2. Proclamation recognizing the outstanding service of retired Finance Director, Teresa Savage.
Access	Public
Type	Recognition

Public Content

OVERVIEW
Finance Director, Teresa Savage, retired on January 31, 2022, after 12 years of dedicated and outstanding service to the City of Sachse.

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

RECOMMENDATION
Present a proclamation recognizing the outstanding service of retired Finance Director, Teresa Savage.

Proclamation_Teresa Savage Retirement.pdf (61 KB)

PROCLAMATION

WHEREAS, it is with great honor that the City of Sachse recognizes the retirement of Teresa Savage, after 24 years of dedicated, professional, and honorable service, of which, 12 years were with the City of Sachse; and

WHEREAS, Teresa Savage began her career with the City of Sachse Finance Department in October 2010, and throughout her tenure, Ms. Savage received several accolades, such as Employee of the Month, Quarter, and Year; and

WHEREAS, in her time as Finance Director, Teresa helped navigate the complexities of municipal finance and established a lasting practice of excellence, and was recognized as a highly capable, competent, and extremely valuable employee; and

WHEREAS, Ms. Savage faithfully and thoroughly fulfilled her roles and responsibilities, frequently going above and beyond; and

WHEREAS, Teresa Savage retired on January 31, 2022. The earnest and conscientious efforts she demonstrated on the job have dramatically benefitted the City of Sachse.

I, THEREFORE, Mayor Felix, of the City of Sachse, on behalf of the Sachse City Council, extend personal best wishes upon her retirement and for continued success in her life's pursuits.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed this the 21st day of February, 2022.

Mike J. Felix, Mayor

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.
Subject	1. Approve the minutes of the January 20, 2022, Joint City Council - Economic Development Corporation workshop.
Access	Public
Type	Action (Consent), Minutes
Fiscal Impact	No
Recommended Action	Approve the minutes as presented.

Public Content

BACKGROUND
Minutes of the January 20, 2022, Joint City Council - Economic Development Corporation workshop.

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

RECOMMENDATION
Approve the minutes as presented.

01.20.22 Joint CC-EDC Minutes.pdf (78 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.

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.
Subject	2. Approve the minutes of the February 7, 2022, combined meeting.
Access	Public
Type	Action (Consent), Minutes
Fiscal Impact	No
Recommended Action	Approve the minutes as presented.

Public Content

BACKGROUND
Minutes of the February 7, 2022, combined meeting.

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

RECOMMENDATION
Approve the minutes as presented.

02.07.22 City Council Minutes.pdf (112 KB)

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

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	1. Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2021.
Access	Public
Type	Reports

Public Content

BACKGROUND

BrooksWatson & Co., PLLC, an independent audit firm, has audited the City's financial statements for the period ending September 30, 2021, and has issued an unmodified or "clean" opinion. Louis Breedlove will provide highlights and comments on the ACFR and audit process. In accordance with Charter provisions (Section 7.18), an independent auditor has audited the City's financial statements for the period ending September 30, 2021. It is the auditor's primary function to express an opinion on the financial statements of the organization, but the organization itself has the primary responsibility for the remaining information presented (i.e., the financial statements, supporting schedules and notes). Management is responsible for the information presented in the financial statements.

The ACFR is composed of an introductory section, which includes the letter of transmittal and information about the entity; the financial section, which includes the auditor's opinion, the Management's Discussion and Analysis (MD&A), financial statements, notes to the financial statements, and required supplemental information; and, the statistical section, which contains various statistical tables and historical trend data.

OVERVIEW

The following are a few major highlights:

- Cash and investments (city-wide) are $43,619,066.
- Increase in total net position (primary government) is $17,392,268.
- Governmental fund balances total $39,858,861.
- Unassigned general fund balance is $12,704,756, which is 71% of annual expenditures.
- City-wide outstanding debt at 9/30/21 was $49,315,000.
- Ratio of net bonded debt to assessed value was 1.96%.
- Debt per capita equals $2,004.

Professional auditing standards require the auditors to communicate directly with the governing body regarding the City's internal control over financial reporting (Statement of Auditing Standards 115) and other relevant issues such as accounting policies, accounting estimates, disclosures, and management representations (Statement of Auditing Standards 114). The relevant letters are included in the supporting documentation for this item.

POLICY CONSIDERATIONS

The City's financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental entities. It is the responsibility of the Finance Department to present financial information fairly in all material respects, so that the financial position of the City is not compromised. The desired result of the independent audit is to receive an "unmodified opinion." The current report reflects an unmodified (clean) opinion, which is the highest opinion available. An unmodified opinion states that the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sachse, as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended are in conformity with accounting principles generally accepted in the United States of America.

RECOMMENDATION

Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2021.

- Management Representation Letter.pdf (410 KB)
- SAS 114 COMMUN WITH GOVERNANCE - PDF.pdf (254 KB)
- SAS 115 COMMUN OF SIG DEF AND MAT WEAK - PDF.pdf (172 KB)
- Sachse 2021 Annual Comprehensive Financial Report.pdf (3,621 KB)

The City of
SACHSE

February 17, 2022

BrooksWatson & Company, PLLC
14950 Heathrow Forest Pkwy | Ste 530,
Houston, Texas 77032

This representation letter is provided in connection with your audit of the basic financial statements of the City of Sachse as of September 30, 2021, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Sachse in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 17, 2022:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 16, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.

- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the nonattest service provided of report preparation, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- The City of Sachse has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City of Sachse is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City of Sachse has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have disclosed to you all tax abatements issued by the City that were applicable for the year ended September 30, 2021.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We agree with the findings of specialists in evaluating the pension liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have has an impact on the independence or objectivity of the specialists.

GENERAL

Material Audit Adjustments

Material adjustments to the books were proposed and accepted.

We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

Reported Findings

The auditor has reported findings, conclusions, or recommendations.

We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the introductory and statistical sections of the accompanying the financial statements:

a. We acknowledge our responsibility for the presentation of the introductory and statistical sections in accordance with Accounting Principles Generally Accepted in the United States of America.
b. We believe the supplementary information, including its form and content, is fairly presented in accordance with Accounting Principles Generally Accepted in the United States of America.

c. The methods of measurement or presentation have not changed from those used in the prior period.
d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
f. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information as listed in the table of contents of the accompanying the financial statements:

a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
c. The methods of measurement or presentation have not changed from those used in the prior period.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

City Manager

Finance Director

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

February 17, 2022

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

We have audited the financial statements of the City of Sachse, Texas (the "City"), for the year ended September 30, 2021, and have issued our report thereon dated February 17, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Government Auditing Standards

As communicated in our engagement letter dated July 16, 2019, our responsibility, as described by professional standards, is to plan and perform our audit to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Sachse, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses, and other matters noted during our audit in a separate letter to you dated February 17, 2022.

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

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

In relation to the nonattest services provided, such as preparation of the financial statements and supporting schedules, the City has assigned an individual with adequate skills, knowledge, and experience to oversee this service.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Sachse, Texas is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Estimates inherent within the projection of the future pension obligation used to calculate the net pension liability.
- Estimated useful lives for capital assets

Management's estimates inherent within the projection of future pension obligation are based on experience studies and observations by the actuaries hired by TMRS. We evaluated the key factors and assumptions used to develop these estimates and determined they appeared reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimates for the useful lives of capital assets are based on experience and industry standards. We evaluated the key factors and assumptions used to develop these estimates and determined they appeared reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Sachse, Texas's financial statements relate to capital assets and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: see Exhibit 1.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Sachse, Texas's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 17, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Modification of the Auditor's Report

Our audit opinion includes an emphasis-of-a-matter paragraph. As discussed in Note V.I to the financial statements, there was a restatement of beginning net position within governmental type activities to properly reflect corrections of capital assets in the prior year.

Other Significant Findings or Issues

In the normal course of our professional association with the City of Sachse, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Sachse, Texas's auditors.

Other Information in Documents Containing Audited Financial Statements (*if applicable*)

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of Sachse, Texas's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the City of Sachse, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BrooksWatson & Co.

BrooksWatson & Co., PLLC

Exhibit 1

Audit Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To properly accrue property tax and true up receivables.			
01-000-12000	Accounts Receivable - Property Tax		41,864.66
01-000-12010	Accounts Receivable - Delq Tax	17,971.96	
01-000-15000	Deferred Revenue - Taxes	23,892.70	
03-000-12000	Accounts Receivable - Property Tax		16,124.92
03-000-12010	Accounts Receivable - Delq Tax	7,828.83	
03-000-15001	Deferred Revenue - Taxes	8,296.09	
Total		**57,989.58**	**57,989.58**
Adjusting Journal Entries JE # 2			
GASB 68 Entry to true up pension liability as of FYE.			
02-000-16000	Deferred Outflow of Resources - Contributions	1,214.00	
02-000-16100	Deferred Outflow - Investment Experience		7,107.00
02-000-29000	Deferred Inflow - Actual Experience Vs. Assumption	3,518.00	
02-000-29050	Def (Inflow) Outflow-Diff in Assumption changes		1,348.00
02-000-29100	Net Pension Liability	19,321.00	
02-026-50060	TMRS Contributions		2,442.00
02-027-50060	TMRS Contributions		7,670.00
02-028-50060	TMRS Contributions		5,486.00
08-000-29100	Net Pension Liability		207,239.00
08-000-30000	Fund Balance - Unrestricted	207,239.00	
Total		**231,292.00**	**231,292.00**
Adjusting Journal Entries JE # 3			
To record & adjust OPEB balances in accordance with GASB 75.			
02-000-16200	Deferred Outflow-OPEB SDBF Contributions	219.00	
02-000-16300	Deferred Outflow-Diff in Assump OPEB SDBF	3,624.00	
02-000-16400	Deferred Outflow-Diff in Experience OPEB SBDF		209.00
02-000-29200	OPEB SDBF Liability		7,431.00
02-027-50060	TMRS Contributions	3,797.00	
08-000-29200	OPEB SDBF		98,720.95
08-000-30000	Fund Balance - Unrestricted	98,720.95	
Total		**106,360.95**	**106,360.95**

Adjusting Journal Entries JE # 4
To record PID activity for fiduciary statements.

80-000-10000	PID TRUST - CASH	5,008,957.55	
80-000-12000	SPECIAL ASSESSMENT RECEIVABLE.	15,240,000.00	
80-000-51000	ADMINISTRATIVE EXPENSES	108,552.75	
80-000-52000	PAYMENT TO DEVELOPER	9,855,613.44	
80-000-56000	INTEREST EXPENSES	612,139.24	
80-000-82000	BOND ISSUANCE COSTS	462,450.00	
80-000-21212	PID LT DEBT		15,240,000.00
80-000-40000	COLLECTION FROM PROPERTY OWNER ASSESSMENTS		15,240,000.00
80-000-45000	INVESTMENT EARNINGS		3,167.31
80-000-47040	OTHER ADDITIONS		804,545.67
Total		**31,287,712.98**	**31,287,712.98**

Reclassification Entries

The following entries are reclassifying entries recorded for reporting purposes and are not required entries to be recorded by the City.

Account	Description	Debit	Credit

Reclassifying Journal Entries JE # 9000
To reflect the additional CIP adjustment at the government wide level.

07-000-14200	Construction in Progress - Streets	9,278.50	
07-000-21010	Net Governmental Capital Assets	266,000.07	
07-000-14210	CIP - Municipal Bldgs		275,278.57
Total		**275,278.57**	**275,278.57**

Reclassifying Journal Entries JE # 9001
Reclassify the unbilled AR from the AR accounts to the Unbilled account for tie-out purposes

02-000-12075	Accounts Receivable-Unbilled A/R	1,631,519.32	
02-000-12020	Accounts Receivable - Water Sales		960,738.49
02-000-12030	Accounts Receivable - Sewer Sales		485,167.28
02-000-12035	Accounts Receivable-Drainage Fees		17,792.74
02-000-12040	Accounts Receivable - Unapplied Credits		3,055.00
02-000-12060	Accounts Receivable - Solid Waste Services		164,633.81
02-000-12065	Accounts Receivable-Donations		132.00
Total		**1,631,519.32**	**1,631,519.32**

Reclassifying Journal Entries JE # 9002

To reclass accrued wages to a liability account

01-000-10000	Cash	303,755.25	
02-000-10000	Cash	18,101.36	
06-000-10000	Cash	4,339.89	
BWC 15-000-20002	AUDIT - ACCRUED EXPENSES	17,064.29	
15-000-10000	Cash		17,064.29
BWC 01-000-20002	AUDIT-ACCRUED EXPENSES		303,755.25
BWC 02-000-20002	AUDIT-ACCRUED EXPENSES		18,101.36
BWC 06-000-20002	AUDIT-ACCRUED EXPENSES		4,339.89
Total		**343,260.79**	**343,260.79**

Reclassifying Journal Entries JE # 9003

To reclass other revenues that are not auction proceeds.

12-000-47060	Auction Proceeds	17,334.73	
12-000-47080 AUDIT	Other Revenue - reclass		17,334.73
Total		**17,334.73**	**17,334.73**

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

February 17, 2022

To the City Council and Management
City of Sachse, Texas

In planning and performing our audit of the financial statements of the City of Sachse, Texas (the "City"), as of and for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated February 17, 2022 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

1. RELATED PARTIES

Finding

A vendor meeting the definition of a related party relationship with a council member in which a conflicts disclosure statement had not yet been submitted was identified. However, it was noted that no violation occurred pertaining to a substantial business interest.

Recommendation

Council Members should follow local government code 176, which states that a local government officer shall file a conflicts disclosure statement with respect to a vendor if the vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor, and the vendor has a family relationship with the local government officer. The City should also consider having the council member recuse themselves in the instance agenda items concerning such matters arise.

2. GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 87, *LEASES* (GASB-87)

GASB-87 is effective for reporting periods beginning after June 15, 2021. GASB-87 will replace the current operating and capital lease categories with a single model for lease accounting based on the concept that leases are a means to finance the right to use an asset. Under the new rules, the City will recognize a lease liability and an intangible asset for all noncancelable leases greater than one year while the lessor will recognize a lease receivable and a deferred inflow of resources. The intangible asset will have similar characteristics to other capital assets and may be amortized depending on various provisions of the asset (or the lease) and if need be, may be impaired.

The accounting for a lessor is complimentary. A lease receivable is established at contract inception equal to the present value of the expected payments over the lease term. As payments are received the lease receivable is reduced and interest revenue is recognized. A deferred inflow is recorded equal to the lease receivable and any payments that are made at the beginning of the lease.

The initial application of this accounting standard will require substantial evaluation and will result in additional accounting and reporting requirements.

Recommendation

The City should begin planning for the implementation of this accounting standard by establishing a policy to 1) establish a capitalization threshold for leases, 2) define "reasonably certain" as it relates to the likelihood of a lease term to extend beyond 12 months, 3) establish a system to capture the required lease information in order to determine the applicability of the standard.

3. AMERICAN RESCUE PLAN ACT

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. During the year, the City received $1,501,211, one-half of the City's total allotment of $3,002,422. The City will have substantial discretion on how the funds are spent but they will be subject to the regulatory requirements under the Uniform Guidance (2 CRF Part 200) and the Single Audit Act. The City will be required to meet certain terms and conditions as well as administrative requirements. Any funds not spent or obligated by the designated timeline will be required to be returned to the U.S. Treasury. If the City spends $750,000 or more in federal grant funding during the 2022 fiscal year, a single audit will be required.

Recommendation

The City should familiarize themselves with the compliance and administrative requirements associated with the American Rescue Plan Act. City finance and management are encouraged to attend trainings and/or information sessions over the eligible uses, proper reporting and timelines, as well as procurement guidelines over the expenditure of federal funds.

This communication is intended solely for the information and use of the City Council and management, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BrooksWatson & Co.

BrooksWatson & Co., PLLC

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021

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

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The City of
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INTRODUCTORY SECTION

The City of
SACHSE

February 17, 2022

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, 2021. 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, 2021. The independent auditors' report is located at the beginning of the financial section of the CAFR.

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 9.8 square miles. The City's population is 25,289, according to the 2021 North Central Texas Council of Governments estimate.

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

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

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

The annual budget serves as the foundation for Sachse's financial planning and control. Annual budgets are legally adopted for the General Fund, Utility Fund, Debt Service Fund, Special Revenue Fund, Impact Fee Fund, Street Maintenance Tax Fund, and Sachse Economic Development Corporation. 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, 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 is not employed for the President George Bush Turnpike (PGBT) Tax Increment Financing Zone Fund (TIF), TIRZ 2 Station Reinvestment Zone, Health Insurance Fund, Capital Projects Fund, or Sachse Municipal Development District (MDD). However, the City does adopt 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 the City of 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 Financing Zones (TIFs). The TIF Zones contain approximately 540 acres for future commercial development. In addition, the City Council approved the establishment of a Public Improvement District in January 2019 to support the activation and development of the PGBT catalytic area.

Property Values – Assessed property values increased $272,325,685 (11%) from the preceding year with $89,081,625 in new property and a $183,244,060 increase in the value of existing property. During the last five years, assessed taxable property values have increased 75% (from $1,635,579,749 in 2016 to $2,862,003,066 in 2021) and property taxes have accounted for 66% of the General Fund revenue. With a well-educated populace and an average household income of $112,143, 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 FY 2020 with the same six strategic goals that it identified in its Strategic Plan in 2016:

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

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

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

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

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

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

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

FISCAL YEAR 2021 HIGHLIGHTS

In March 2021, the City Council appointed a Bond 2021 Committee. The committee was asked to evaluate the need for a general obligation bond election. From March 2021 to July 2021, the Bond Committee met over the course of four meetings to receive information from staff and its advisors, review information about potential projects, and review feedback from residents. City staff hosted six virtual meetings for residents to ask questions about the Bond 2021 process and a dedicated email account was created for residents to provide input. In May 2021, a survey was sent to residents on Bailey Road asking for feedback on road conditions; the City received a 59% response rate through mail and online. These outreach methods were continually promoted on City social media platforms and publications.

In July 2021, City Council was presented with the Bond 2021 Committee's recommendation during a workshop meeting. In August 2021, the City Council discussed the following potential bond projects: Sachse Road (Miles Road to the city limits), Bailey-Hooper Road, Williford Road, West Creek Road, a neighborhood residential streets package, and the Sachse Animal Shelter. City Council approved an ordinance ordering a Bond Election to be held on November 2, 2021, which resulted in passage of all the projects.

In June 2021, the Parks and Recreation department applied to the Collin County Parks and Open Space Project Funding Assistance Program seeking funding in the amount of $200,000 for the following items at J.K. Sachse Park: construction of approximately 20,340 square feet of new, reinforced concrete trail, associated installation costs of the trail (clearing, earthwork, fine grading, sod), and trail furnishings – benches and trash receptacles. In addition to the trails, the City is proposing other amenities to be constructed in the park as part of a multi-year, multi-phase project, including: restroom facility, open air pavilion and shade structure, splash pad, sand volleyball courts, food truck parking, inclusive playground, open play lawn, pickleball courts and outdoor games, and ornamental grass maze. Along with any grant funds awarded, the improvements to J.K. Sachse Park includes a joint effort between the City of Sachse and the Sachse Municipal Development District (MDD).

The Station, Sachse's signature $250 million mixed-use development along the President George Bush Turnpike, continues to be the cornerstone of brand-new quality development for the City. Development activity has exceeded expectations and initial projections, with initial phases of residential and commercial nearing completion. Two new sit-down restaurants have been announced, The Brass Tap Craft Beer Bar and Manny's Tex-Mex Restaurant. Along with several other restaurant and retail locations, Trinity Regional Hospital Sachse, completed their construction project and held a ribbon cutting for their new facility in September 2021. This not-for-profit, 32-bed, community-focused acute care hospital provides a 24/7 emergency room, surgical services, inpatient care, imaging and radiology, digestive health services, and heart and vascular services to Sachse and surrounding communities. Trinity Regional currently has permit values of $12 million and The Station has $521 million in total value.

Since the beginning of 2020, Sachse Road and 5th Street have transformed from two-lane asphalt roads into new four-lane divided roadways. Roadway pavement, water and sewer lines, stormwater drainage systems, irrigation and landscaping have all been installed and are reaching final completion. This successful project has been a great demonstration of cooperation between the City of Sachse and Dallas County. To-date the City has spent approximately $2.7 million dollars on this project.

In June 2021, the City approved the final plat for the development of Ranch Park Village Phase 2, and began issuing building permits for residential homes. This community is right off TX-78 and will have 115 energy-efficient, single-family homes upon build-out. Ranch Park Village is close to the greenbelt and offers amenities including, access to various surrounding restaurants and businesses, and a neighborhood park.

In 2020, a Canadian firm, Evolve Biologics Inc. ("Evolve"), approached the City regarding a site location for their first manufacturing company in North Texas. Evolve is an innovative plasma-derived therapeutics company, and this new state-of-the-art facility will be the first to use Evolve's innovative and proprietary technology, PlasmaCap EBA®, to commercially produce plasma-derived therapeutics, initially Intravenous Immunoglobulin (IVIG) and Human Serum Albumin (HSA). The facility will be over 200,000 sq. ft. and will initially have production capacity to process one million liters of plasma annually, with a planned expansion to two million liters. Evolve expects to hire approximately 300 new employees to work in the facility over the next three years, bringing a new work force to the city of Sachse.

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, 2020. This was the twenty-second 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 2020-2021 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the eighth consecutive year the City's Budget has been so recognized. The 2021-2022 Fiscal Year Budget will also be submitted for consideration.

Acknowledgements – Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to representatives of BrooksWatson & 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	Berna Fitzpatrick-Walker, CGFO
City Manager	Director of Finance	Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sachse
Texas

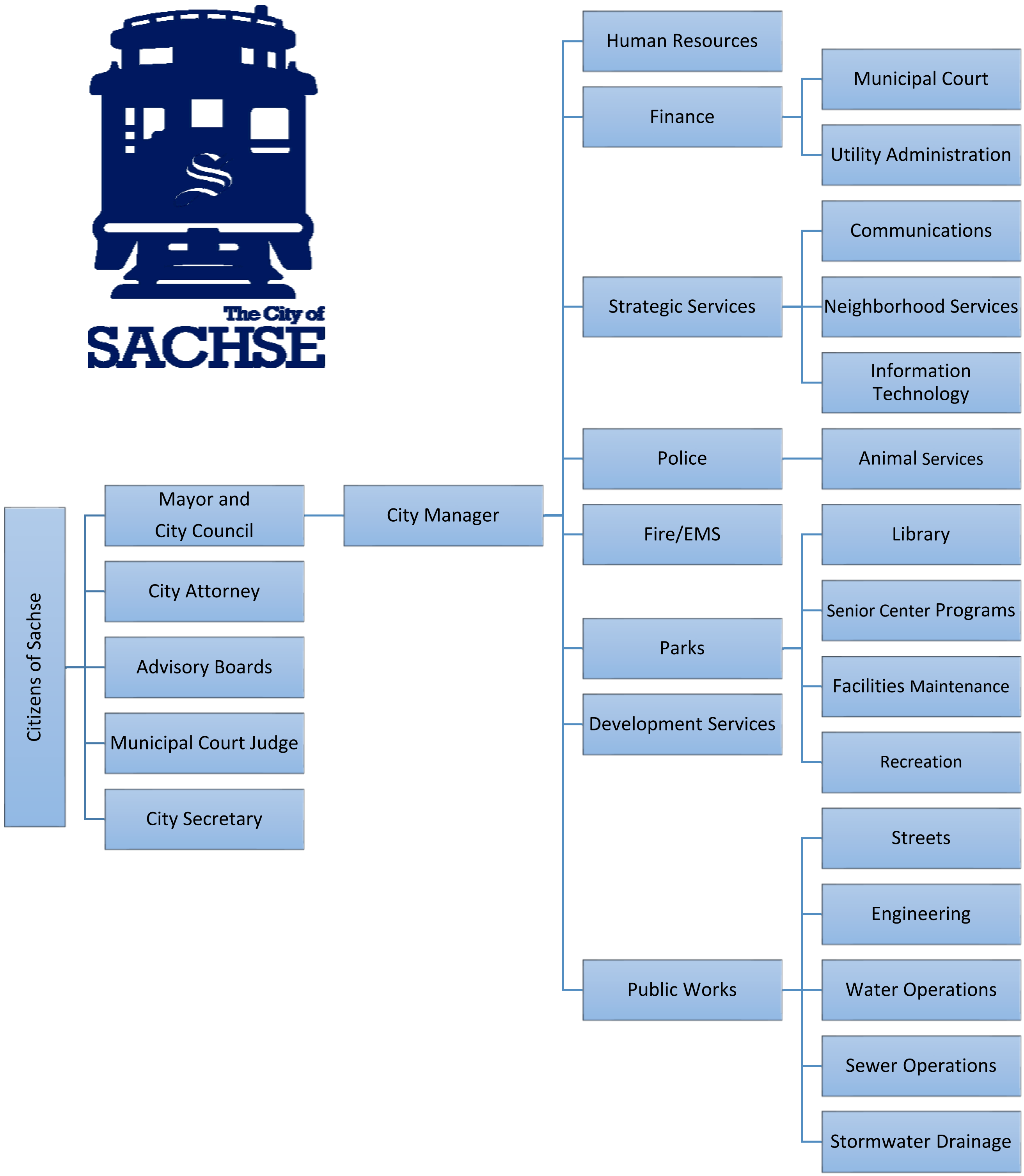
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

ORGANIZATION CHART



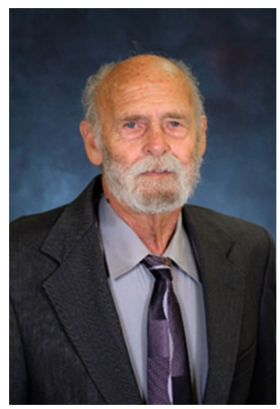
CITY OF SACHSE, TEXAS

CITY COUNCIL MEMBERS

Mayor
Mike Felix

Place One
Councilmember
Brett Franks

Place Two
Councilmember
Michelle Howarth



Place Three
Councilmember
Frank Millsap

Place Four
Councilmember
Chance Lindsey

Place Five
Councilmember
Cullen King

Place Six
Mayor Pro Tem
Jeff Bickerstaff

CITY OF SACHSE, TEXAS

Management Staff

City Manager	Gina Nash
Interim 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 Financial Statements

We have audited the accompanying 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 (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

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of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above 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, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.F to the financial statements, the City restated its beginning net position in governmental activities due to a correction to capital asset balances in the prior year. 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 it.

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
February 17, 2022

The City of

SACHSE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of
SACHSE

City of Sachse, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

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, 2021. 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, 2021 by $142,065,499. Of this amount, $25,396,892 (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 $17,392,268. 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 $39,858,861 at September 30, 2021, an increase of $9,292,848 from the prior fiscal year; this includes an increase of $2,606,021 in the general fund, an increase of $198,664 in the debt service fund, an increase of $343,818 in the capital projects fund, an increase of $2,745,917 in the impact fee fund, an increase of $396,528 in the tax increment reinvestment zones, and an increase of $3,001,900 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $12,704,756 or 71% of total general fund expenditures.

- The City's total long-term bonds and tax notes reflected a net decrease (including premiums/discounts) of $1,611,023. The total governmental bonds payable at the close of the fiscal year was $37,390,000. Self-supporting debt of the proprietary fund was $11,925,000.

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, culture and recreation, and community development. The business-type activities of the City include water and sewer 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 eight 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, and ARPA funds are considered nonmajor for reporting purposes.

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

<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 water and sewer 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 water and sewer 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 and the Station Reinvestment Zone are reported as blended component units and are presented as one major fund, the tax increment reinvestment funds.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Sachse, assets and deferred outflows exceeded liabilities and deferred inflows by $142,065,499 as of September 30, 2021 in the primary government.

The largest portion of the City's net position, $94,347,193, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Total current assets as of September 30, 2021 and September 30, 2020 were $63,671,851 and $54,448,263, respectively. The increase of $9,223,588 was primarily due to greater cash on hand resulting primarily from local development causing an increase in revenues such as property taxes, sales taxes and impact fees, in addition to the American Rescue Plan Grant funds received near year end.

Total capital assets as of September 30, 2021 and September 30, 2020 were $137,995,665 and $132,426,151, respectively. The increase of $5,569,514 was primarily attributable to capital contributions received totaling $2,498,707 for streets and drainage infrastructure and $1,427,866 for water and sewer infrastructure, in addition to various other capital additions for ongoing capital projects.

Total other liabilities as of September 30, 2021 and September 30, 2020 were $7,708,000 and $7,093,638, respectively. The increase of $614,362 was primarily due to the timing of capital projects resulting in greater payable balances owed at the end of the current year.

Total long-term liabilities as of September 30, 2021 and September 30, 2020 were $54,129,914 and $57,535,676, respectively. The decrease of $3,405,762 was a direct result of principal payments made during the year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

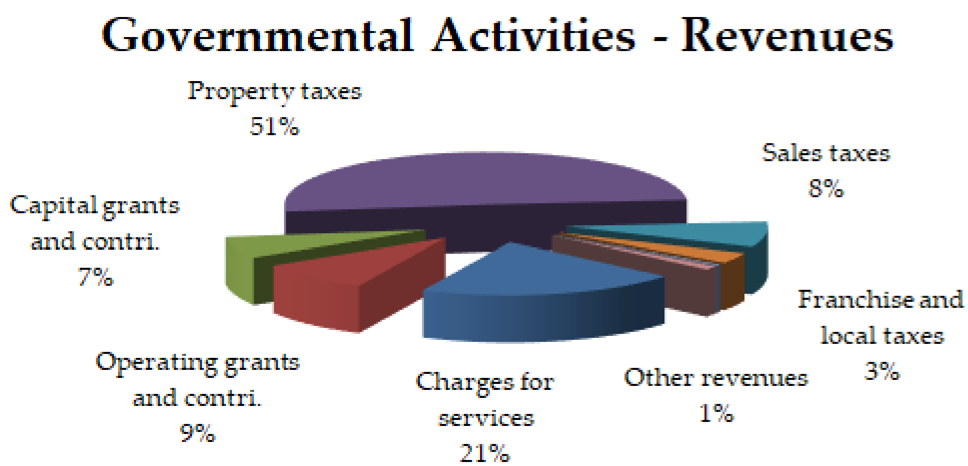
	2021			2020		
	Governmental Activities	**Business-Type Activities**	**Total**	**Governmental Activities**	**Business-Type Activities**	**Total**
Current and other assets	$ 44,115,398	$ 19,556,453	$ 63,671,851	$ 35,533,142	$ 18,915,121	$ 54,448,263
Capital assets, net	101,114,190	36,881,475	137,995,665	96,241,115	36,185,036	132,426,151
Total Assets	145,229,588	56,437,928	201,667,516	131,774,257	55,100,157	186,874,414
Total Deferred Outflows	3,162,677	124,802	3,287,479	3,300,911	124,544	3,425,455
Other liabilities	6,405,064	1,302,936	7,708,000	5,374,661	1,718,977	7,093,638
Long-term liabilities	41,865,993	12,263,921	54,129,914	44,852,195	12,683,481	57,535,676
Total Liabilities	48,271,057	13,566,857	61,837,914	50,226,856	14,402,458	64,629,314
Total Deferred Inflows	977,971	73,611	1,051,582	927,511	69,813	997,324
Net Position:						
Net investment in capital assets	67,797,822	26,549,371	94,347,193	64,921,091	25,534,424	90,455,515
Restricted	22,321,414	-	22,321,414	12,971,959	-	12,971,959
Unrestricted	9,024,001	16,372,891	25,396,892	6,027,751	15,218,006	21,245,757
Total Net Position	$ 99,143,237	$ 42,922,262	$ 142,065,499	$ 83,920,801	$ 40,752,430	$ 124,673,231

Statement of Activities:

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

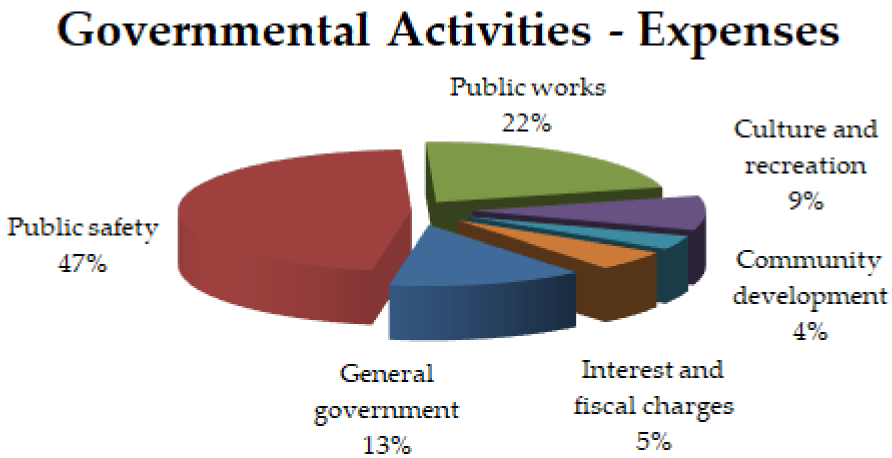
	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 4,459,124	$ 13,640,879	$ 18,100,003	$ 2,805,327	$ 13,190,213	$ 15,995,540
Operating grants and contributions	219,956	-	219,956	2,240,037	-	2,240,037
Capital grants and contributions	9,114,448	1,427,866	10,542,314	7,163,304	1,385,442	8,548,746
General revenues:						
Property taxes	19,000,362	-	19,000,362	17,833,325	-	17,833,325
Sales taxes	2,912,059	-	2,912,059	2,499,558	-	2,499,558
Franchise and local taxes	1,230,003	-	1,230,003	1,206,420	-	1,206,420
Investment income	131,549	86,856	218,405	354,679	176,844	531,523
Other revenues	439,208	-	439,208	741,095	-	741,095
Total Revenues	37,506,709	15,155,601	52,662,310	34,843,745	14,752,499	49,596,244
Expenses						
General government	3,335,835	-	3,335,835	3,342,715	-	3,342,715
Public safety	11,477,436	-	11,477,436	11,201,666	-	11,201,666
Public works	5,353,283	-	5,353,283	5,704,485	-	5,704,485
Culture and recreation	2,269,214	-	2,269,214	2,333,491	-	2,333,491
Community development	892,271	-	892,271	715,773	-	715,773
Interest and fiscal charges	1,315,797	378,861	1,694,658	1,347,849	390,811	1,738,660
Water & Sewer	-	10,247,345	10,247,345	-	9,517,029	9,517,029
Total Expenses	24,643,836	10,626,206	35,270,042	24,645,979	9,907,840	34,553,819
Change in Net Position Before Transfers	12,862,873	4,529,395	17,392,268	10,197,766	4,844,659	15,042,425
Transfers	2,359,563	(2,359,563)	-	1,437,917	(1,437,917)	-
Total	2,359,563	(2,359,563)	-	1,437,917	(1,437,917)	-
Change in Net Position	15,222,436	2,169,832	17,392,268	11,635,683	3,406,742	15,042,425
Beginning Net Position	83,920,801	40,752,430	124,673,231	72,285,118	37,345,688	109,630,806
Ending Net Position	$ 99,143,237	$ 42,922,262	$ 142,065,499	$ 83,920,801	$ 40,752,430	$ 124,673,231

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



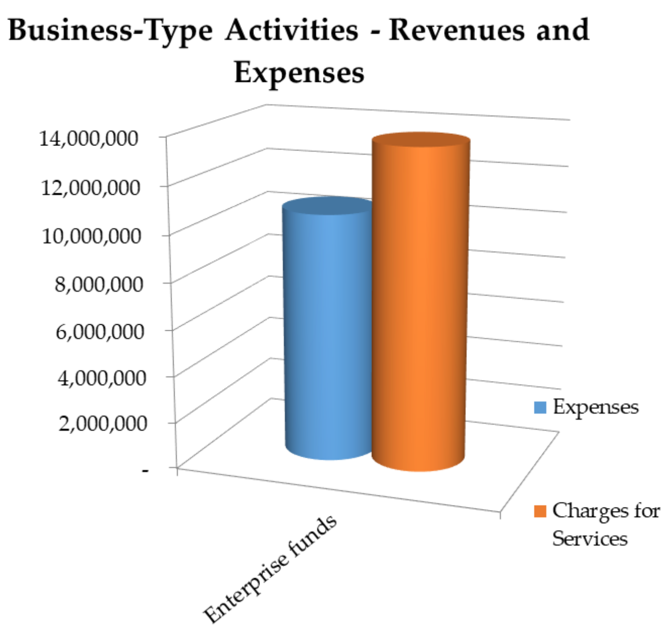
For the year ended September 30, 2021, revenues from governmental activities totaled $37,506,709. Property taxes and charges for services are the City's largest general revenue sources. Overall revenue increased $2,662,964 or 8%. Operating grants and contributions decreased by $2,020,081 primarily due to nonrecurring CARES Act grant funding received in the prior year to reimburse expenditures relating to COVID-19. Capital grants and contributions increased by $1,951,144 due to additional capital contributions from local developers received, in addition to American Rescue Plan Act funds received and to be used for eligible capital improvements per the Coronavirus Local Fiscal Recovery Funds. Property tax revenue increased $1,167,037 or 7% due to an increase in property values and a growing tax base. Sales tax increased by $412,501 or 17% due to continued economic growth within the City. Charges for services increased by $1,653,797 or 59%, primarily from an increase in construction-related permits and plan review fees compared to prior year. Investment income decreased by $223,130 or 63% due primarily to the utilization of interest-bearing cash balances and realization of lower interest rates. Other revenues decreased by $301,887 primarily as a result of nonrecurring gains recognized from the sale of capital assets in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2021, expenses for governmental activities totaled $24,643,836. This represents a slight decrease of $2,143 from the prior year. The City's largest functional expense is public safety of $11,477,436, a 2% increase from prior year, which is considered relatively consistent. Public works expenses decreased by $351,202 or 6% primarily due to a reduction in street department personnel costs and nonrecurring street maintenance expenses incurred in the prior year. Community development increased by $176,498 or 25% primarily due to a greater salaries and benefit expenses and increased inspection fees for the PMB Station district. 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, 2021, charges for services by business-type activities totaled $13,640,879. This is an increase of $450,666 or 3% from the previous year. This increase directly relates to the City increasing its base rate for sewer services by 5% on October 1, 2020.

Total expenses increased $718,366 to a total of $10,626,206, due primarily to an increased volume of wastewater treated by the City of Garland, Texas, the City's wastewater treatment provider. In addition, annual depreciation expenses increased compared by $406,606 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, 2021, the City's governmental funds reported combined fund balances of $39,858,861, an increase of $9,292,848 in comparison with the prior year. Approximately 30% of this amount, $11,899,247, 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, $94,036, 2) assigned for particular purpose, $877,760, or 3) restricted for particular purposes, $26,987,818.

As of the end of the year the general fund reflected a total fund balance of $12,798,792. Of this, $94,036 is considered nonspendable and $12,704,756 is unassigned. The general fund balance increased by $2,606,021 compared to the budgeted decrease of $1,304,167. The fund's increase was primarily due to greater than anticipated revenues and 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 72% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $12,704,756 is 71% of total general fund expenditures.

The debt service fund had an ending fund balance of $1,089,344 at September 30, 2021, an increase of $198,664. The increase was a result of greater than anticipated revenues and less than anticipated expenditures.

The capital projects fund had an ending fund balance of $14,875,052, an increase of $343,818. The increase is primarily due to City Council approving transfers totaling $6,931,933 from various funds. During the year, the City expended $7,153,972 on various projects, utilizing funds designated for capital projects. 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 $5,881,265, an increase of $2,745,917. The increase is primarily a result of continued local commercial and residential development resulting in development fees received in the current year.

The tax increment reinvestment zones (includes two funds) are used to track property tax collected for development. During the year, the funds received $229,112 in property taxes and $170,883 in developer contributions. The combined fund balance increased by $396,528 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 water and sewer 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 water and sewer fund totaled $42,922,262. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to $16,372,891. Total net position increased $2,169,832. The fund had a net investment in capital assets of $26,549,371. The City operates and maintains a water and sewer distribution system with force mains and lift stations. The City has seven water storage facilities with a total capacity of approximately 8.15 million gallons. The following are additional comments regarding operations of the enterprise fund:

- The City received capital contributions of $1,427,866 consisting of water and sewer infrastructure.
- Operational expenses excluding depreciation and amortization were $7,984,734.
- Cash and cash equivalents in the water and sewer fund were $8,159,903 at fiscal year end.
- Restricted cash in the water and sewer fund were $2,345,652 at fiscal year end.
- Investments in the water and sewer fund were $7,058,973 at fiscal year end.

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 water and sewer 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 $716,302 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments approved during the fiscal year. Total original budgeted expenditures increased by $200,000 (community development) when preparing the final budget, for inspection fees of PMB Station. Total final budgeted revenues remained consistent with original budgeted revenue.

Original budgeted transfers out increased by $762,500 when preparing the final budget for new capital projects. There was a positive variance of $2,973,905 over budgeted general fund revenues.
The following are additional comments regarding appropriations:

- There was a total positive variance of $916,554 in budgeted expenditure appropriations.
- $3,890,459 is the budget surplus of revenues over expenditures before other financing sources (uses).
- There was an actual net positive change in fund balance of $2,606,021.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $101,114,190 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $36,881,475 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 $3,891,678, net of depreciation.

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

- Contribution of street and drainage infrastructure assets by developers for governmental activities totaling $2,498,707.
- Purchase of new vehicles for governmental activities totaling $153,338.
- Investment in new machinery and equipment for governmental activities amounting to $240,964.
- Contribution of water and sewer system infrastructure assets by developers totaling $1,427,866.
- Purchase of new water meters for business-type activities totaling $127,102.

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

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations of $49,315,000. Of this amount, $11,925,000 is self-supporting through revenues collected from the rates of the City's utility fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions. More detailed information about the City's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2021-2022 Fiscal Year Budget was approved by City Council on September 7, 2021. The tax rate adopted that same day was $70 per $100 assessed value, a decrease of almost 2 cents from the previous year. There was an increase in taxable values of $272 million (10.5%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of $431,457 to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by $1,269,462 to a total of $22,720,461. Budgeted expenditures increased by $652,193 over the original 2020-2021 budget to a total of $22,156,016.

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 5% increase to sewer base and volume charges, while water charges remained unchanged. Utility rates will be reviewed annually during the budget process. Budgeted revenues increased $958,800 to an estimated $14,052,000, and expenditures decreased by $675,071.

The City's capital budget includes $5,706,000 in new 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 amount budgeted includes $650,000 from the General Fund, $1,627,000 from the Utility Fund, $530,000 in Street Maintenance Taxes, $1,449,000 in Municipal Development District Taxes, $150,000 in Drainage revenues, and $1,300,000 from Impact Fees. Projects include additional alley rehabilitation, extension of the four-lane portion of Hudson Drive, construction of Phase 1 of Ranch Park Village Park, which has been re-named J.K. Sachse Park. Utility Fund projects include expansion of a lift station in the Sable Hills development, a new generator at the Public Works pump station, and replacement of an 8-inch sewer main on Anthony Lane.

City Council approved placing a General Obligation Bond election on the November 2021 ballot. There were four ballot initiatives totaling just over $54 million. On November 2nd, voters approved all four items: 1) expansion and improvement of Sachse Road from Miles Road to the city limits; 2) rebuild and improve Bailey-Hooper Roads, Williford Road, and West Creek Lane; 3) rebuild and improve an assortment of residential streets and related infrastructure, and 4) design and construct an Animal Shelter.

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.

FINANCIAL STATEMENTS

City of Sachse, Texas

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 33,113,511	$ 8,159,903	$ 41,273,414
Restricted cash	-	2,345,652	2,345,652
Investments	10,058,838	7,058,973	17,117,811
Receivables, net	1,127,334	1,691,753	2,819,087
Inventory	-	20,661	20,661
Prepaids	94,036	1,190	95,226
Assets held for sale	-	-	-
Total Current Assets	44,393,719	19,278,132	63,671,851
Internal advances	(278,321)	278,321	-
Advances to primary government	-	-	-
Capital assets:			
Non-depreciable	20,547,461	2,142,240	22,689,701
Net depreciable capital assets	80,566,729	34,739,235	115,305,964
Noncurrent Assets	100,835,869	37,159,796	137,995,665
Total Assets	145,229,588	56,437,928	201,667,516
Deferred Outflows of Resources			
Pension contributions	1,061,655	79,909	1,141,564
Pension changes in assumptions	29,910	2,251	32,161
OPEB contributions	4,348	327	4,675
OPEB changes in assumptions	103,698	7,805	111,503
Deferred charge on refunding	1,963,066	34,510	1,997,576
Total Deferred Outflows of Resources	$ 3,162,677	$ 124,802	$ 3,287,479

Component Units	
Sachse EDC	Sachse MDD
$ 2,847,712	$ 1,004,369
-	-
-	-
205,150	99,023
-	-
-	-
2,197,982	-
5,250,844	1,103,392
-	-
594,902	-
-	-
-	-
594,902	-
5,845,746	1,103,392
-	-
-	-
-	-
-	-
-	-
$ -	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Continued)

September 30, 2021

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 2,652,488	$ 526,926	$ 3,179,414
Accrued interest payable	160,185	49,964	210,149
Customer deposits	-	293,080	293,080
Compensated absences, current	762,391	52,966	815,357
Long term debt due within one year	2,830,000	380,000	3,210,000
Current Liabilities	6,405,064	1,302,936	7,708,000
Noncurrent liabilities:			
Advances from component unit	594,902	-	594,902
Compensated absences, noncurrent	84,710	5,885	90,595
Long-term debt due in more than one year	36,631,087	11,915,164	48,546,251
OPEB liability	480,193	36,144	516,337
Net pension liability	4,075,101	306,728	4,381,829
Noncurrent Liabilities	41,865,993	12,263,921	54,129,914
Total Liabilities	48,271,057	13,566,857	61,837,914
Deferred Inflows of Resources			
Pension investment returns	833,827	62,761	896,588
Pension differences in experience	134,286	10,108	144,394
OPEB difference in experience	9,858	742	10,600
Total Deferred Inflows of Resources	977,971	73,611	1,051,582
Net Position			
Net investment in capital assets	67,797,822	26,549,371	94,347,193
Restricted for:			
Debt service	1,089,344	-	1,089,344
Capital improvements	16,734,586	-	16,734,586
Municipal court	388,308	-	388,308
Street maintenance	882,232	-	882,232
Grants	3,226,944	-	3,226,944
Economic development	-	-	-
Municipal development	-	-	-
Unrestricted	9,024,001	16,372,891	25,396,892
Total Net Position	$ 99,143,237	$ 42,922,262	$ 142,065,499

See Notes to Financial Statements.

Component Units	
Sachse EDC	Sachse MDD
$ 17,136	$ 2,576
-	-
-	-
6,685	-
-	-
23,821	2,576
-	-
743	-
-	-
-	-
-	-
743	-
24,564	2,576
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
5,821,182	-
-	1,100,816
-	-
$ 5,821,182	$ 1,100,816

City of Sachse, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 3,335,835	$ 11,320	$ -	$ -
Public safety	11,477,436	1,263,222	-	3,226,916
Public works	5,353,283	2,935,326	-	2,498,707
Culture and recreation	2,269,214	-	9,430	-
Community development	892,271	249,256	210,526	3,388,825
Interest and fiscal charges	1,315,797	-	-	-
Total Governmental Activities	24,643,836	4,459,124	219,956	9,114,448
Business-Type Activities				
Water	7,524,463	8,185,716	-	796,388
Sewer	3,101,743	5,455,163	-	631,478
Total Business-Type Activities	10,626,206	13,640,879	-	1,427,866
Total Primary Government	$ 35,270,042	$ 18,100,003	$ 219,956	10,542,314
Component Unit				
Sachse Economic Development Corporation	$ 567,392	$ -	$ -	$ -
Municipal Development District	140,010	-	-	-
Total Component Units	$ 707,402	-	$ -	$ -

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Sachse EDC	Sachse MDD
$ (3,324,515)	$ -	$ (3,324,515)	$ -	$ -
(6,987,298)	-	(6,987,298)	-	-
80,750	-	80,750	-	-
(2,259,784)	-	(2,259,784)	-	-
2,956,336	-	2,956,336	-	-
(1,315,797)	-	(1,315,797)	-	-
(10,850,308)	-	(10,850,308)	-	-
-	1,457,641	1,457,641	-	-
-	2,984,898	2,984,898	-	-
-	4,442,539	4,442,539	-	-
(10,850,308)	4,442,539	(6,407,769)	-	-
			(567,392)	-
			-	(140,010)
			(567,392)	(140,010)
19,000,362	-	19,000,362	-	-
2,912,059	-	2,912,059	1,153,321	552,299
1,230,003	-	1,230,003	-	-
131,549	86,856	218,405	6,159	2,084
439,208	-	439,208	17,800	-
2,359,563	(2,359,563)	-	-	-
26,072,744	(2,272,707)	23,800,037	1,177,280	554,383
15,222,436	2,169,832	17,392,268	609,888	414,373
83,920,801	40,752,430	124,673,231	5,211,294	686,443
$ 99,143,237	$ 42,922,262	$ 142,065,499	$ 5,821,182	$ 1,100,816

City of Sachse, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	Capital Projects	Impact Fee
Assets				
Cash and cash equivalents	$ 7,008,692	$ 1,088,682	$ 12,342,723	$ 5,709,058
Investments	6,041,129	-	3,017,079	1,000,630
Receivables, net	974,447	43,273	-	-
Prepaids	94,036	-	-	-
Total Assets	$ 14,118,304	$ 1,131,955	$ 15,359,802	$ 6,709,688
Liabilities				
Accounts payable and accrued liabilities	$ 1,069,278	$ -	$ 484,750	$ 828,423
Advances from other funds	-	-	-	-
Advances from component unit	-	-	-	-
Total Liabilities	1,069,278	-	484,750	828,423
Deferred Inflows of Resources				
Unavailable revenue -				
Property taxes	117,032	42,611	-	-
Fines receivable, net	4,959	-	-	-
Ambulance	128,243	-	-	-
Total Deferred Inflows	250,234	42,611	-	-
Fund Balances				
Nonspendable for:				
Prepaids	94,036	-	-	-
Restricted for:				
Debt service	-	1,089,344	-	-
Capital improvements	-	-	13,997,292	5,881,265
Municipal court	-	-	-	-
Street maintenance	-	-	-	-
Grants	-	-	-	-
Assigned for:				
Vehicle replacement	-	-	877,760	-
Unassigned	12,704,756	-	-	-
Total Fund Balances	12,798,792	1,089,344	14,875,052	5,881,265
Total Liabilities, Deferred Inflows, and Fund Balances	$ 14,118,304	$ 1,131,955	$ 15,359,802	$ 6,709,688

See Notes to Financial Statements.

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
$ 67,714	$ 6,043,252	$ 32,260,121
-	-	10,058,838
-	109,614	1,127,334
-	-	94,036
$ 67,714	$ 6,152,866	$ 43,540,329
$ -	$ 132,949	$ 2,515,400
278,321	-	278,321
594,902	-	594,902
873,223	132,949	3,388,623
-	-	159,643
-	-	4,959
-	-	128,243
-	-	292,845
-	-	94,036
-	-	1,089,344
-	1,522,433	21,400,990
-	388,308	388,308
-	882,232	882,232
-	3,226,944	3,226,944
-	-	877,760
(805,509)	-	11,899,247
(805,509)	6,019,917	39,858,861
$ 67,714	$ 6,152,866	$ 43,540,329

The City of
SACHSE

City of Sachse, Texas

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

September 30, 2021

Fund Balances - Total Governmental Funds	$	39,858,861
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		20,547,461
Capital assets - net depreciable		80,566,729
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		159,643
Fines receivable		4,959
Ambulance receivables		128,243
Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflows) of resources (expense/expenditure)/(revenue) until then.		
Deferred charge on refunding		1,963,066
Pension contributions		1,061,655
OPEB contributions		4,348
Pension changes in assumptions		29,910
Pension investment returns		(833,827)
Pension differences in experience		(134,286)
OPEB assumption changes		103,698
OPEB difference in experience		(9,858)
Internal service funds are used by management to charge the cost of insurance to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		716,302
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(160,185)
Bond premium		(2,071,087)
Compensated absences		(847,101)
Non-current liabilities due in one year		(2,830,000)
Non-current liabilities due in more than one year		(34,560,000)
Net pension liability		(4,075,101)
OPEB liability		(480,193)
Net Position of Governmental Activities	$	99,143,237

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Impact Fee
Revenues				
Property tax	$ 13,672,966	$ 5,130,473	$ -	$ -
Sales tax	2,335,197	-	-	-
Franchise and local taxes	1,202,802	-	-	-
License, permits and fees	3,678,567	-	-	-
Intergovernmental	463,822	-	210,526	-
Grants and donations	5,660	-	-	-
Fines and forfeitures	205,332	-	-	-
Impact and development fees	-	-	-	3,386,625
Investment income	54,528	4,015	55,471	10,934
Contributions and donations	-	-	-	-
Other revenue	86,559	-	299,860	-
Total Revenues	21,705,433	5,134,488	565,857	3,397,559
Expenditures				
Current:				
General government	2,834,480	-	-	-
Public safety	9,932,766	-	-	-
Public works	2,023,237	-	-	1,858
Culture and recreation	1,681,738	-	-	-
Community development	886,903	-	-	-
Nondepartmental	375,683	-	-	-
Debt Service:				
Principal	-	3,655,000	-	-
Interest and fiscal charges	-	1,280,824	-	-
Bond issuance costs	-	49,775	-	-
Capital outlay	89,240	-	7,153,972	184,404
Total Expenditures	17,824,047	4,985,599	7,153,972	186,262

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
$ 229,112	$ -	$ 19,032,551
-	576,862	2,912,059
-	27,201	1,230,003
-	-	3,678,567
-	3,497,407	4,171,755
-	3,770	9,430
-	44,257	249,589
-	2,200	3,388,825
69	6,532	131,549
170,883	-	170,883
-	-	386,419
400,064	4,158,229	35,361,630
3,536	-	2,838,016
-	860,505	10,793,271
-	-	2,025,095
-	-	1,681,738
-	-	886,903
-	-	375,683
-	-	3,655,000
-	-	1,280,824
-	-	49,775
-	49,424	7,477,040
3,536	909,929	31,063,345

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Impact Fee
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 3,881,386	$ 148,889	$ (6,588,115)	$ 3,211,297
Other Financing Sources (Uses)				
Transfers in	1,939,563	-	6,931,933	-
Transfers (out)	(3,214,928)	(2,585,225)	-	(465,380)
Issuance of debt	-	2,635,000	-	-
Total Other Financing Sources (Uses)	(1,275,365)	49,775	6,931,933	(465,380)
Net Change in Fund Balances	2,606,021	198,664	343,818	2,745,917
Beginning fund balances	10,192,771	890,680	14,531,234	3,135,348
Ending Fund Balances (Deficit)	$ 12,798,792	$ 1,089,344	$ 14,875,052	$ 5,881,265

See Notes to Financial Statements.

Tax Increment Reinvestment Zones		Nonmajor Governmental Funds		Total Governmental Funds
$	396,528	$ 3,248,300	$	4,298,285
	-	-		8,871,496
	-	(246,400)		(6,511,933)
	-	-		2,635,000
	-	(246,400)		4,994,563
	396,528	3,001,900		9,292,848
	(1,202,037)	3,018,017		30,566,013
$	(805,509)	$ 6,019,917	$	39,858,861

The City of
SACHSE

City of Sachse, Texas

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

For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	$	9,292,848
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		7,788,488
Depreciation expense		(5,296,026)
Capital contributions		2,498,707
Adjustment for disposal of capital assets		(118,094)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(235,534)
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		(79,155)
Accrued interest		5,154
Pension expense		207,239
OPEB expense		(50,429)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of debt		(2,635,000)
Amortization of debt discount		(1,264)
Amortization of debt premium		198,447
Amortization of deferred charge on refunding		(187,535)
Principal payments on long-term debt		3,655,000
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.		179,590
Change in Net Position of Governmental Activities	$	15,222,436

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2021

	Business-type Activities	Governmental Activities
Assets	**Water & Sewer**	**Internal Service Fund**
Current Assets		
Cash and cash equivalents	$ 8,159,903	$ 853,390
Restricted cash	2,345,652	-
Investments	7,058,973	-
Receivables, net	1,691,753	-
Prepaid items	1,190	-
Inventory	20,661	-
Total Current Assets	19,278,132	853,390
Noncurrent Assets		
Advances to other funds	278,321	-
Capital assets:		
Non-depreciable	2,142,240	-
Net depreciable capital assets	34,739,235	-
Total Noncurrent Assets	37,159,796	-
Total Assets	56,437,928	853,390
Deferred Outflows of Resources		
Pension contributions	79,909	-
Pension changes in assumptions	2,251	-
OPEB contributions	327	-
OPEB assumption changes	7,805	-
Deferred charge on refunding	34,510	-
Total Deferred Outflows	$ 124,802	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Continued)

PROPRIETARY FUNDS

September 30, 2021

	Business-type Activities	Governmental Activities
	Water & Sewer	**Internal Service Fund**
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 526,926	$ 137,088
Accrued interest	49,964	-
Customer deposits	293,080	-
Compensated absences - current	52,966	-
Bonds payable - current	380,000	-
Total Current Liabilities	1,302,936	137,088
Noncurrent Liabilities		
Compensated absences, noncurrent	5,885	-
Bonds payable - noncurrent	11,915,164	-
OPEB liability	36,144	-
Net pension liability	306,728	-
Total Noncurrent Liabilities	12,263,921	-
Total Liabilities	13,566,857	137,088
Deferred Inflows of Resources		
Pension differences in experience	10,108	-
Pension investment returns	62,761	-
OPEB difference in experience	742	-
Total Deferred Inflows	73,611	-
Net Position		
Net investment in capital assets	26,549,371	-
Unrestricted	16,372,891	716,302
Total Net Position	$ 42,922,262	$ 716,302

See Notes to Financial Statements.

The City of
SACHSE

City of Sachse, Texas

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

For the Year Ended September 30, 2021

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Operating Revenues		
Water revenue	$ 7,533,933	$ -
Sewer revenue	5,455,163	-
Connection and tap charges	275,488	-
Benefit management	-	1,611,307
Other revenue	376,295	-
Total Operating Revenues	13,640,879	1,611,307
Operating Expenses		
Administration	313,226	-
Personnel	740,739	1,433,326
Cost of water operations	4,416,698	-
Cost of sewer operations	2,514,071	-
Depreciation	2,262,611	-
Total Operating Expenses	10,247,345	1,433,326
Operating Income	3,393,534	177,981
Nonoperating Revenues (Expenses)		
Investment income	86,856	1,609
Interest expense	(378,861)	-
Total Nonoperating Revenues (Expenses)	(292,005)	1,609
Income Before Capital Contributions and Transfers	3,101,529	179,590
Contributed capital	1,427,866	-
Transfers (out)	(2,359,563)	-
Change in Net Position	2,169,832	179,590
Beginning net position	40,752,430	536,712
Ending Net Position	$ 42,922,262	$ 716,302

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, 2021

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 13,396,235	$ -
Receipts from interfund charges for benefit management	-	1,611,307
Payments to suppliers	(7,332,184)	(1,377,698)
Payments to employees	(1,054,061)	-
Net Cash Provided (Used) by Operating Activities	5,009,990	233,609
Cash Flows from Noncapital Financing Activities		
Transfers (out)	(2,359,563)	-
Net Cash (Used for) Noncapital Financing Activities	(2,359,563)	-
Cash Flows from Capital and Related Financing Activities		
Capital purchases	(1,531,184)	-
Principal paid on debt	(365,000)	-
Interest paid on debt	(405,763)	-
Net Cash (Used for) Capital and Related Financing Activities	(2,301,947)	-
Cash Flows from Investing Activities		
Purchase of investments	1,999,601	-
Interest on investments	86,856	1,609
Net Cash Provided (Used) by Investing Activities	2,086,457	1,609
Net (Decrease) Increase in Cash and Cash Equivalents	2,434,937	235,218
Beginning cash and cash equivalents	8,070,618	618,172
Ending Cash and Cash Equivalents	$ 10,505,555	$ 853,390

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, 2021

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 3,393,534	$ 177,981
Adjustments to reconcile operating income to net cash provided:		
Depreciation	2,262,611	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(295,179)	-
Inventory	10,653	-
Prepaids	(435)	-
Advances	78,965	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(490,598)	55,628
Compensated absences	11,705	-
Customer deposits	50,535	-
Deferred outflows - pension liability	134	-
Deferred outflows - OPEB liability	(3,843)	-
Deferred inflows - pension liability	3,589	-
Deferred inflows - OPEB liability	209	-
OPEB liability	7,431	-
Net pension liability	(19,321)	-
Net Cash Provided (Used) by Operating Activities	$ 5,009,990	$ 233,609

Schedule of Noncash Capital and Related Financing Activities:		
Developer asset contributions	$ 1,427,866	$ -
	$ 1,427,866	$ -

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

September 30, 2021

		PID No. 1
Assets		
Cash and cash equivalents	$	5,008,958
Special Assessment Receivable		15,240,000
Total Assets		20,248,958
Liabilities		
Accounts payable		411
Long-term debt		15,240,000
Total Liabilities		15,240,411
Net Position		
Restricted for public improvement district		5,008,547
Total Net Position	$	5,008,547

City of Sachse, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

For the Year Ended September 30, 2021

		PID No. 1
Additions		
Property owner assessments	$	15,240,000
Impact fee recoveries		804,546
Investment earnings		3,167
Total Additions		16,047,713
Deductions		
Payment to developer		9,855,613
Administrative expenses		108,964
Bond issuance costs		462,450
Interest expenses		612,139
Total Deductions		11,039,166
Change in Net Position		5,008,547
Beginning net position		-
Ending Net Position	$	5,008,547

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 water and sewer 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, culture and recreation, community development, 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.

The government reports the following major enterprise fund:

Water & Sewer Fund

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

The government reports the following internal service fund:

Health Insurance Fund

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

The government reports the following fiduciary fund:

Public Improvement District No. 1

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

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

C. Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

1. Deposits and Investments

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

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

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

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

2. Fair Value Measurement

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

3. Receivables and Interfund Transactions

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

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

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

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.
Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

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

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

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

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

8. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

9. Long-Term Obligations

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

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

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of capital 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, capital 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 position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting 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.

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 water and sewer fund are charges to customers for sales and services. The water and sewer 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 department 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.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control and as follows:

General Fund:		
Fire and ambulance	$	129,878
Capital outlay		2,340
Debt Service Fund:		
Principal	$	111,700
Interest		49,775
Impact Fee Fund:		
Public works – sewer	$	1,858
Capital outlay		184,404
Special Revenue Fund:		
Public safety	$	792,082

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.

B. Deficit Fund Balance

At September 30, 2021, the PGBT Reinvestment Zone TIF had a deficit fund balance of $870,200. The deficit will be eliminated in the future with continued development of the zone and issuance of new debt.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.D.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The City's investments in 2a7-like pools such as TexPool are included in this category. Although the City's investments in TexPool are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required.

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

Cash Equivalent	Value	Weighted Average Maturity	Credit Rating
Bank deposits	$ 2,603,647	-	-
Money market accounts	38,701,168	-	-
External investment pools			
TexPool	2,314,251	37 days	AAAm
Total fair value	$ 43,619,066		

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

Cash Equivalent	Value
Bank deposits	$ 57,794
Money market account	3,794,287
Total fair value	$ 3,852,081

As of September 30, 2021, the primary government had the following investments:

Cash Equivalent	Value	Weighted Average Maturity
Certificates of deposit	$ 17,117,811	0.59

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, 2021, 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 market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances.

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

TexPool

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

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

	General	Debt Service	Street Maintenance	Special Revenue	Water & Sewer	Total
Property taxes	$ 120,331	$ 43,273	$ -	$ -	$ -	$ 163,604
Sales tax	414,572	-	102,611	-	-	517,183
Franchise taxes	268,608	-	-	-	-	268,608
Fines	198,197	-	-	-	-	198,197
EMS	493,242	-	-	-	-	493,242
Accounts	-	-	-	-	1,718,748	1,718,748
Other	32,775	-	-	7,003	-	39,778
Allowance	(553,278)	-	-	-	(26,995)	(580,273)
	$ 974,447	$ 43,273	$ 102,611	$ 7,003	$ 1,691,753	$ 2,819,087

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

	Sachse EDC	Sachse MDD	Total
Sales tax	$ 205,150	$ 99,023	$ 304,173
	$ 205,150	$ 99,023	$ 304,173

C. Capital Assets

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 9,953,830	$ -	$ -	$ 9,953,830
Construction in progress	4,605,454	6,548,976	(560,799)	10,593,631
Total capital assets not being depreciated	14,559,284	6,548,976	(560,799)	20,547,461
Capital assets, being depreciated:				
Buildings and improvements	27,536,205	-	442,705	27,978,910
Vehicles and equipment	13,300,167	499,634	-	13,799,801
Infrastructure	134,852,001	3,238,585	-	138,090,586
Total capital assets being depreciated	175,688,373	3,738,219	442,705	179,869,297
Less accumulated depreciation				
Buildings and improvements	9,894,029	1,163,764	-	11,057,793
Vehicles and equipment	7,031,679	875,782	-	7,907,461
Infrastructure	77,080,834	3,256,480	-	80,337,314
Total accumulated depreciation	94,006,542	5,296,026	-	99,302,568
Net capital assets being depreciated	81,681,831	(1,557,807)	442,705	80,566,729
Total Capital Assets	$ 96,241,115	$ 4,991,169	$ (118,094)	$ 101,114,190

Depreciation was charged to governmental functions as follows:

General government	$ 399,419
Public safety	798,308
Public works	3,495,501
Culture and recreation	589,682
Community development	13,116
Total Governmental Activities Depreciation Expense	$ 5,296,026

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	13,864,898	1,052,620	(13,655,953)	1,261,565
Total capital assets not being depreciated	14,745,573	1,052,620	(13,655,953)	2,142,240
Capital assets, being depreciated:				
Buildings and improvements	250,292	-	-	250,292
Vehicles and equipment	1,751,563	153,052	2,903,770	4,808,385
Infrastructure	54,503,870	1,753,378	10,752,183	67,009,431
Total capital assets being depreciated	56,505,725	1,906,430	13,655,953	72,068,108
Less accumulated depreciation				
Buildings and improvements	235,034	2,814	-	237,848
Vehicles and equipment	1,090,651	93,512	-	1,184,163
Infrastructure	33,740,577	2,166,285	-	35,906,862
Total accumulated depreciation	35,066,262	2,262,611	-	37,328,873
Net capital assets being depreciated	21,439,463	(356,181)	13,655,953	34,739,235
Total Capital Assets	$ 36,185,036	$ 696,439	$ -	$ 36,881,475

Depreciation was charged to business-type activities as follows:

Water	$ 1,145,187
Sewer	1,117,424
Total Business-Type Activities Depreciation Expense	$ 2,262,611

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 water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 767,946	$ 88,672	$ (9,517)	$ 847,101	$ 762,391
Total Governmental Activities	$ 767,946	$ 88,672	$ (9,517)	$ 847,101	$ 762,391
Other Long-term Liabilities Due in More than One Year				$ 84,710	
Business-Type Activities:					
Compensated Absences	$ 47,146	$ 11,705	$ -	$ 58,851	$ 52,966
Total Business-Type Activities	$ 47,146	$ 11,705	$ -	$ 58,851	$ 52,966
Other Long-term Liabilities Due in More than One Year				$ 5,885	
Component Unit Activities - Sachse EDC:					
Compensated Absences	$ 6,826	$ 602	$ -	$ 7,428	$ 6,685
Total Component Unit Activities	$ 6,826	$ 602	$ -	$ 7,428	$ 6,685
Other Long-term Liabilities Due in More than One Year				$ 743	

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 general fund and utility funds have typically been used to liquidate the liability for compensated absences for the primary government.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligations	$ 9,800,000	$ -	$ (295,000)	$ 9,505,000	$ 305,000
General Obligation Bonds	27,315,000	-	(825,000)	26,490,000	1,775,000
Discount	(1,264)	-	1,264	-	-
Premium	2,269,534	-	(198,447)	2,071,087	-
Tax notes	1,295,000	2,635,000	(2,535,000)	1,395,000	750,000
Total Governmental Activities	$ 40,678,270	$ 2,635,000	$ (3,852,183)	$ 39,461,087	$ 2,830,000
Long-term liabilities due in more than one year				$ 36,631,087	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	$ 12,035,000	$ -	$ (240,000)	$ 11,795,000	$ 250,000
General Obligation Bonds	255,000	-	(125,000)	130,000	130,000
Premium	399,004	-	(28,840)	370,164	-
Total Business-Type Activities	$ 12,689,004	$ -	$ (393,840)	$ 12,295,164	$ 380,000
Long-term liabilities due in more than one year				$ 11,915,164	

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 water and sewer 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	$ 8,760,000
2016 General obligation refunding bonds	2.0-4.0%	20,025,000	17,730,000
2016 Tax notes	2.0-4.0%	1,200,000	365,000
2017A Certificates of obligation	3.0-4.0%	10,590,000	9,505,000
2019 Tax notes	1.17%	2,070,000	610,000
2020 Tax notes	0.5-0.7%	2,635,000	420,000
Total Governmental Activities		$ 45,990,000	$ 37,390,000
Business-type Activities:			
2016 General obligation refunding bonds	2.0-4.0%	$ 620,000	$ 130,000
2017 Certificates of obligation	3.0-4.0%	12,670,000	11,795,000
Total Business-Type Activities		$ 13,290,000	$ 11,925,000
Total		$ 59,280,000	$ 49,315,000

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
2022	$ 1,775,000	$ 889,795	$ 750,000	$ 18,869	$ 305,000	$ 321,639
2023	1,825,000	844,745	335,000	9,359	315,000	309,239
2024	1,885,000	789,413	155,000	3,976	330,000	296,338
2025	1,935,000	731,657	155,000	1,325	345,000	282,838
2026	1,995,000	671,532	-	-	360,000	268,738
2027	2,065,000	599,451	-	-	375,000	254,038
2028	2,155,000	514,538	-	-	390,000	238,738
2029	1,810,000	434,722	-	-	405,000	222,838
2030	1,885,000	360,300	-	-	420,000	206,338
2031	1,970,000	282,675	-	-	435,000	189,238
2032	2,315,000	196,418	-	-	455,000	173,713
2033	2,400,000	112,331	-	-	465,000	159,913
2034	2,475,000	37,418	-	-	480,000	585,039
2035 - 2042	-	-	-	-	4,425,000	-
Total	$ 26,490,000	$ 6,464,995	$ 1,395,000	$ 33,529	$ 9,505,000	$ 3,508,647

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

Year ending	General Obligation Bonds		Certificates of Obligation	
September 30,	Principal	Interest	Principal	Interest
2022	$ 130,000	$ 1,300	$ 250,000	$ 392,112
2023	-	-	405,000	379,013
2024	-	-	415,000	362,612
2025	-	-	435,000	345,613
2026	-	-	450,000	327,913
2027 - 2042	-	-	9,840,000	2,649,944
Total	$ 130,000	$ 1,300	$ 11,795,000	$ 4,457,207

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 $1,963,066 and $34,510 for business-type activities. Current year amortization expense for governmental activities totaled $187,535 and $3,451 for business-type activities.

G. Interfund Transactions

Transfers between the primary government funds during the 2021 year were as follows:

	Transfers In		
Transfers Out	**General**	**Capital Projects**	**Total**
General	$ -	$ 3,214,928	$ 3,214,928
Debt service	-	2,585,225	2,585,225
Impact fee	-	465,380	465,380
Special revenue	-	246,400	246,400
Water and sewer	1,939,563	420,000	2,359,563
Total	$ 1,939,563	$ 6,931,933	$ 8,871,496

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

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

	Advances from other funds (Payable fund):
Advances to other funds (Receiving fund):	**PGBT Reinvestment Zone**
Water & Sewer	$ 278,321
Sachse EDC	594,902
	$ 873,223

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 Water and Sewer fund and Sachse Economic Development fund has advanced the PGBT Reinvestment Zone $278,321 and $594,902, respectively for a major sewer expansion project. The advances will be paid back by future property tax.

H. Assigned Fund Balance

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

	Capital Projects
Assigned for:	
Vehicle replacement	$ 877,760
Total	$ 877,760

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	$ 1,089,344	$ -	$ -
Capital improvements	16,734,586	-	-
* Municipal court	388,308	-	-
* Street maintenance	882,232	-	-
Grants	3,226,944	-	-
Economic development	-	5,821,182	-
Municipal development	-	-	1,100,816
Total	$ 22,321,414	$ 5,821,182	$ 1,100,816

* 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, 2021. 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
5th Street/Sachse Road	$ 6,300,000	$ 4,748,015	$ 1,551,985
Station Blvd/Bunker Hill Road	1,419,000	1,393,900	25,100
Heritage Park Improvements	1,732,040	37,846	1,694,194
Regional Detention	1,305,612	407,518	898,094
	$ 10,756,652	$ 6,587,279	$ 4,169,373

Business-Type Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
Anthony Lane 8" Sewer	$ 643,864	$ -	$ 643,864
Master Sewer Main Extension Line A	447,706	339,826	107,880
Master Sewer Main Extension Line B	66,641	53,646	12,995
	$ 1,158,211	$ 393,472	$ 764,739

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of Sachse participates as one of 895 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 2020	Plan Year 2019
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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	145
Active employees	153
Total	387

3. Contributions

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

Employees for the City of Sachse were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Sachse were 14.64% and 14.65% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were $1,580,675, 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, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5 to 11.50% per year including inflation
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 2021 are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return (Arithmetic)**
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
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%
$ 11,184,302	$ 4,381,829	$ (1,053,488)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/19	$ 36,498,559	$ 31,840,719	$ 4,657,840
Changes for the year:			
Service Cost	1,938,134	-	1,938,134
Interest	2,493,268	-	2,493,268
Difference between expected and actual experience	6,987	-	6,987
Changes of assumptions	-	-	-
Contributions – employer	-	1,563,325	(1,563,325)
Contributions – employee	-	747,490	(747,490)
Net investment income	-	2,419,834	(2,419,834)
Benefit payments, including refunds of emp. contributions	(1,060,648)	(1,060,648)	-
Administrative expense	-	(15,639)	15,639
Other changes	-	(610)	610
Net changes	3,377,741	3,653,752	(276,011)
Balance at 12/31/20	$ 39,876,300	$ 35,494,471	$ 4,381,829

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2021, the City recognized pension expense of $1,357,840.

At September 30, 2021, 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	$	-	$	(144,394)
Changes in actuarial assumptions		32,161		-
Difference between projected and investment earnings		-		(896,588)
Contributions subsequent to the measurement date		1,141,564		-
Total	$	1,173,725	$	(1,040,982)

The City reported $1,141,564 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, 2022. 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:		
2021	$	(375,090)
2022		(63,919)
2023		(515,697)
2024		(54,115)
2025		-
Thereafter		-
Total	$	(1,008,821)

Other Postemployment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the

12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

The City offers supplemental death to:	Plan Year 2019	Plan Year 2020
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 2021, 2020 and 2019 were $5,275, $2,132 and $1,984, 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**
2019	0.02%	0.02%	100.0%
2020	0.02%	0.02%	100.0%
2021	0.06%	0.06%	100.0%

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	31
Active employees	153
Total	241

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, 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, 2020 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	2.00%
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 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

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 2.00%, 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 (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

1% Decrease (1.00%)	Current Single Rate Assumption 2.00%	1% Increase (3.00%)
$ 650,053	$ 516,337	$ 416,100

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	$ 410,185
Changes for the year:	
Service Cost	24,560
Interest	11,588
Difference between expected and actual experience	(5,674)
Changes of assumptions	77,814
Benefit payments	(2,136)
Net changes	106,152
Balance at 12/31/20	$ 516,337

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

For the year ended September 30, 2021, the City recognized OPEB expense of $59,500.

At September 30, 2021, 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	$	111,503		-
Difference between expected and actual experience		-		(10,600)
Contributions subsequent to measurement date		4,675		-
Total	**$**	116,178	**$**	(10,600)

The City reported $4,675 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, 2022. 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:		
2021	$	23,352
2022		23,304
2023		18,670
2024		23,959
2025		11,618
Thereafter		-
	$	100,903

E. Tax Abatement Disclosures

The City has entered into sales tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the terms of the City's agreements, the City will refund 80% of the City's portion of sales tax paid by the businesses annually. There are currently two existing agreements expiring October 21, 2025 and March 7, 2025. The City abated $18,795 under these agreements during the current year.

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

F. Restatement

Due to a correction to capital assets, the City restated beginning net position within governmental activities. The restatement of beginning net position is as follows:

	Governmental Activities
Prior year ending net position, as reported	$ 83,478,026
Correction to capital assets	442,775
Restated beginning net position	$ 83,920,801

G. Subsequent Events

On October 7, 2021, the City issued a Limited Tax Note, Series 2021, in the amount of $1,845,000 with a 7-year term and a fixed interest rate of 0.83%.

There were no other material subsequent events through February 17, 2022, the date the financial statements were issued.

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, 2021

	Original Budget	Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Property tax	$ 13,420,000	$ 13,420,000	$ 13,672,966	$ 252,966	
Sales tax	1,700,000	1,700,000	2,335,197	635,197	
Franchise and local taxes	1,217,500	1,217,500	1,202,802	(14,698)	
License, permits and fees	1,530,500	1,530,500	3,678,567	2,148,067	
Intergovernmental	504,310	504,310	463,822	(40,488)	
Fines and forfeitures	250,000	250,000	205,332	(44,668)	
Investment income	50,000	50,000	54,528	4,528	
Grants and donations	-	-	5,660	5,660	
Other revenue	59,218	59,218	86,559	27,341	
Total Revenues	18,731,528	18,731,528	21,705,433	2,973,905	
Expenditures					
Current:					
General government					
City manager	754,255	724,255	671,933	52,322	
City secretary	209,339	199,339	197,736	1,603	
Human resources	388,830	360,830	338,856	21,974	
Finance	717,569	805,569	784,226	21,343	
Municipal court	241,740	241,740	210,554	31,186	
IT	666,910	666,910	631,175	35,735	
Public safety					
Police	5,455,495	5,455,495	5,196,493	259,002	
Animal control	234,965	224,965	193,119	31,846	
Fire and ambulance	4,413,276	4,413,276	4,543,154	(129,878)	*
Public works					
Streets	1,404,365	1,404,365	1,227,686	176,679	
Facility maintenance	523,864	523,864	469,216	54,648	
City engineer	360,779	360,779	326,335	34,444	
Culture and recreation					
Parks and recreation	1,354,056	1,354,056	1,208,604	145,452	
Seniors	137,845	127,845	85,814	42,031	
Library services	428,746	428,746	387,320	41,426	
Community development	739,015	939,015	886,903	52,112	
Nondepartmental	422,652	422,652	375,683	46,969	
Capital outlay	86,900	86,900	89,240	(2,340)	*
Total Expenditures	18,540,601	18,740,601	17,824,047	916,554	
Revenues Over (Under) Expenditures	190,927	(9,073)	3,881,386	3,890,459	

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, 2021

	Original Budget	Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	1,919,834	1,919,834	1,939,563	19,729
Transfers (out)	(2,452,428)	(3,214,928)	(3,214,928)	-
Total Other Financing Sources (Uses)	(532,594)	(1,295,094)	(1,275,365)	19,729
Net Change in Fund Balance	$ (341,667)	$ (1,304,167)	2,606,021	$ 3,910,188
Beginning fund balance			10,192,771	
Ending Fund Balance			$ 12,798,792	

Notes to Required Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

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, 2021

	Original & Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Impact and development fees	$ 525,000	$ 3,386,625	$ 2,861,625	
Investment income	30,000	10,934	(19,066)	
Total Revenues	555,000	3,397,559	2,842,559	
Expenditures				
Public works - sewer	-	1,858	(1,858)	*
Capital outlay	-	184,404	(184,404)	*
Total Expenditures	-	186,262	(186,262)	
Revenues Over (Under) Expenditures	555,000	3,211,297	2,656,297	
Other Financing Sources (Uses)				
Transfers (out)	(550,000)	(465,380)	84,620	
Total Other Financing Sources (Uses)	(550,000)	(465,380)	84,620	
Net Change in Fund Balance	$ 5,000	2,745,917	$ 2,740,917	
Beginning fund balance		3,135,348		
Ending Fund Balance		$ 5,881,265		

Notes to Required Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of Sachse, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2020	12/31/2019	12/31/2018
Total pension liability			
Service cost	$ 1,938,134	$ 1,824,297	$ 1,745,860
Interest	2,493,268	2,301,736	2,093,509
Differences between expected and actual experience	6,987	(403,321)	198,661
Changes of assumptions	-	70,676	-
Benefit payments, including refunds of participant contributions	(1,060,648)	(964,941)	(1,019,862)
Net change in total pension liability	3,377,741	2,828,447	3,018,168
Total pension liability - beginning	$ 36,498,559	$ 33,670,112	$ 30,651,944
Total pension liability - ending (a)	$ 39,876,300	$ 36,498,559	$ 33,670,112
Plan fiduciary net position			
Contributions - employer	$ 1,563,325	$ 1,506,494	$ 1,397,265
Contributions - members	747,490	713,014	674,077
Net investment income	2,419,834	4,103,835	(787,492)
Benefit payments, including refunds of participant contributions	(1,060,648)	(964,941)	(1,019,862)
Administrative expenses	(15,639)	(23,154)	(15,202)
Other	(610)	(695)	(793)
Net change in plan fiduciary net position	3,653,752	5,334,553	247,993
Plan fiduciary net position - beginning	31,840,719	26,506,166	26,258,173
Plan fiduciary net position - ending (b)	$ 35,494,471	$ 31,840,719	$ 26,506,166
Fund's net pension liability - ending (a) - (b)	$ 4,381,829	$ 4,657,840	$ 7,163,946
Plan fiduciary net position as a percentage of the total pension liability	89.01%	87.24%	78.72%
Covered payroll	$ 10,678,426	$ 10,185,912	$ 9,629,676
Fund's net position as a percentage of covered payroll	41.03%	45.73%	74.39%

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.

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

City of Sachse, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined employer contributions	$ 1,580,675	$ 1,564,971	$ 1,459,900	$ 1,370,165
Contributions in relation to the actuarially determined contribution	$ 1,580,675	$ 1,564,971	$ 1,459,900	$ 1,370,165
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 10,791,639	$ 10,659,160	$ 9,922,284	$ 9,525,614
Employer contributions as a percentage of covered payroll	14.65%	14.68%	14.71%	14.38%

[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	26 years
Asset Valuation Method	10 Year smoothed market; 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.

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

City of Sachse, Texas

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

Years Ended December 31,

	2020	2019	2018	2017 [1]
Total OPEB liability				
Service cost	$ 24,560	$ 17,316	$ 23,111	$ 18,810
Interest	11,588	11,835	10,685	10,028
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(5,674)	(4,174)	(6,206)	-
Changes of assumptions	77,814	75,889	(26,515)	28,386
Benefit payments, including refunds of participant contributions	(2,136)	(2,037)	(1,926)	(1,791)
Net change in total OPEB liability	106,152	98,829	(851)	55,433
Total OPEB liability - beginning	$ 410,185	$ 311,356	$ 312,207	$ 256,774
Total OPEB liability - ending	$ 516,337	$ 410,185	$ 311,356	$ 312,207 [2]
Covered-employee payroll	$ 10,678,426	$ 10,185,912	$ 9,629,676	$ 8,956,953
Fund's net position as a percentage of covered payroll	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.

City of Sachse, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Street Maintenance	Special Revenue	ARPA	Total Nonmajor Governmental
Assets				
Cash and cash equivalents	$ 779,621	$ 2,036,687	$ 3,226,944	$ 6,043,252
Receivables	102,611	7,003	-	109,614
Total Assets	$ 882,232	$ 2,043,690	$ 3,226,944	$ 6,152,866
Liabilities				
Accounts payable	$ -	$ 132,949	$ -	$ 132,949
Total Liabilities	-	132,949	-	132,949
Fund Balances				
Restricted for:				
Capital improvements	-	1,522,433	-	1,522,433
Street maintenance	882,232	-	-	882,232
Municipal court	-	388,308	-	388,308
Grants	-	-	3,226,944	3,226,944
Total Fund Balances	882,232	1,910,741	3,226,944	6,019,917
Total Liabilities and Fund Balances	$ 882,232	$ 2,043,690	$ 3,226,944	$ 6,152,866

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Street Maintenance	Special Revenue	ARPA	Total Nonmajor Governmental
Revenues				
Impact and development fees	$ -	$ 2,200	$ -	$ 2,200
Sales taxes	576,862	-	-	576,862
Franchise and local taxes	-	27,201	-	27,201
Intergovernmental	-	270,491	3,226,916	3,497,407
Fines and forfeitures	-	44,257	-	44,257
Donations	-	3,770	-	3,770
Investment income	1,245	5,259	28	6,532
Total Revenues	578,107	353,178	3,226,944	4,158,229
Expenditures				
Public safety	-	860,505	-	860,505
Capital outlay	49,424	-	-	49,424
Total Expenditures	49,424	860,505	-	909,929
Revenues Over (Under) Expenditures	528,683	(507,327)	3,226,944	3,248,300
Other Financing Sources (Uses)				
Transfers (out)	-	(246,400)	-	(246,400)
Total Other Financing Sources (Uses)	-	(246,400)	-	(246,400)
Net Change in Fund Balances	528,683	(753,727)	3,226,944	3,001,900
Beginning fund balances	353,549	2,664,468	-	3,018,017
Ending Fund Balances	$ 882,232	$ 1,910,741	$ 3,226,944	$ 6,019,917

City of Sachse, Texas

COMBINING BALANCE SHEET

TAX INCREMENT REINVESTMENT ZONES

September 30, 2021

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Assets			
Cash and cash equivalents	$ 3,023	$ 64,691	$ 67,714
Total Assets	$ 3,023	$ 64,691	$ 67,714
Liabilities			
Advances from other funds	$ 278,321	$ -	$ 278,321
Advances from component unit	594,902	-	594,902
Total Liabilities	873,223	-	873,223
Fund Balances			
Unassigned	(870,200)	64,691	(805,509)
Total Fund Balances	(870,200)	64,691	(805,509)
Total Liabilities and Fund Balances	$ 3,023	$ 64,691	$ 67,714

City of Sachse, Texas

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

TAX INCREMENT REINVESTMENT ZONES

For the Year Ended September 30, 2021

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Revenues			
Property taxes	$ 160,954	$ 68,158	$ 229,112
Contributions and donations	153,023	17,860	170,883
Investment income	-	69	69
Total Revenues	313,977	86,087	400,064
Expenditures			
General government	-	3,536	3,536
Total Expenditures	-	3,536	3,536
Revenues Over (Under) Expenditures	313,977	82,551	396,528
Net Change in Fund Balances	313,977	82,551	396,528
Beginning fund balances	(1,184,177)	(17,860)	(1,202,037)
Ending Fund Balances (Deficit)	$ (870,200)	$ 64,691	$ (805,509)

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, 2021

	Original & Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Property tax	$ 5,035,703	$ 5,130,473	$ 94,770	
Investment income	5,000	4,015	(985)	
Total Revenues	5,040,703	5,134,488	93,785	
Expenditures				
Debt service:				
Principal	3,543,300	3,655,000	(111,700)	*
Interest	1,498,917	1,280,824	218,093	
Bond issuance costs	-	49,775	(49,775)	*
Total Expenditures	5,042,217	4,985,599	56,618	
Revenues Over (Under) Expenditures	(1,514)	148,889	37,167	
Other Financing Sources (Uses)				
Transfers (out)	-	(2,585,225)	2,585,225	
Bond issuance	-	2,635,000	(2,635,000)	
Total Other Financing Sources (Uses)	-	49,775	(49,775)	
Net Change in Fund Balance	$ (1,514)	198,664	$ 200,178	
Beginning fund balance		890,680		
Ending Fund Balance		$ 1,089,344		

Notes to Other Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

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, 2021

	Original & Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales tax	$ 418,750	$ 576,862	$ 158,112
Investment income	250	1,245	995
Total Revenues	419,000	578,107	159,107
Expenditures			
Capital outlay	610,000	49,424	560,576
Total Expenditures	610,000	49,424	560,576
Net Change in Fund Balance	$ (191,000)	528,683	$ 719,683
Beginning fund balance		353,549	
Ending Fund Balance		$ 882,232	

Notes to Other Supplementary Information

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

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, 2021

	Original Budget	Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Impact and development fees	$ 25,000	$ 25,000	$ 2,200	$ (22,800)	
Franchise and local taxes	27,500	27,500	27,201	(299)	
Intergovernmental revenue	-	-	270,491	270,491	
Donations	6,000	6,000	3,770	(2,230)	
Fines and forfeitures	21,000	21,000	44,257	23,257	
Investment income	1,000	1,000	5,259	4,259	
Total Revenues	80,500	80,500	353,178	272,678	
Expenditures					
Public safety	47,000	68,423	860,505	(792,082)	*
Total Expenditures	47,000	68,423	860,505	(792,082)	
Other Financing Sources (Uses)					
Transfers (out)	-	(246,400)	(246,400)	-	
Total Other Financing Sources (Uses)	-	(246,400)	(246,400)	-	
Net Change in Fund Balance	$ 33,500	$ (234,323)	(753,727)	$ (519,404)	
Beginning fund balance			2,664,468		
Ending Fund Balance			$ 1,910,741		

Notes to Other Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
SACHSE ECONOMIC DEVELOPMENT CORPORATION

For the Year Ended September 30, 2021

	Original & Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales tax	$ 837,500	$ 1,153,321	$ 315,821
Investment income	5,000	6,159	1,159
Other income	12,500	17,800	5,300
Total Revenues	855,000	1,177,280	322,280
Expenses			
Economic development	855,000	567,392	287,608
Total Expenses	855,000	567,392	287,608
Change in Net Position	$ -	609,888	$ 609,888
Beginning net position		5,211,294	
Ending Net Position		$ 5,821,182	

Notes to Other Supplementary Information

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

City of Sachse, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2021

	Sachse EDC	Sachse MDD	Total
Assets			
Cash and cash equivalents	$ 2,847,712	$ 1,004,369	$ 3,852,081
Receivables, net	205,150	99,023	304,173
Assets held for sale	2,197,982	-	2,197,982
Total Current Assets	5,250,844	1,103,392	6,354,236
Noncurrent Assets			
Advances to primary government	594,902	-	594,902
Total Noncurrent Assets	594,902	-	594,902
Total Assets	5,845,746	1,103,392	6,949,138
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	17,136	2,576	19,712
Total Liabilities	17,136	2,576	19,712
Fund Balances			
Nonspendable for:			
Interfund advances	594,902	-	594,902
Restricted for:			
Economic development	5,233,708	-	5,233,708
Municipal development	-	1,100,816	1,100,816
Total Fund Balances	5,828,610	1,100,816	6,929,426
Total Liabilities and Fund Balances	$ 5,845,746	$ 1,103,392	$ 6,949,138

City of Sachse, Texas

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

September 30, 2021

Fund Balances	$	6,929,426
Adjustments for the Statement of Net Position:		
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Compensated absences - Sachse EDC		(7,428)
Net Position of the Discretely Presented Component Units	$	6,921,998

City of Sachse, Texas

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

For the Year Ended September 30, 2021

	Sachse EDC	Sachse MDD	Total
Revenues			
Sales taxes	$ 1,153,321	$ 552,299	$ 1,705,620
Investment income	6,159	2,084	8,243
Other revenues	17,800	-	17,800
Total Revenues	1,177,280	554,383	1,731,663
Expenditures			
Economic development	566,790	-	566,790
Park development	-	34,386	34,386
Capital outlay	-	105,624	105,624
Total Expenditures	566,790	140,010	706,800
Excess of Revenues Over (Under) Expenditures	610,490	414,373	1,024,863
Net Change in Fund Balances	610,490	414,373	1,024,863
Beginning fund balances	5,218,120	686,443	5,904,563
Ending Fund Balances	$ 5,828,610	$ 1,100,816	$ 6,929,426

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, 2020

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

Net changes in fund balances	$	1,024,863
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		(602)
Change in Net Position of the Discretely Presented Component Units	$	1,024,261

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)

	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	$ 36,691,052	$ 37,377,384	$ 48,982,879	$ 49,395,981
Restricted	12,723,690	14,002,442	9,721,020	11,827,722
Unrestricted	2,628,448	3,436,221	(1,414,544)	(519,752)
Total Governmental Activities Net Position	$ 52,043,190	$ 54,816,047	$ 57,289,355	$ 60,703,951
Business-type Activities				
Net investment in capital assets	$ 16,223,230	$ 16,169,507	$ 18,603,126	$ 18,802,635
Unrestricted	3,442,913	2,600,084	2,586,599	4,232,573
Total Business-type Activities Net Position	$ 19,666,143	$ 18,769,591	$ 21,189,725	$ 23,035,208
Primary Government				
Net investment in capital assets	$ 52,914,282	$ 53,546,891	$ 67,586,005	$ 68,198,616
Restricted	12,723,690	14,002,442	9,721,020	11,827,722
Unrestricted	6,071,361	6,036,305	1,172,055	3,712,821
Total Primary Government Net Position	$ 71,709,333	$ 73,585,638	$ 78,479,080	$ 83,739,159

Source: City's Audited Financial Statements

2016	2017	2018	2019	2020	2021
$ 52,071,872	$ 50,617,047	$ 57,841,667	$ 58,662,282	$ 64,921,091	$ 67,797,822
8,618,633	13,205,846	5,906,413	7,403,116	12,971,959	22,321,414
4,049,157	4,306,816	4,229,764	6,219,720	6,027,751	9,024,001
$ 64,739,662	$ 68,129,709	$ 67,977,844	$ 72,285,118	$ 83,920,801	$ 99,143,237
$ 20,509,338	$ 20,802,006	$ 26,313,666	$ 24,199,778	$ 25,534,424	$ 26,549,371
7,450,081	9,203,735	9,233,900	13,145,910	15,218,006	16,372,891
$ 27,959,419	$ 30,005,741	$ 35,547,566	$ 37,345,688	$ 40,752,430	$ 42,922,262
$ 72,581,210	$ 71,419,053	$ 84,155,333	$ 82,862,060	$ 90,455,515	$ 94,347,193
8,618,633	13,205,846	5,906,413	7,403,116	12,971,959	22,321,414
11,499,238	13,510,551	13,463,664	19,365,630	21,245,757	25,396,892
$ 92,699,081	$ 98,135,450	$ 103,525,410	$ 109,630,806	$ 124,673,231	$ 142,065,499

City of Sachse, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	$ 2,914,720	$ 2,837,444	$ 2,332,316	$ 2,330,847
Public safety	5,609,669	5,858,865	6,176,967	6,854,653
Public works	3,413,399	3,654,946	3,914,293	4,415,483
Culture and recreation	1,354,401	1,359,697	1,427,948	1,557,475
Community development	522,175	591,605	616,439	677,184
Interest and fiscal charges	1,877,579	1,829,322	1,802,117	2,022,071
Total governmental activities	15,691,943	16,131,879	16,270,080	17,857,713
Business-type activities:				
Water and sewer	6,474,428	6,241,148	6,590,497	7,238,771
Total business-type activities	6,474,428	6,241,148	6,590,497	7,238,771
Total primary government	$ 22,166,371	$ 22,373,027	$ 22,860,577	$ 25,096,484
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 99,268	$ 24,005	$ 13,702	$ 10,750
Public safety	569,403	791,140	952,056	871,054
Public works	-	975,880	1,458,819	1,216,081
Culture and recreation	-	-	-	-
Community development	672,699	717,682	1,055,577	1,804,213
Operating grants and contributions	7,414,865	763,815	7,587	521,003
Capital grants and contributions	733,599	927,450	5,054,515	1,745,994
Total governmental activities	9,489,834	4,199,972	8,542,256	6,169,095
Business-type activities:				
Charges for services:				
Water and sewer	5,273,953	7,029,639	6,866,641	9,137,569
Capital grants and contributions	385,859	477,579	2,019,038	1,233,994
Total business-type activities	5,659,812	7,507,218	8,885,679	10,371,563
Total primary government	$ 15,149,646	$ 11,707,190	$ 17,427,935	$ 16,540,658
Net (Expense)/Revenue				
Governmental activities	$ (6,202,109)	$ (11,931,907)	$ (7,727,824)	$ (11,688,618)
Business-type activities	(814,616)	1,266,070	2,295,182	3,132,792
Total primary government	$ (7,016,725)	$ (10,665,837)	$ (5,432,642)	$ (8,555,826)

2016	2017	2018	2019	2020	2021
$ 2,500,102	$ 2,526,665	$ 2,878,022	$ -	$ 3,342,715	$ 3,335,835
8,191,197	9,144,006	9,736,773	3,358,995	11,201,666	11,477,436
5,056,488	5,639,697	5,489,736	10,237,626	6,147,260	5,353,283
1,739,147	1,903,914	1,969,689	5,975,519	2,333,491	2,269,214
900,457	833,629	835,209	1,946,985	715,773	892,271
2,105,723	1,193,484	1,563,657	806,203	1,347,849	1,315,797
20,493,114	21,241,395	22,473,086	22,325,328	25,088,754	24,643,836
8,128,858	8,946,369	9,342,633	9,662,546	9,907,840	10,626,206
8,128,858	8,946,369	9,342,633	9,662,546	9,907,840	10,626,206
$ 28,621,972	$ 30,187,764	$ 31,815,719	$ 31,987,874	$ 34,996,594	$ 35,270,042
$ 720	$ -	$ -	$ 7,610	$ 9,900	$ 11,320
596,562	845,462	1,136,924	1,079,089	1,058,301	1,263,222
1,315,780	739,151	539,258	1,005,214	1,737,126	2,935,326
-	264,852	205,363	-	-	-
1,169,517	1,189,194	1,223,216	691,080	-	249,256
744,975	20,832	18,879	453,212	2,240,037	219,956
4,913,651	2,754,486	839,290	2,274,863	7,163,304	9,114,448
8,741,205	5,813,977	3,962,930	5,511,068	12,208,668	13,793,528
10,382,099	11,384,202	13,532,977	12,502,551	13,190,213	13,640,879
2,810,315	1,047,236	82,530	564,030	1,385,442	1,427,866
13,192,414	12,431,438	13,615,507	13,066,581	14,575,655	15,068,745
$ 21,933,619	$ 18,245,415	$ 17,578,437	$ 18,577,649	$ 26,784,323	$ 28,862,273
$ (11,751,909)	$ (15,427,418)	$ (18,510,156)	$ (16,814,260)	$ (12,880,086)	$ (10,850,308)
5,063,556	3,485,069	4,272,874	3,404,035	4,667,815	4,442,539
$ (6,688,353)	$ (11,942,349)	$ (14,237,282)	$ (13,410,225)	$ (8,212,271)	$ (6,407,769)

City of Sachse, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	$ 9,476,356	$ 9,560,239	$ 9,951,685	$ 10,938,125
Sales and other taxes	1,786,926	1,873,822	2,390,224	2,790,620
Investment earnings	35,398	30,518	30,724	33,900
Other income	30,161	80,843	280,569	51,290
Transfers, net	1,177,341	1,252,689	(263,672)	1,289,279
Total governmental activities	12,506,182	12,798,111	12,389,530	15,103,214
Business-type activities:				
Investment earnings	2,985	3,934	837	1,970
Other Income	-	271,595	-	-
Transfers, net	(1,177,341)	(1,252,689)	263,672	(1,289,279)
Total business-type activities	(1,174,356)	(977,160)	264,509	(1,287,309)
Total primary government	$ 11,331,826	$ 11,820,951	$ 12,654,039	$ 13,815,905
Change in Net Position				
Governmental activities	$ 6,304,073	$ 866,204	$ 4,661,706	$ 3,414,596
Business-type activities	(1,988,972)	288,910	2,559,691	1,845,483
Total primary government	$ 4,315,101	$ 1,155,114	$ 7,221,397	$ 5,260,079

Source: City's Audited Financial Statements

2016	2017	2018	2019	2020	2021
$ 12,296,608	$ 13,982,042	$ 15,674,089	$ 16,746,511	$ 17,833,325	$ 19,000,362
3,024,925	3,094,029	3,305,196	3,400,267	3,705,978	4,142,062
50,842	117,382	388,860	631,556	354,679	131,549
268,740	107,470	168,853	92,091	741,095	439,208
146,505	1,516,542	(947,605)	1,669,294	1,437,917	2,359,563
15,787,620	18,817,465	18,589,393	22,539,719	24,072,994	26,072,744
7,160	77,795	338,741	465,779	176,844	86,856
-	-	-	-	-	-
(146,505)	(1,516,542)	947,605	(1,669,294)	(1,437,917)	(2,359,563)
(139,345)	(1,438,747)	1,286,346	(1,203,515)	(1,261,073)	(2,272,707)
$ 15,648,275	$ 17,378,718	$ 19,875,739	$ 21,336,204	$ 22,811,921	$ 23,800,037
$ 4,035,711	$ 3,390,047	$ 79,237	$ 5,725,459	$ 11,192,908	$ 15,222,436
4,924,211	2,046,322	5,559,220	2,200,520	3,406,742	2,169,832
$ 8,959,922	$ 5,436,369	$ 5,638,457	$ 7,925,979	$ 14,599,650	$ 17,392,268

City of Sachse, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	324,106	28,231	72,675	101,621
Assigned	-	-	450,000	54,000
Unassigned	3,490,845	4,631,243	5,568,904	6,546,528
Total general fund	$ 3,814,951	$ 4,659,474	$ 6,091,579	$ 6,702,149
All other governmental funds:				
Reserved for:				
Debt service	$ -	$	$ -	$ -
Unreserved, reported in:		-		
Special revenue funds	-	-	-	-
Capital projects funds	-	14,002,442	-	-
Restricted	12,723,690	-	10,226,460	11,827,722
Committed	-	-	-	-
Assigned	-	(707,251)	-	-
Unassigned	(711,923)	-	(614,301)	(472,960)
Total all other governmental funds	$ 12,011,767	$ 13,295,191	$ 9,612,159	$ 11,354,762

Source: City's Audited Financial Statements

Note: The City implemented GASB Statement 54 in fiscal year 2011.

2016	2017	2018	2019	2020	2021
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
21,970	39,463	22,833	77,251	60,847	94,036
186,340	-	-	-	-	-
7,723,757	8,829,452	8,640,784	10,355,357	10,131,924	12,704,756
$ 7,932,067	$ 8,868,915	$ 8,663,617	$ 10,432,608	$ 10,192,771	$ 12,798,792

$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
13,093,851	12,911,936	21,735,771	17,130,804	20,892,477	26,987,818
-	-	-	-	-	-
186,340	293,910	625,976	788,338	682,802	877,760
(1,623,821)	(1,551,439)	(1,477,110)	(1,377,540)	(1,202,037)	(805,509)
$ 11,656,370	$ 11,654,407	$ 20,884,637	$ 16,541,602	$ 20,373,242	$ 27,060,069

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Property taxes	$ 9,477,053	$ 9,568,319	$ 9,944,708	$ 10,928,163
Sales and other taxes	1,786,926	1,873,822	2,390,224	2,790,620
Licenses, permits, & fees	967,914	1,338,304	1,830,459	1,612,769
Grants and contributions	7,414,865	941,473	183,780	710,470
Fines and forfeitures	368,027	430,191	556,379	458,477
Impact and development fees	54,069	569,111	910,006	1,657,973
Investment income	35,398	30,518	30,669	33,900
Other revenue	30,161	80,843	280,569	51,290
Total Revenues	20,134,413	14,832,581	16,126,794	18,243,662
Expenditures				
General government	1,289,341	1,260,611	1,313,993	1,601,990
Public safety	5,011,291	5,470,231	5,278,726	6,274,349
Public works	1,300,324	1,470,995	1,344,008	1,781,872
Culture and recreation	1,109,565	1,140,846	1,114,822	1,269,794
Community development	518,934	588,698	569,864	673,506
Nondepartmental	1,094,219	1,112,937	437,015	493,412
Debt service				
Principal	945,000	1,035,000	1,125,000	1,195,000
Interest	1,862,385	1,831,270	1,799,446	1,762,998
Bond issuance costs	-	-	-	177,355
Capital outlay	9,342,751	1,538,289	4,141,606	2,129,457
Total Expenditures	22,473,810	15,448,877	17,124,480	17,359,733
Revenues Over (Under) Expenditures	(2,339,397)	(616,296)	(997,686)	883,929
Other Financing Sources (Uses)				
Transfers in	1,642,521	2,739,122	1,708,777	1,289,279
Transfers (out)	(778,769)	(1,561,781)	(2,668,521)	-
Debt issued	-	-	-	9,470,000
Premium on bonds issued	-	-	-	458,338
Payment to refunded escrow agent	-	-	-	(9,748,373)
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	863,752	1,177,341	(959,744)	1,469,244
Net Change in Fund Balances	$ (1,475,645)	$ 561,045	$ (1,957,430)	$ 2,353,173
Ratio of total debt service expenditures to noncapital	21%	21%	23%	19%

2016	2017	2018	2019	2020	2021
$ 12,260,047	$ 14,034,836	$ 15,676,744	$ 16,708,542	$ 17,788,498	$ 19,032,551
3,024,925	3,094,029	3,305,196	3,400,267	3,705,978	4,142,062
1,743,628	1,598,993	1,814,494	1,577,873	2,300,683	3,678,567
974,489	321,583	18,879	860,091	2,413,891	4,352,068
291,926	252,614	270,817	303,725	246,140	249,589
1,022,593	883,250	95,100	504,323	2,049,753	3,388,825
50,842	117,228	387,954	631,556	354,679	131,549
271,595	92,796	968,855	72,938	70,748	386,419
19,640,045	20,395,329	22,538,039	24,059,315	28,930,370	35,361,630
1,565,175	1,425,250	1,510,028	2,511,481	3,434,072	2,806,360
7,466,728	8,293,828	8,963,876	9,154,685	9,988,757	10,702,217
1,882,251	2,626,166	2,263,665	2,350,290	2,115,492	1,836,357
1,455,952	1,564,719	1,631,189	1,557,954	1,921,627	1,681,738
831,719	828,351	827,741	1,027,065	678,081	886,903
564,368	669,168	769,629	376,041	341,900	375,683
1,325,000	2,325,000	2,330,000	3,040,000	3,420,000	3,655,000
1,672,947	1,186,303	1,435,602	1,440,823	1,337,324	1,280,824
372,256	-	105,000	-	34,490	49,775
2,445,778	2,072,876	3,722,165	6,863,467	6,395,449	7,788,488
19,582,174	20,991,661	23,558,895	28,321,806	29,667,192	31,063,345
57,871	(596,332)	(1,020,856)	(4,262,491)	(736,822)	4,298,285
1,841,302	3,948,013	5,089,835	3,553,012	9,896,810	8,871,496
(1,694,797)	(2,431,471)	(6,037,440)	(1,883,718)	(8,458,893)	(6,511,933)
21,225,000	-	10,590,000	-	2,070,000	2,635,000
2,204,516	-	318,393	2,635,000	-	-
(21,733,392)	-	-	-	-	-
-	14,675	85,000	19,153	820,708	-
1,842,629	1,531,217	10,045,788	4,323,447	4,328,625	4,994,563
$ 1,900,500	$ 934,885	$ 9,024,932	$ 60,956	$ 3,591,803	$ 9,292,848
17%	19%	19%	21%	20%	21%

The City of
SACHSE

City of Sachse, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year		Real Property		Personal Property		Less: Tax Exempt Property		Total Taxable Assessed Value	Total Direct Tax Rate
2012	$	1,305,838,280	$	29,242,328	$	96,519,435	$	1,238,561,173	0.77082
2013		1,320,191,067		30,495,096		101,886,747		1,248,799,416	0.77082
2014		1,373,728,433		31,359,625		104,461,382		1,300,626,676	0.77082
2015		1,494,745,899		37,218,335		107,372,189		1,424,592,045	0.77082
2016		1,767,124,588		49,669,237		181,214,076		1,635,579,749	0.75728
2017		2,052,733,263		50,389,046		229,837,342		1,873,284,967	0.75728
2018		2,345,662,930		52,517,764		239,585,005		2,158,595,689	0.74728
2019		2,565,462,875		51,759,380		251,075,714		2,366,146,541	0.72000
2020		2,721,742,711		59,445,888		283,973,515		2,497,215,084	0.72000
2021		2,805,576,476		62,634,351		278,553,446		2,589,657,381	0.72000

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

	2012	2013	2014	2015
Direct Rates:				
City of Sachse - Operating	0.53389	0.59889	0.56889	0.55903
City of Sachse - Debt Service	0.17193	0.17193	0.20193	0.21179
Total Direct Rate	0.70582	0.77082	0.77082	0.77082
Overlapping Rates:				
Garland Independent School District	1.25330	1.25330	1.25330	1.25330
Dallas County	0.62333	0.62377	0.64341	0.65388
Total Dallas County Entities	1.87663	1.87707	1.89671	1.90718
Wylie Independent School District	1.64000	1.64000	1.64000	1.64000
Collin County	0.32630	0.32630	0.32630	0.31696
Total Collin County Entities	1.96630	1.96630	1.96630	1.95696

Tax rates per $100 of assessed valuation.

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

2016	2017	2018	2019	2020	2021
0.57228	0.56200	0.55307	0.52579	0.52579	0.52579
0.18500	0.19528	0.19421	0.19421	0.19421	0.19421
0.75728	0.75728	0.74728	0.72000	0.72000	0.72000
1.35330	1.46000	0.14600	1.46000	1.39000	1.34630
0.66275	0.65470	0.65674	0.65650	0.64660	0.63984
2.01605	2.11470	0.80274	2.11650	2.03660	1.98614
1.64000	1.64000	1.64000	1.64000	1.53840	1.52050
0.30696	0.28962	0.27206	0.26201	0.25617	0.25375
1.94696	1.92962	1.91206	1.90201	1.79457	1.77425

The City of
SACHSE

City of Sachse, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2021			2012		
Property Tax Payer	**Taxable Assessed Value**	**Rank**	**% of Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**% of Taxable Assessed Value**
WW Woodbridge LP	$ 56,901,958	1	2.20%	$ -	n/a	-
CSL Sachse 2017 LLC	34,022,450	2	1.31%	-	n/a	-
Intergerman Woodbridge Villas, LP	28,993,440	3	1.12%	-	n/a	-
PMB Station Developer	20,861,770	4	0.81%	-	n/a	-
LIPT Oak Grove, LLC	17,389,000	5	0.67%	-	n/a	-
CRP/AR Prose Ranch Owner	15,573,084	6	0.60%	-	n/a	-
Wal-Mart Real Estate	11,762,139	7	0.45%	-	n/a	-
BATSU Enterprises, LLC	11,344,880	8	0.44%	-	n/a	-
Meritage Homes of Texas	8,991,951	9	0.35%	-	n/a	-
Oncor Electric Delivery	7,530,900	10	0.29%	-	n/a	-
Woodbridge Villas LLC	-	n/a	-	11,938,588	1	0.96%
Jackson Meadows Partners	-	n/a	-	7,553,780	2	0.61%
	-	n/a	-	7,553,418	3	0.61%
Oncor Electric/Texas Utilities	-	n/a	-	4,811,730	4	0.39%
Wal-Mart Real Estate	-	n/a	-	3,364,879	5	0.27%
Walgreen's	-	na	-	2,930,770	6	0.24%
Sachse Self Storage, Ltd	-	n/a	-	2,778,830	7	0.22%
Verizon	-	n/a	-	2,769,720	8	0.22%
Kroger, LP II	-	n/a	-	2,229,096	9	0.18%
Woodbridge Shopping Center	-	n/a	-	2,031,485	10	0.16%
Total	$ 213,371,572		8.24%	$ 47,962,296		3.87%
Total Assessed Valuation	$ 2,589,657,381		100%	$ 1,238,561,173		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

	2012	2013	2014	2015
Tax levy	$ 9,444,654	$ 9,599,026	$ 9,864,675	$ 10,773,241
Current tax collected	$ 9,389,665	$ 9,444,279	$ 9,765,245	$ 10,649,420
Percent of current tax collections	99.42%	98.39%	98.99%	98.85%
Delinquent tax collections	$ 53,930	$ 153,515	$ 97,993	$ 120,550
Total tax collections	$ 9,443,595	$ 9,597,794	$ 9,863,238	$ 10,769,970
Total collections as a percentage of levy	100.0%	100.0%	100.0%	100.0%

Source: Dallas and Collin County reports.

2016	2017	2018	2019	2020	2021
$ 12,186,445	$ 13,926,966	$ 15,368,350	$ 16,686,912	$ 17,639,496	$ 18,705,097
$ 12,107,169	$ 13,844,380	$ 15,345,295	$ 16,606,826	$ 17,529,121	$ 18,624,346
99.3%	99.4%	99.8%	99.5%	99.4%	99.6%
$ 73,174	$ 74,558	$ 11,192	$ 60,077	$ 66,625	$ -
$ 12,180,343	$ 13,918,938	$ 15,356,487	$ 16,666,903	$ 17,595,746	$ 18,624,346
99.9%	99.9%	99.9%	99.9%	99.8%	99.6%

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	2012	2013	2014	2015
Governmental activities:				
General Obligation Bonds	$ 38,455,000	$ 37,595,000	$ 36,575,000	$ 36,915,000
Premium	-	-	-	434,215
Discounts	(26,097)	(16,572)	(14,463)	(14,354)
Certificates of Obligation	750,000	575,000	470,000	-
Tax Note	-	-	-	-
Business-type activities:				
General Obligation Bonds	$ -	$ -	$ -	$ -
Certificates of Obligation	1,120,000	1,030,000	935,000	835,000
Premium	-	-	-	-
Total primary government	$ 40,298,903	$ 39,183,428	$ 37,965,537	$ 38,169,861
Percentage of personal income (1)	6.24%	6.00%	5.09%	4.50%
Per capita (1)	$ 1,905	$ 1,836	$ 1,559	$ 1,553

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.

2016	2017	2018	2019	2020	2021
$ 35,665,000	$ 33,500,000	$ 31,575,000	$ 28,970,000	$ 27,315,000	$ 26,490,000
2,614,608	2,848,622	2,666,428	2,467,981	2,269,534	2,071,087
(4,829)	(3,720)	(2,611)	(2,437)	(1,264)	-
-	-	10,350,000	10,080,000	9,800,000	9,505,000
1,200,000	1,040,000	875,000	710,000	1,295,000	1,395,000
$ 620,000	$ 12,670,000	$ 12,490,000	$ 12,265,000	$ 12,035,000	$ 11,795,000
110,000	620,000	500,000	380,000	255,000	130,000
66,671	495,643	456,686	427,845	399,004	370,164
$ 40,271,450	$ 51,170,545	$ 58,910,503	$ 55,298,389	$ 53,367,274	$ 51,756,251
4.48%	5.10%	5.92%	5.11%	5.64%	5.47%
$ 1,526	$ 1,905	$ 2,237	$ 2,205	$ 2,121	$ 2,041

City of Sachse, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	2012	2013	2014	2015
NET TAXABLE ASSESSED VALUE				
All property	$ 1,238,561,173	$ 1,248,799,416	$ 1,300,626,676	$ 1,424,592,045
NET BONDED DEBT (1)				
Gross bonded debt	40,298,903	39,183,428	37,965,537	38,169,861
Less: available debt service funds	-	-	-	336,024
Net Bonded Debt	$ 40,298,903	$ 39,183,428	$ 37,965,537	$ 37,833,837
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	3.25%	3.14%	2.92%	2.66%
POPULATION	20,570	20,780	23,756	23,756
NET BONDED DEBT PER CAPITA	$ 1,959	$ 1,886	$ 1,598	$ 1,593

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.

2016	2017	2018	2019	2020	2021
$ 1,635,579,749	$ 1,873,284,967	$ 2,158,595,689	$ 2,366,146,541	$ 2,497,215,084	$ 2,589,657,381
40,271,450	51,170,545	58,910,503	55,298,389	53,367,274	51,756,251
319,601	460,734	776,042	831,218	890,680	1,089,344
$ 39,951,849	$ 50,709,811	$ 58,134,461	$ 54,467,171	$ 52,476,594	$ 50,666,907
2.44%	2.71%	2.69%	2.30%	2.10%	1.96%
24,554	24,777	24,720	24,910	25,040	25,289
$ 1,627	$ 2,047	$ 2,352	$ 2,187	$ 2,096	$ 2,004

City of Sachse, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2021

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	$ 439,735,599	12.60%	$ 55,406,685
Garland I.S.D	464,615,000	6.57%	30,525,206
Collin County	526,975,000	0.67%	3,530,733
Dallas County	116,665,000	0.52%	606,658
Dallas County Hospital District	575,530,000	0.52%	2,992,756
Dallas County Schools	16,679,652	0.52%	86,734
Collin County Community College District	514,470,000	0.67%	3,446,949
Dallas County Community College District	115,750,000	0.52%	601,900
Subtotal, overlapping debt			97,197,621
City direct debt			39,461,087
Total direct and overlapping debt			$ 136,658,708

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	Dallas County	Collin County
2012	20,570	$ 646,206,550	$ 31,415	58,151	12,939	6.7%	5.7%
2013	20,780	652,803,700	31,415	58,059	13,305	6.9%	6.4%
2014	23,756	746,294,740	31,415	57,704	13,902	6.9%	6.4%
2015	23,756	837,779,096	35,266	57,436	14,557	4.1%	3.5%
2016	24,554	839,648,584	34,196	58,059	14,280	4.1%	3.7%
2017	24,777	937,214,802	37,826	58,059	15,138	3.4%	3.3%
2018	24,720	942,870,270	38,142	57,517	16,466	3.6%	3.2%
2019	24,910	1,082,065,490	43,439	56,471	17,252	3.2%	2.9%
2020	25,040	946,587,120	37,803	55,848	17,392	8.2%	6.5%
2021	25,289	945,328,109	37,381	53,834	18,159	4.8%	3.8%

Sources: Estimated population provided by the TCOG.
Per Capita Income provided by North Central Texas Council of Governments.
Garland & Wylie Independent School Districts.
Unemployment information provided by the Texas Workforce Commission.

City of Sachse, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago

Employer	2021 Employees	2021 Rank	2021 Percentage of Total City Employment	2012 Employees	2012 Rank	2012 Percentage of Total City Employment
Garland ISD	478	1	3.46%	391	1	4.73%
Wal-Mart Supercenter	335	2	2.43%	-	n/a	-
City of Sachse	173	3	1.25%	139	2	1.68%
Wylie ISD	145	5	1.05%	65	4	0.79%
Kroger	105	4	0.76%	136	3	1.65%
FedEx Office Print & Ship	71	6	0.51%	-	n/a	-
WalMart	65	7	0.47%	-	n/a	-
Golden Chick	60	8	0.43%	-	n/a	-
Assembly of God	50	9	0.36%	-	n/a	-
Whataburger	45	10	0.33%	32	6	0.39%
Steak Kountry	-	n/a	-	34	5	0.41%
Sachse Veterinary Clinic	-	n/a	-	25	7	0.30%
Taco Bueno	-	n/a	-	24	8	0.29%
American National Bank	-	n/a	-	20	9	0.24%
Discount Tire	-	n/a	-	14	10	0.17%
Total	1,527		11.06%	880		10.65%
Total City Employment	13,808			8,266		

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government and adminstration	11	11	11	11	11	11	11	11	14	14
Public safety	79	79	80	85	85	88	89	92	89	89
Public works	11	11	11	10	10	11	11	11	10	10
Culture and recreation	16	16	16	15	15	16	16	17	17	17
Water and sewer	20	20	20	21	21	21	22	22	24	24
Community development	11	11	11	11	12	11	11	11	10	10
Economic development	1	1	1	2	2	2	3	3	3	3
Total	149	149	150	155	156	160	163	166	166	166

Sources: Various City departments.

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015
Public safety				
Police				
Number of employees	48	44	50	50
Number of violations (citations)	2,568	1,260	2,246	3,846
Fire				
Number of employees	44	34	34	35
Number of volunteers	0	0	0	0
Number of fire runs	197	456	272	394
Number of EMS runs	811	766	802	909
Public works				
Streets (miles)	125	130	135	135
Building permits issued	135	135	246	275
Cultural and recreational				
Parks and recreation				
Park maintain & operate per acre	139	149	149	152
Participants in parks programs	5,010	5,109	5,186	5,480
Participants in senior program	15,700	18,455	19,500	20,445
Library				
Volumes in collection	38,761	40,169	43,935	41,203
Water and sewer				
Number of water connections	7,285	7,239	7,370	7,950
Number of sewer connections	6,874	6,999	7,113	7,468
Average daily water consumption[a]	2,464	2,509	2,776	2,412
Maximum storage capacity[a]	6.9	6.9	6.9	6.9

Sources: Various City departments.

[a] Millions of gallons

2016	2017	2018	2019	2020	2021
52	51	51	51	51	51
1,879	2,155	2,272	5,360	1,710	1,618
35	36	37	37	35	36
0	0	0	0	0	0
600	705	819	831	769	847
1,187	1,359	1,359	1,689	1,554	1,832
135	137	137	130	130	128
289	291	219	190	124	451
152	156	156	156	160	160
9,600	9,750	10,043	10,546	12,100	24,599
23,455	26,600	39,853	37,674	17,614	3,600
41,470	41,948	42,750	44,524	35,869	37,179
8,239	8,472	8,507	9,195	8,795	9,101
7,384	7,972	8,105	8,761	8,207	8,317
2,573	2,386	2,814	2,757	2,944	2,634
6.9	6.9	6.9	8.2	8.2	8.2

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Years

Function/Program	2012	2013	2014	2015
Public safety				
Police stations	1	1	1	1
Police patrol units	25	25	25	27
Fire stations	2	2	2	2
Police motorcycle units	2	2	2	2
Public works				
Streets-paved (miles)	125	130	135	135
Cultural and recreational				
Parks (acres)	139	149	154	155
Playgrounds (1)	5	5	5	6
Library	1	1	1	1
Senior center	1	1	1	1
Water and sewer				
Fire hydrants	786	865	933	970
Ground storage facilities	2	2	4	4
Elevated storage facilities	2	2	2	2
Lift stations	4	4	4	4

Sources: Various City departments.

(1) Does not include HOA playgrounds.

	2016	2017	2018	2019	2020	2021
	1	1	1	1	1	1
	27	27	27	25	26	27
	2	2	2	2	2	2
	2	2	2	2	2	2
	135	137	137	130	122	130
	155	156	156	149	160	160
	6	6	6	6	6	7
	1	1	1	1	1	1
	1	1	1	1	1	1
	935	970	970	1,011	996	1,025
	4	4	4	4	4	4
	2	2	2	3	3	3
	4	4	4	5	6	6

The City of
SACHSE

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	2. Discuss and consider a Charter Review Commission and a potential charge.
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Discuss and consider the Charter Review Commission and a potential charge.
Goals	Provide excellent government services to Sachse citizens.

Public Content

BACKGROUND

At the January 18, 2022, regular meeting, the City Council discussed and expressed a desire to create a Charter Review Commission. Staff received feedback from the initial discussion and researched compositions of charter review commissions in other municipalities in preparation for this discussion. Staff returned at the February 7 meeting to gain additional insights from the Council regarding the launch of a Charter Review Commission. Staff was asked to return with additional information and a draft charge for the Council's consideration. This presentation is a continuation of prior conversations and will summarize the discussion to this point.

OVERVIEW

Draft charge:

“Review the City of Sachse’s home rule Charter to determine if any revisions need to be made to the document and make a recommendation to the City Council regarding the Commission’s findings.”

POLICY CONSIDERATIONS

The Charter is the governing document for the City of Sachse.

RECOMMENDATION

Discuss and consider the Charter Review Commission and a potential charge.

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	3. Discuss and consider appointing representatives to serve on a Charter Review Commission.
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Appoint representatives to serve on a Charter Review Commission.
Goals	Provide a high quality of life environment for families, individuals, businesses, and other organizations in Sachse. Provide excellent government services to Sachse citizens.

Public Content

BACKGROUND
The creation of a Charter Review Commission has been discussed at the January 18 and February 7 regular City Council meetings. The purpose of this item is to allow the Council the opportunity to appoint members to serve on a Charter Review Commission if they wish to do so.

OVERVIEW
To reach the minimum requirements within the Charter, each councilmember must appoint two residents to serve on the Charter Review Commission. Council may wish to consider an additional appointment if there is concern about a tie.

POLICY CONSIDERATIONS
Section 11.07 of the City of Sachse's Home Rule Charter details the specific composition requirements of a Charter Review Commission.

Section 11.07-CHARTER REVIEW COMMISSION

1. The city council may appoint a Charter Review Commission of at least 14 citizens of the city who shall:
   a. Inquire into the operation of city government and determine whether any provisions require revision;
   b. Propose any recommendations it deems desirable to ensure compliance with Charter of the city government;
   c. Report its findings and present its recommendation to the city council
2. The city council shall receive and have published in the official newspaper of the city a comprehensive summary of the report presented by the commission, shall consider any recommendations made, and may order any amendments suggested to be submitted to the voters of the city in the manner provided by state law as now written or hereafter amended.
3. The term of office of the commission shall be for not more than six (6) months, at the end of which time a report shall be represented to the city council and all records of proceedings of the commission shall be filed with the city secretary and shall become public record.

RECOMMENDATION
Discuss and consider appointing representatives to serve on a Charter Review Commission.

Agenda Item Details

Meeting	Feb 21, 2022 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	4. Receive Sachse Police Department's 2021 Year in Review.
Access	Public
Type	Information, Reports

Public Content

OVERVIEW

Chief Sylvester will present an overview of the Sachse Police Department for 2021 including crime statistics, department activities and notable accomplishments, and projected goals for 2022.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Receive Sachse Police Department's 2021 Year in Review.

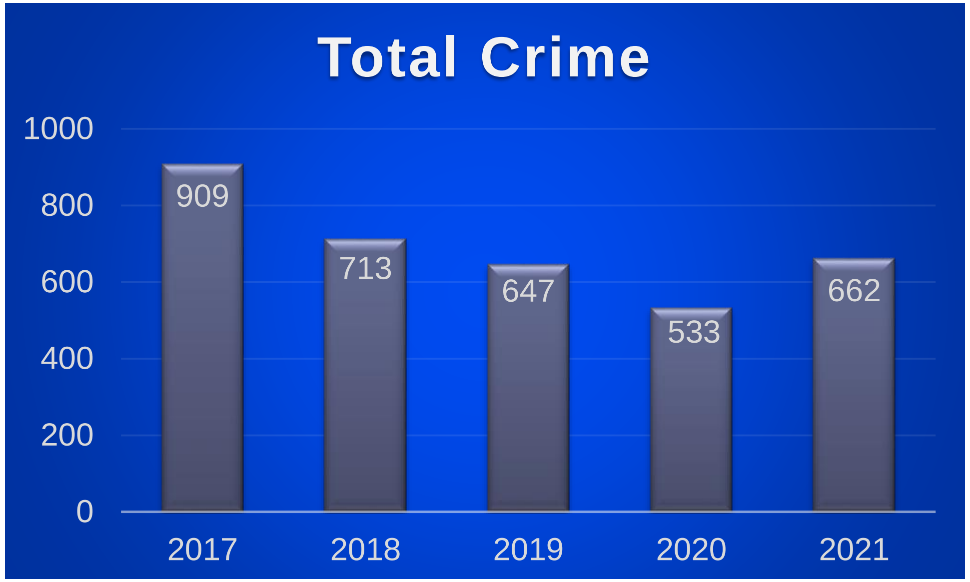
Presentation - Sachse Police Department 2021 Year in Review.pdf (1,179 KB)

Sachse Police Department 2021 Year in Review

City Council Meeting
February 21, 2022

Sachse Police Department
Crime and Arrest Review

OFFENSE	2020	2021	% Change
TOTAL CRIME	**533**	**661**	**24%**
PART I	**189**	**214**	**13%**
PART II	**344**	**447**	**30%**



Sachse Police Department
Crime and Arrest Review

OFFENSE	2020	2021	% Change
Homicide	0	1	100%
Aggravated Assault	4	8	100%
Simple Assault	123	135	10%
Sexual Assault	9	6	-33%
Robbery	3	0	-100%
Residential Burglary	12	6	-50%
Building Burglary	11	13	18%
Vehicle Burglary	41	18	-56%
Auto Theft	12	17	55%
Theft	95	144	51%

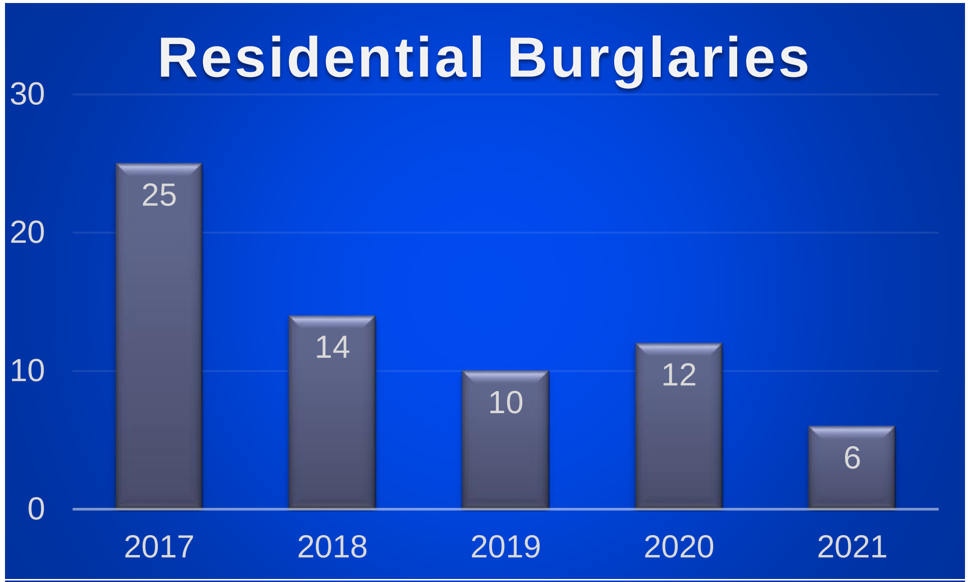
The City of SACHSE

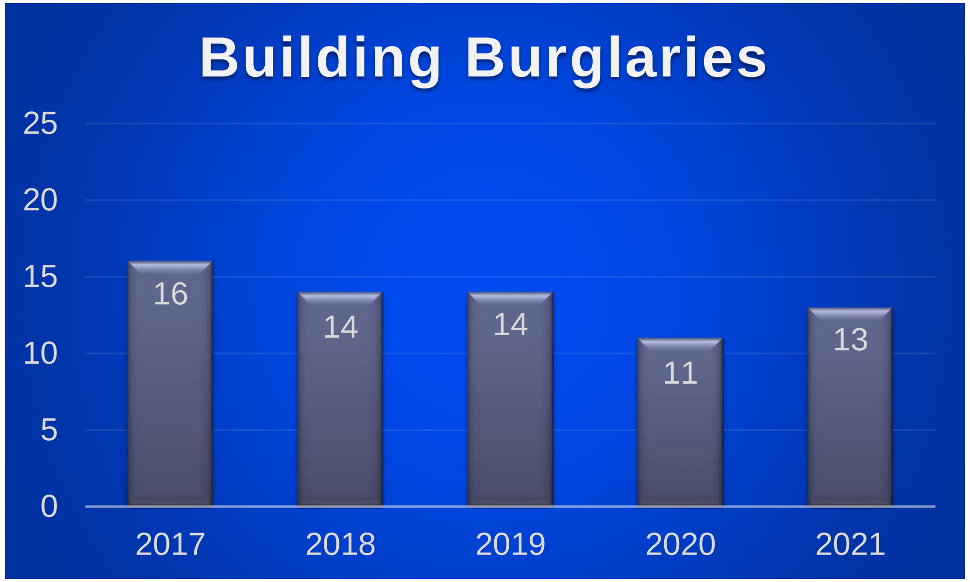
Sachse Police Department
Selected Part II Crimes

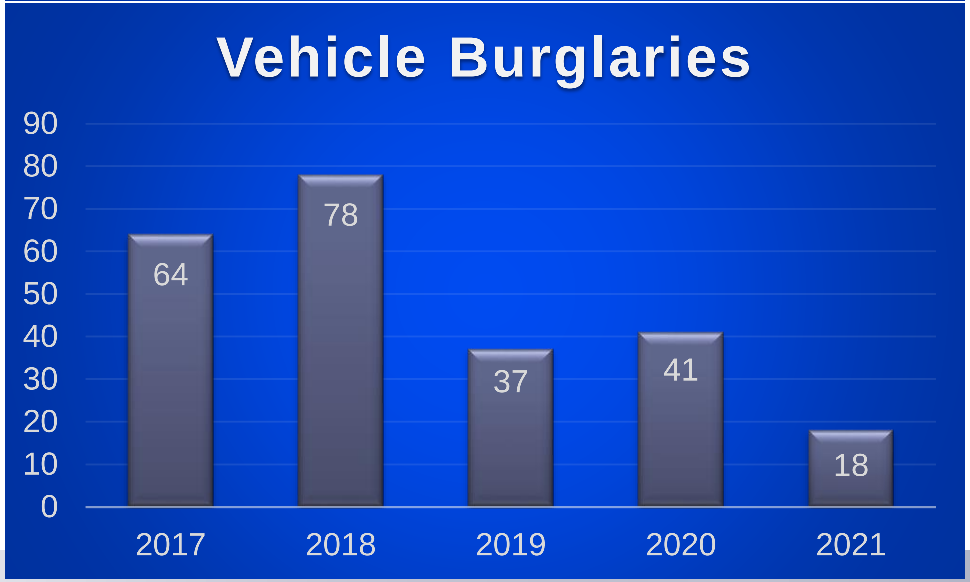
Part II Offense	2020	2021	% Change
Criminal Mischief	37	62	68%
Forgery/Fraud	55	65	17%
Disorderly Conduct	3	4	33%
Public Intoxication	7	10	43%
Drug Possession/Paraphernalia	48	75	56%
DWI	30	18	-40%

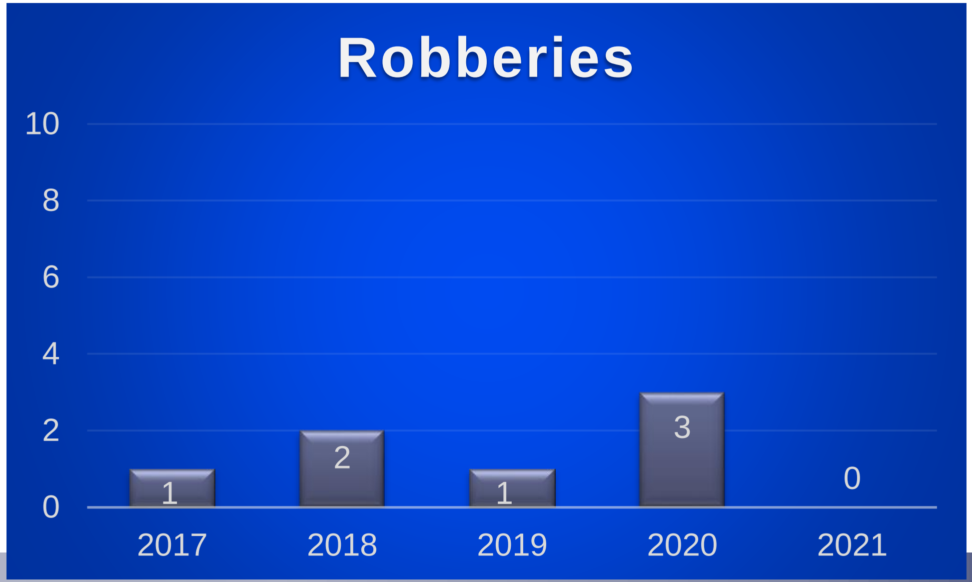
The City of SACHSE

Sachse Police Department





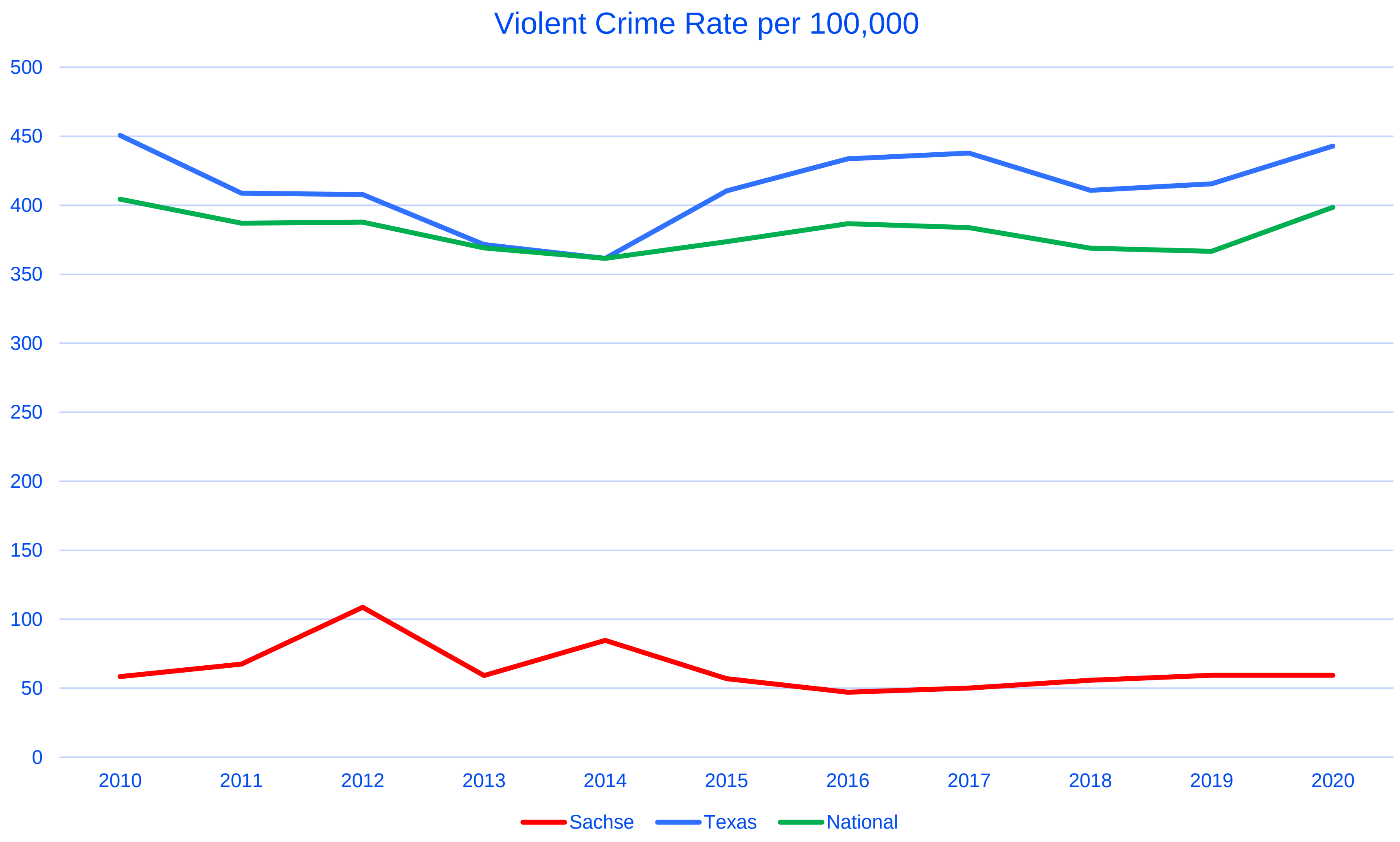




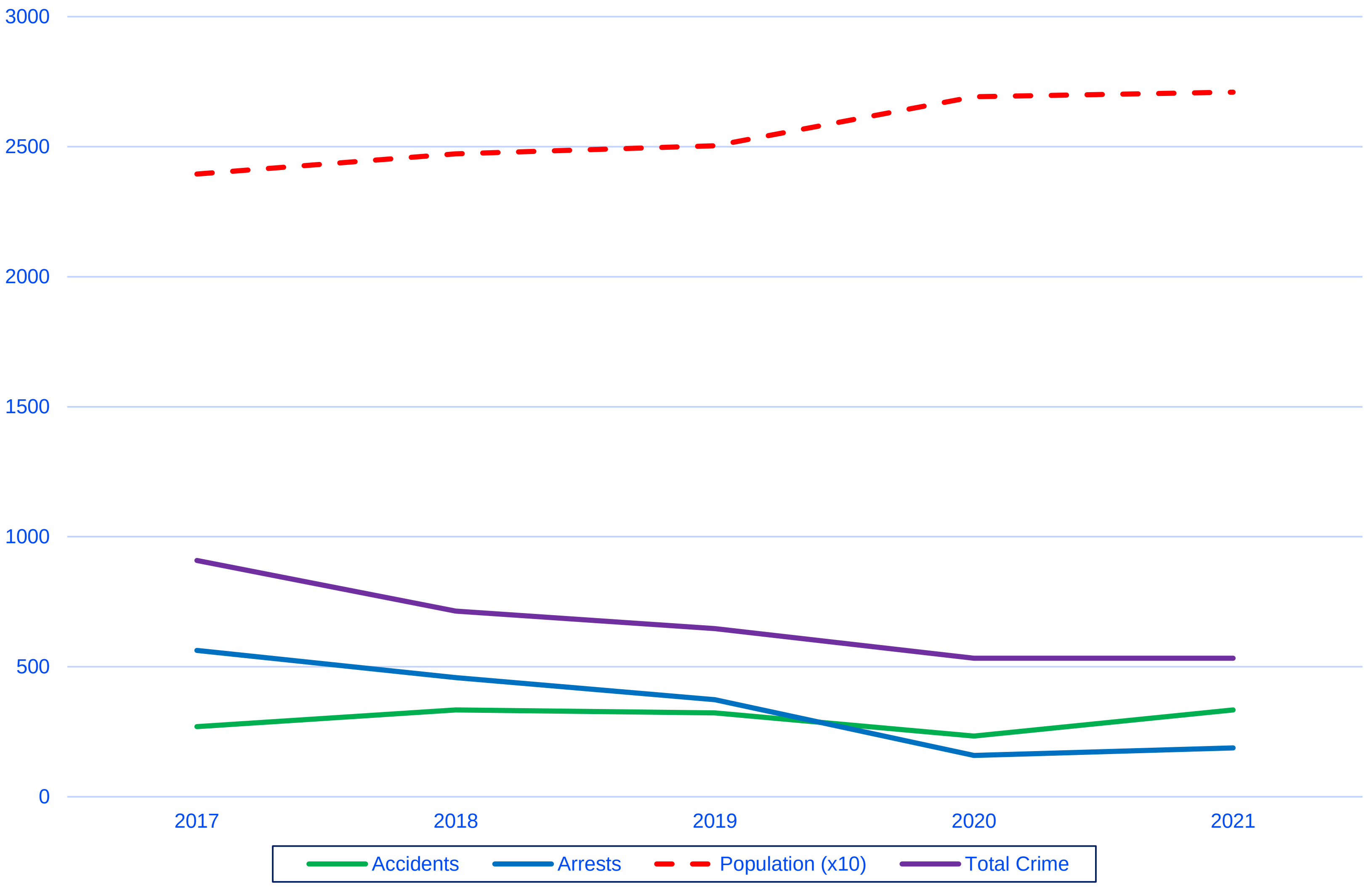
The City of SACHSE

Property Crime Comparison

Violent Crime Comparison



Sachse Police Department



Additional Metrics

Response Times

Priority 1 = 4.37 mins

Priority 2 = 4.57 mins

Traffic Stops: 4,060/ **(+17%)**

911 Calls: 10,121/ **(+16%)**

Community Policing Activity: 2,663/ **(+9%)**

Park and walks, community service reports, house checks, business contacts, and resident contacts.

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Accomplishments

Internal/Operational Improvements

- Tactical medic partnership with Sachse Fire-Rescue
- Crash reconstructionist team with Wylie
- Completion of 5-year staffing study
- Video redaction capability – records
- Implicit bias refresher – staff
- Resiliency training – command and supervisors
- Language line services
- Mentoring program – new supervisors

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Accomplishments

Community Outreach Activity

- Restoration of all major programs
  - Cops & Campers
  - Public Safety Day
  - National Night Out
  - Community Chat
- Emergency preparedness classes
- Halloween candy chute
- Senior-focused scam seminars
- Holiday toy drive – 176 children
- Holiday package program
- Door Defender refresh

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School Related Items

- Laptops and connectivity issued to SROs
- Cookies with Cops – Officer Childress
- Ranch/Woodcreek Way – crosswalk beacons

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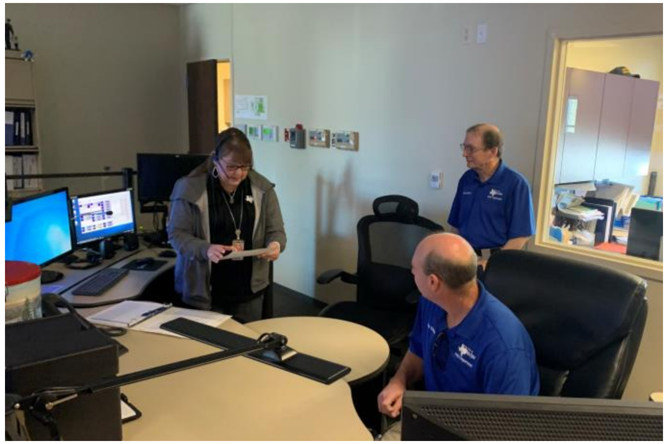
Volunteers in Policing

- 26 VIPs – 2,945 hrs. = $116,000 value
- Participation in Garland mass vaccination events
- Drug Take Back collection – X-Treme Green
- CPR training



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SACHSE

Goals for 2022

- Community programming
- Animal Shelter construction
- Implementation of staffing study
- Nixle upgrade
- Promotion/training of Sergeant
- TPCA Best Practices re-recognition preparation – 2023
- Procedural justice re-fresher
- Ethics training – in-service
- VIPs serving on oral boards
- Explore live-streaming 911 calls

The City of SACHSE

SACHSE POLICE

Honor

Integrity

Respect

Compassion

The City of SACHSE