



**Monday, March 3, 2025
City Council Meeting**

**City Council Chambers
3815-B Sachse Road
6:30 PM**

City Council meetings are streamed live and available on-demand (<https://sachsetx.swagit.com/live>).

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

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

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a regular meeting on Monday, March 3, 2025, at 6:30 PM to consider the following items of business:
2. Invocation and Pledges of Allegiance.

B. Recognition

1. Present a proclamation recognizing National Surveyors Week.
2. Present a proclamation recognizing March 29, 2025, as Arbor Day in the City of Sachse.
3. Present a proclamation recognizing March 29, 2025, as Keep America Beautiful - Great American Cleanup Day in the City of Sachse.
4. Present a proclamation recognizing the City of Sachse Finance Department's efforts for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

C. Public Comment

The public is invited to address Council regarding any topic not already on the agenda for action or public hearing. **Comments regarding the Consent Agenda or any discussion-only items on the agenda may be addressed during this Public Comment section.** The time limit is three minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

D. Council/Staff Reports and Updates

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

E. Consent Agenda

Consent Agenda items are routine or administrative in nature, have been discussed previously at a Council meeting, and/or do not warrant discussion. Council will act upon these items with one motion. There will be no separate discussion of these items unless a Councilmember requests the item be removed from the consent agenda. **If you have comments related to items on the Consent Agenda, please address them in the Public Comment section of the meeting.**

1. Approve the February 17, 2025, meeting minutes.
2. Approve the February 25, 2025, special meeting minutes.

3. Accept the monthly revenue and expenditure report for the period ending January 31, 2025.
4. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2024.

F. Action Items

Action items are for Council discussion and consideration for action. **The Mayor will invite comments before the Council votes.** A Public Comment Card should be given to the City Secretary prior to the start of the meeting.

1. Conduct a public hearing to consider approval of an ordinance amending the Comprehensive Zoning Ordinance and map, to grant a change of zoning from Residential-5 District (R-5) to a Neighborhood Shopping District (C-1) on an approximately 1.81± acre tract of land of the Church of Christ addition lot 1, block 1 subdivision, City of Sachse, Dallas County, Texas, more particularly described in Exhibit "A" and located at 5206 Ben Davis Road; providing a conflicts resolution clause; providing a severability clause; providing a savings clause; providing a penalty of fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense; and providing for an effective date.

G. Discussion Items

These items are for Council and staff to discuss as needed. **Comments on Discussion Items should be addressed in the Public Comment Section of this meeting.**

1. Receive the City's Annual Comprehensive Financial Report (ACFR) and Federal Single Audit Report for the fiscal year ending September 30, 2024.

H. Executive Session

1. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074 Personnel Matters: regarding the annual review of the Municipal Judge.
2. The City Council shall convene into Executive Session pursuant to Texas Government Code Section §551.087 Economic Development Deliberations: Deliberate the offer of a financial or other incentive relating to the development of a project generally located along Ranch Road and Hwy 78, for Project Yellowstone.

I. Action Resulting from Executive Session

Action items are for Council discussion and consideration for action. **The Mayor will invite comments before the Council votes.** A Public Comment Card should be given to the City Secretary prior to the start of the meeting.

1. Take any action as a result of Executive Session regarding the annual review of the Municipal Judge.
2. Take any action as a result of Executive Session - deliberate the offer of a financial or other incentive relating to the development of Project Yellowstone.

J. Adjournment

Certification

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall, on February 28, 2025, by 5 PM.

Leah K Granger, TRMC, City Secretary

Date removed

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

B. Recognition

Subject: 1. Present a proclamation recognizing National Surveyors Week.

Meeting March 3, 2025 - City Council Meeting

Access Public

Type Recognition

Fiscal Impact None

Recommended Action Present a proclamation recognizing National Surveyors Week.

Goals

BACKGROUND

President Ronald Reagan proclaimed National Surveyors Week on February 13, 1984. National Surveyors Week every year starts on the third Sunday in March and aims to educate the public through classroom contact, media, and visible public service.

The Texas Society of Professional Land Surveyors has worked with many area libraries and schools to demonstrate what land surveying is and to showcase land surveying instruments, the history of land surveying, and career opportunities in land surveying.

Sachse's orderly development relied on Land Surveyors to ensure the city was built as the founders intended it to be developed through platting, topographic mapping, and even to help define the city limits.

Sachse resident, Christopher Bentle, and Marcos Madrid, land surveyors will accept the proclamation.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Present a proclamation recognizing National Surveyors Week.

File Attachments

1. Surveyors Week Proclamation_2025

Proclamation

WHEREAS, for more than a quarter millennium, surveyors have played a central role in the epic saga of America, her people, and the land they love; and

WHEREAS, three of the four Presidents depicted on Mt. Rushmore were surveyors, including Thomas Jefferson, who tasked two of the most famous land surveyors in U.S. history, Meriwether Lewis and William Clark, to embark on an expedition through the uncharted territory purchased from France, sowing seeds of “Manifest Destiny” and a sense of purpose that would shape the trajectory of our people for years to come; and

WHEREAS, to inspire continued immigration from the United States, Stephen F. Austin, the Father of Texas, published the first commercially-produced map of the region in 1830 and updated it in 1840 to reflect Texas’ newfound status as a sovereign nation; and

WHEREAS, surveyors paved the way for many glories of the past, and their influence is as significant as ever in the present – whether construction, transportation, conservation, industry, or disaster recovery, much of modern life depends on our talented surveyors; and

WHEREAS, the field of land surveying is a sophisticated science that involves principles of geodesy, mathematics, advanced data collection and mapping methods, related applied and physical sciences, and relevant laws to measurement, evidence, and boundaries; and

WHEREAS, from land ownership to infrastructure development, surveyors make a meaningful, tangible difference in our city, state and nation; and

WHEREAS, the profession requires a breadth of technical expertise, astute analytical abilities and great attention to detail;

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim March 16 through 22, 2025, as

SURVEYORS WEEK

in the City of Sachse and encourage the public to acknowledge and applaud these hardworking professionals for the important work they do, which is of great benefit to us all.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 3rd day of March 2025.

Gold
Seal



Jeff Bickerstaff, Mayor

B. Recognition

Subject:	2. Present a proclamation recognizing March 29, 2025, as Arbor Day in the City of Sachse.
Meeting	March 3, 2025 - City Council Meeting
Access	Public
Type	Recognition
Fiscal Impact	None
Recommended Action	Present a proclamation recognizing March 29, 2025, as Arbor Day in the City of Sachse.
Goals	Provide a high quality of life environment for families; individuals; businesses; and other organizations in Sachse.

BACKGROUND

This year marks the 16th celebration of Arbor Day in the City of Sachse and the 17th year the City has received the designation as a “Tree City USA”. Sachse is proud to be an active community that recognizes the importance of having healthy trees and understands the long-term benefits of tree conservation.

In recognition of the event, the City will host an Arbor Day celebration on March 29, 2025, at the Michael J. Felix Community Center. Volunteer groups will be at various parks and open spaces in Sachse cleaning, planting flowers, and planting trees.

Leisure Services Coordinator Jordan Beaulieu and Recreation Manager Cynthia Wiseman will accept the proclamation.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Present a proclamation recognizing March 29, 2025, as Arbor Day in the City of Sachse.

File Attachments 1. Arbor Day Proclamation_2025
--

Proclamation

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, which became known as Arbor Day and is now observed throughout the nation and the world; and

WHEREAS, trees can reduce erosion of our precious topsoil by wind and water, decrease heating and cooling costs, clean the air, produce life-giving oxygen, and provide a habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us wood for our homes, fuel for our fires, and paper for learning, communication, and entertainment; and

WHEREAS, trees beautify our community, increase property values, and enhance the economic vitality of business areas, and wherever planted, trees become a source of joy and spirituality;

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim March 29, 2025, as

Arbor Day

in the City of Sachse and encourage all to celebrate by supporting efforts to protect our trees and woodlands.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 3rd day of March 2025.

Gold
Seal



Jeff Bickerstaff, Mayor

B. Recognition

Subject:	3. Present a proclamation recognizing March 29, 2025, as Keep America Beautiful - Great American Cleanup Day in the City of Sachse.
Meeting	March 3, 2025 - City Council Meeting
Access	Public
Type	Recognition
Fiscal Impact	None
Recommended Action	Present a proclamation recognizing March 29, 2025, as Keep America Beautiful - Great American Cleanup Day in the City of Sachse.
Goals	Provide a high quality of life environment for families; individuals; businesses; and other organizations in Sachse.

BACKGROUND

The Keep America Beautiful - Great American Cleanup is the nation's largest annual community improvement program that the City of Sachse has participated in for the past 14 years. This is an outstanding community program where people of all ages can participate. In 2024, 2,948 pounds of trash were collected throughout the city as a part of the event. More than 240 individuals participated in the cleanup and collectively put in over 400 volunteer hours on beautification and cleanup projects, planted 80 flowers, and planted 50 trees at J.K. Sachse Park. This year's event will be hosted on Saturday, March 29, 2025.

Leisure Services Coordinator Jordan Beaulieu and Recreation Manager Cynthia Wiseman will accept the proclamation.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Present a proclamation recognizing March 29, 2025, as Keep America Beautiful - Great American Cleanup Day in the City of Sachse.

File Attachments

1. Great American Cleanup Proclamation_2025

§ *Proclamation*

WHEREAS, Keep America Beautiful, Inc., a national not-for-profit organization dedicated to helping individuals improve their community environment, has established the Great American Cleanup as its signature national effort for involving American citizens in environmental stewardship; and

WHEREAS, the City of Sachse is proud of its natural resources and neighborhoods and seeks to protect and improve the community through the action of the individuals, schools, governments, and businesses working together; and

WHEREAS, the President of the United States of America has recognized the important commitment to improve American communities through litter prevention, beautification, and solid waste management initiatives and has assumed the title of Honorary Chair of the Keep America Beautiful - Great American Cleanup;

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim March 29, 2025, as

Keep America Beautiful – Great American Cleanup Day

in Sachse and call upon the public to join in activities that promote responsible, environmental stewardship and help us renew our commitment to building a better world for future generations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 3rd day of March 2025.

Gold
Seal



Jeff Bickerstaff, Mayor

B. Recognition

Subject: 4. Present a proclamation recognizing the City of Sachse Finance Department's efforts for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

Meeting March 3, 2025 - City Council Meeting

Access Public

Type Recognition

Fiscal Impact None

Recommended Action Present a proclamation recognizing the City of Sachse Finance Department's efforts for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

Goals Be a model of financial stewardship through growth management; responsible investment; and financial transparency.
Provide excellent government services to Sachse citizens.

BACKGROUND

The Government Finance Officers Association (GFOA) established the Distinguished Budget Presentation Awards Program to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. The association then recognizes individual governments that succeed in achieving that goal. The award represents a significant achievement by the entity, reflecting the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. The City has received the Distinguished Budget Presentation award for thirteen consecutive years.

Director of Finance, David Baldwin, will accept the proclamation.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Present a proclamation recognizing the City of Sachse Finance Department's efforts for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

File Attachments

1. GFOA Budget Proclamation_2025

§ *Proclamation*

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

WHEREAS, the GFOA is pleased to announce that the City of Sachse, Texas, has received the association's Distinguished Budget Presentation Award for the thirteenth consecutive year; and

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

WHEREAS, in order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentations designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device; and

WHEREAS, award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments through North America.

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby recognize and congratulate the efforts and achievement of the Sachse Finance Department as being primarily responsible for having achieved this Distinguished Budget Presentation Award.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas, to be affixed on this 3rd day of March 2025.

Gold
Seal



Jeff Bickerstaff, Mayor

E. Consent Agenda

Subject: 1. Approve the February 17, 2025, meeting minutes.

Meeting March 3, 2025 - City Council Meeting

Access Public

Type Action (Consent), Minutes

Fiscal Impact None

Recommended Action Approve the minutes as presented.

Goals

BACKGROUND

Minutes from the February 17, 2025, Council regular meeting.

POLICY CONSIDERATIONS

State law and Sachse's Charter require minutes to be recorded for public meetings.

RECOMMENDATION

Approve the minutes as presented.

File Attachments

1. CityCouncil_Regular_Minutes_02.17.2025-unsigned

CITY COUNCIL OF THE CITY OF SACHSE FEBRUARY 17, 2025, MEETING MINUTES

The City Council of the City of Sachse held a regular meeting on Monday, February 17, 2025, at 6:30 PM at Sachse City Hall, 3815-B Sachse Road. Those present were: Mayor Jeff Bickerstaff, Mayor Pro Tem Brett Franks, Councilmember Michelle Howarth, Councilmember Frank Millsap, Councilmember Chance Lindsey, Councilmember Matt Prestenberg.

Those absent were: Councilmember Lindsay Buhler.

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a regular meeting on Monday, February 17, 2025, at 6:30 PM to consider the following items of business

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

2. Invocation and Pledges of Allegiance.

Councilmember Prestenberg offered the invocation and Councilmember Howarth led the pledges.

B. Public Comment

The public is invited to address Council regarding any topic not already on the agenda for action or public hearing. **Comments regarding the Consent Agenda or any discussion-only items on the agenda may be addressed during this Public Comment section.** The time limit is three minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

Sachse resident, Christine Horning, addressed the Council regarding advertising deliveries creating trash in neighborhoods.

C. Council/Staff Reports and Updates

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

Mayor Pro Tem Franks announced that volunteers are needed for the [Arbor Day Jubilee](#) on March 29. Visit the City's website for more information and to sign up. Councilmember Millsap pointed out the Black History Month book displays in the Library, the teen weekend donut bath bombs activity on February 22, and the Dog Man party family event on February 28. Councilmember Prestenberg highlighted the featured pet of the month, Odin, and invited the public to come meet him and other pets at the Animal Shelter. He also reminded the public of the upcoming Daddy-Daughter dance at the Michael J. Felix Community Center on February 21.

Ms. Nash welcomed new Utility Billing Customer Service Representative Charles Anderson to the team and congratulated Leisure Services Director Lance Whitworth on passing his Certified Park and Recreation Executive (CPRE) exam. She also thanked Emergency Management Analyst Kyle Potraza and Assistant to the City Manager Logan Thatcher for their efforts in

securing a full reimbursement of \$300,000 from FEMA and the state for the extensive cleanup of the May 28 storm. This reimbursement will go back into the General Fund.

Mayor Bickerstaff announced that the application period for the [Sachse Scholarship](#) is still open and submissions must be postmarked by March 25. More information may be found on the City website. He noted that the State of the City event, honoring volunteers on the City's Boards and Commissions, was a great night. He thanked the sponsors of the event, whose contributions paid for all expenses. The [video](#) address is posted on the [City YouTube channel](#).

D. Consent Agenda

Consent Agenda items are routine or administrative in nature, have been discussed previously at a Council meeting, and/or do not warrant discussion. Council will act upon these items with one motion. There will be no separate discussion of these items unless a Councilmember requests the item be removed from the consent agenda. **If you have comments related to items on the Consent Agenda, please address them in the Public Comment section of the meeting.**

1. Approve the February 3, 2025, meeting minutes.
2. Cancel the March 17, 2025, Council meeting due to the Wylie ISD and Garland ISD spring breaks.
3. Approve the use of park development funds for the installation of LED lighting at Salmon Park for an amount not to exceed Forty Thousand, Seven Hundred Twenty-Two and No/100 Dollars (\$40,722.00).

Councilmember Howarth made a motion to approve the Consent Agenda as presented. Councilmember Prestenberg seconded the motion, and it carried 6 - 0. None voted against.

E. Discussion Items

These items are for Council and staff to discuss as needed. **Comments on Discussion Items should be addressed in the Public Comment Section of this meeting.**

1. Receive Sachse Police Department's 2024 Year End Review presentation.

Assistant Chief Steven Baxter provided an overview of crime and arrests in Sachse in 2024. He noted that major crimes (Part I) are down 19 percent overall. Of the 26 vehicle burglaries in 2024, only three were forced entries. He encouraged people to please lock their cars and take their belongings to prevent crime. Criminal mischief (Part II) crimes increased by four percent overall. These include officer-initiated charges such as public intoxication, alcohol violations, and DWIs that will help produce more serious crimes. The increase shows that officers are out on the streets and in the community finding offenses. Priority one crimes involve a potential loss of life or crimes in progress. The target response time is below four minutes and the average in 2024 was 3:49 minutes. Target response time for priority two crimes is below six minutes, and the department averaged 5:19 minutes in 2024.

Police Chief Sylvester highlighted the accomplishments of the department, including improved transparency policies on the webpage and new autism awareness training for staff. Partnerships were a big factor in accomplishments in 2024. The code ambassador program involved Volunteers in Policing (VIPs) helping the code enforcement team, which saved them time to focus more on compliance issues. He discussed community outreach activities and recalled the Animal Shelter completion project, on time and under budget. Lastly, Chief Sylvester reviewed goals for 2025.

F. Action Items

Action items are for Council discussion and consideration for action. **The Mayor will invite comments before the Council votes.** A Public Comment Card should be given to the City Secretary prior to the start of the meeting.

1. Consider approving a revised list of comparator cities for the purpose of labor market benefits and compensation surveys.

Sarah Towne, project manager at Baker Tilly, provided an overview of the project to select an updated list of comparator cities. Input from leadership regarding what cities Sachse loses to and gains employees from. The initial list included 28 cities, then she used demographics and economic indicators to narrow that list down to 13. Previous comparator cities may no longer be relevant due to the amount of growth and change in the area. In considering new comparator cities, Council should be aware of aspirational peers, direct competitors stealing talent now, and those cities that are growing. Ms. Towne presented the narrowed list of 13 and the top six peer organizations pulling from the Sachse talent pool. She noted that understanding the appropriate comparator cities will affect the compensation rates study. Ms. Nash recommended that Council revisit the list of comparator cities in two years, if not sooner, due to the amount of growth and change in the region. Ms. Towne took Councilmembers through an exercise to narrow down the list from 13 to 10.

Sachse resident, Matthew Holboke, addressed Council regarding comparison points for types of jobs with the comparator cities.

Councilmember Prestenberg made a motion to approve the cities of Richardson, Farmers Branch, Rowlett, Wylie, Rockwall, Anna, Princeton, Celina, Murphy, and Royse City as the new comparator cities for Sachse. Councilmember Howarth seconded the motion, and it carried 5 - 1. Councilmember Millsap voted against the motion.

G. Adjournment

Mayor Bickerstaff adjourned the meeting at 7:57 PM.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, TRMC, City Secretary

E. Consent Agenda

Subject: 2. Approve the February 25, 2025, special meeting minutes.

Meeting March 3, 2025 - City Council Meeting

Access Public

Type Action (Consent), Minutes

Fiscal Impact None

Recommended Action Approve the minutes as presented.

Goals

BACKGROUND

Minutes from the February 25, 2025, Council special meeting.

POLICY CONSIDERATIONS

State law and Sachse's Charter require minutes to be recorded for public meetings.

RECOMMENDATION

Approve the minutes as presented.

File Attachments

1. CityCouncil_Special_Minutes_02.25.2025_unsigned

CITY COUNCIL OF THE CITY OF SACHSE FEBRUARY 25, 2025, MEETING MINUTES

The City Council of the City of Sachse held a regular meeting on Tuesday, February 25, 2025, at 6:00 PM at Sachse City Hall, 3815-B Sachse Road. Those present were: Mayor Jeff Bickerstaff, Mayor Pro Tem Brett Franks, Councilmember Michelle Howarth, Councilmember Chance Lindsey, Councilmember Lindsay Buhler, Councilmember Matt Prestenberg.

Those absent were: Councilmember Frank Millsap.

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a regular meeting on Tuesday, February 25, 2025, at 6:00 PM to consider the following items of business:

Mayor Bickerstaff called the meeting to order at 6:00 PM.

2. Conduct interviews for the City's boards and commission.

The Council interviewed applicants interested in serving on a City Board or Commission.

3. Discuss and consider appointments to the City's boards and commission.

Mayor Pro Tem Franks made a motion to appoint board members as follows:

- Board of Adjustment - Mary Saathoff
- Economic Development Corporation Board - Ashley Holley and Krisleigh Hoermann
- Municipal Development District Board - Gibbon Joseph
- Tax Increment Financing Reinvestment Zone #1 Board - remove Matt Prestenberg and appoint Todd Uddin

Councilmember Prestenberg seconded the motion, and it carried 6 - 0. None voted against.

B. Adjournment

Mayor Bickerstaff adjourned the meeting at 7:00 PM.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, TRMC, City Secretary

E. Consent Agenda

Subject:	3. Accept the monthly revenue and expenditure report for the period ending January 31, 2025.
Meeting	March 3, 2025 - City Council Meeting
Access	Public
Type	Action (Consent)
Fiscal Impact	None
Recommended Action	Accept the monthly revenue and expenditure report for the period ending January 31, 2025.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

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

POLICY CONSIDERATIONS

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

RECOMMENDATION

Accept the monthly revenue and expenditure report for the period ending January 31, 2025.

File Attachments

1. All Funds January 2025
2. Sales Tax Report February 2025

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2025 (Unaudited)

GENERAL FUND

	33% of Year Completed				
	Current Month		YTD Actuals		
	Annual Budget	Actual	YTD Actuals	% of Budget	Note
Revenue Summary					
Property Tax	\$ 18,171,765	\$ 5,552,692	\$ 16,197,157	89%	A
Sales Tax	3,215,000	242,375	985,588	31%	
Franchise Fees	2,230,711	337,698	879,644	39%	
Licenses and Permits	1,100,500	15,000	81,220	7%	B
Service Fees	1,791,920	83,151	396,891	22%	C
Fines	260,000	22,765	107,131	41%	D
Interest Income	670,000	65,936	168,252	25%	E
Miscellaneous Income	716,781	143,786	293,132	41%	
Intergovernmental Revenue	1,646,291	135,255	541,020	33%	
Total Revenue	\$ 29,802,968	\$ 6,598,659	\$ 19,650,036	66%	
Expenditure Summary					
Animal Services	\$ 340,848	\$ 32,095	\$ 111,937	33%	
City Manager	1,062,408	124,977	372,386	35%	
City Secretary	315,001	48,293	123,017	39%	F
Combined Services	226,718	49,382	434,625	192%	G
Development Services	1,318,635	80,267	309,216	23%	H
Engineering	385,718	36,340	123,427	32%	
Facilities Maintenance	748,046	68,953	303,001	41%	I
Finance	1,011,392	108,794	390,163	39%	J
Fire-Rescue	7,804,196	863,837	3,022,930	39%	K
Human Resources	637,401	57,991	190,230	30%	
Information Technology	1,400,042	294,636	607,868	43%	L
Library	876,453	76,712	279,191	32%	
Municipal Court	322,386	32,469	120,107	37%	
Neighborhood Services	443,604	40,237	133,453	30%	
Parks	1,640,990	106,261	484,008	29%	
Police	7,903,813	800,778	2,866,808	36%	
Recreation	885,750	78,343	351,394	40%	M
Senior Activity Center	221,923	20,419	70,722	32%	
Streets	2,192,495	198,430	732,447	33%	
Total Expenditures	\$ 29,737,819	\$ 3,119,213	\$ 11,026,929	37%	
Revenue Over/(Under) Expenses	\$ 65,149	\$ 3,479,445	\$ 8,623,107		
Beginning Fund Balance October 1, 2024			\$ 8,927,419		

See following page for explanation of major variances

Explanation of General Fund Major Variances:

- A** Property Tax receipts peak in December and January
- B** Building permit activity trending lower due to timing of anticipated residential and commercial construction
- C** Developer and Plan review activity trending lower due to timing of anticipated residential and commercial construction
- D** Municipal Court Fines "YTD Actuals % of Budget" trending to exceed budget due to increased volume
- E** Interest revenue trending low due to lower fund balance prior to receipt of bulk of property tax collections
- F** Expenses trending high due to timing of software licenses, election services and conference expenses
- G** Insurance expense and administrative vehicle purchase timing increases YTD % of Budget spent trend.
Adjustments for vacancy savings through-out the year will decrease percent of budget spent
- H** Professional Services timing and vacancy savings decreases YTD % of Budget spent trend
- I** Expenses trending to exceed "YTD Actuals % of Budget" spend primarily due to Building Repairs and Maintenance and Maintenance and Support Contracts expense timing
- J** Expenses trending high due to timing of software licenses
- K** Expenses exceed "YTD Actuals % of Budget" spend primarily due to Overtime, Vehicle Repair & Maintenance, Medical Supplies, and Maintenance and Support Contract expenses
- L** Hardware and Software Upgrades and Software Licensing timing decreases YTD % of Budget spent trend
- M** Expenses trending to exceed "YTD Actuals % of Budget" spend due to Special Events and Programs expenses

City of Sachse

Monthly Revenue and Expenditure Report January 31, 2025 (Unaudited)

UTILITY FUND

	33% of Year Completed				
	Current Month		YTD Actuals		
	Annual Budget	Actual	YTD Actuals	% of Budget	Note
Revenue Summary					
Water Revenue	\$ 10,277,340	\$ 584,328	\$ 3,137,530	31%	
Sewer Revenue	6,817,161	605,837	2,418,454	35%	
Drainage Revenue	265,000	19,737	78,924	30%	
Fees	228,500	15,406	73,506	32%	
Interest Income	870,000	90,044	360,514	41%	A
Intergovernmental Revenue	700,000	58,333	233,332	33%	
Total Revenue	\$ 19,158,001	\$ 1,373,685	\$ 6,302,260	33%	
Expenditure Summary					
Utility Administration	\$ 609,887	\$ 50,828	\$ 239,118	39%	B
Water	11,017,382	819,667	3,107,177	28%	
Sewer	17,753,529	566,761	2,392,817	13%	C
Stormwater Projects	1,244,193	1,260	1,260	0%	D
Total Expenditures	\$ 30,624,991	\$ 1,438,516	\$ 5,740,372	19%	
Revenue Over/(Under) Expenses	\$ (11,466,990)	\$ (64,831)	\$ 561,888		E
Beginning Fund Balance October 1, 2024			\$ 23,998,432		

Explanation of Major Variances:

- A Interest revenue trending strong due to favorable interest rates
- B Expenses exceed "YTD Actuals % of Budget" spend due to timing of Software Licensing and Credit Card Processing Fees
- C Sewer expenses trending low due to timing of capital project expenses
- D Stormwater Project expenses trending low due to timing of capital project expenses
- E Current Month Actual variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2025 (Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

		Current Month		33% of Year Completed		
	Annual Budget	Actual	YTD Actuals	YTD Actuals	% of Budget	Note
Revenue Summary						
Sales Tax	\$ 1,610,000	\$ 116,569	\$ 479,508	30%		
Other Income	16,000	-	-	0%		A
Interest Income	260,000	24,404	95,798	37%		
Total Revenue	\$ 1,886,000	\$ 140,973	\$ 575,306	31%		
Expenditure Summary						
Expenditures	\$ 2,180,980	\$ 76,679	\$ 725,884	33%		
Total Expenditures	\$ 2,180,980	\$ 76,679	\$ 725,884	33%		
Revenue Over/(Under) Expenses	\$ (294,980)	\$ 64,294	\$ (150,578)			B
Beginning Fund Balance October 1, 2024			\$ 6,527,603			

Explanation of Major Variances:

- A Garland ISD grant and auction proceeds anticipated to be received later in the fiscal year
- B YTD Actual variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report January 31, 2025 (Unaudited)

DEBT SERVICE FUND

		33% of Year Completed			
		Current Month		YTD Actuals	
	Annual Budget	Actual	YTD Actuals	% of Budget	Note
Revenue Summary					
Property Tax	\$ 7,732,361	\$ 2,363,756	\$ 6,894,014	89%	A
Interest Income	180,000	32,127	68,583	38%	B
Transfers and Contingencies	-	40,567	40,567	-	C
Total Revenue	\$ 7,912,361	\$ 2,436,450	\$ 7,003,164	89%	
Expenditure Summary					
Fees	\$ 1,000	\$ -	\$ 1,980	198%	
Principal	4,975,000	-	-	0%	D
Interest	2,731,088	-	-	0%	E
Total Expenditures	\$ 7,707,088	\$ -	\$ 1,980	0%	
Revenue Over/(Under) Expenses	\$ 205,273	\$ 2,436,450	\$ 7,001,184		
Beginning Fund Balance October 1, 2024			\$ 1,622,664		

Explanation of Major Variances:

- A Property Tax receipts peak in December and January
- B Interest revenue trending strong due to favorable interest rates
- C Closing out of 2021 Tax Note project transfers remaining funds from the General VERF Fund
- D Principal payments are primarily due in February
- E Interest payments are primarily due in February and August

City of Sachse

Monthly Revenue and Expenditure Report January 31, 2025 (Unaudited)

MUNICIPAL DEVELOPMENT DISTRICT

	33% of Year Completed				Note
	Annual Budget	Current Month Actual	YTD Actuals	YTD Actuals % of Budget	
Revenue Summary					
Sales Tax	\$ 800,000	\$ 56,245	\$ 232,635	29%	A
Interest Income	20,000	2,822	10,365	52%	
Total Revenue	\$ 820,000	\$ 59,067	\$ 243,000	30%	
Expenditure Summary					
Expenditures	\$ 1,521,888	\$ 2,314	\$ 70,641	5%	B
Total Expenditures	\$ 1,521,888	\$ 2,314	\$ 70,641	5%	
Revenue Over/(Under) Expenses	\$ (701,888)	\$ 56,753	\$ 172,359		
Beginning Fund Balance October 1, 2024			\$ 688,703		

Explanation of Major Variances:

- A** Interest revenue trending strong due to favorable interest rates
- B** Reflects J.K. Sachse Park construction expenditures in current reporting period

CITY OF SACHSE
2024/2025 SALES TAX REPORT

FY 2025								FY 2024	
	Economic Dev. Corp.	Municipal Dev. Dist.	Street Maint.	General Fund			Total ¹	General Fund	Total ¹
Month	0.50%	0.25%	0.25%	1.00%	Year-To-Date (YTD)	YTD % of Budget	YTD Growth Over Prior Yr	2.00%	Year-To-Date (YTD)
October	\$123,442	\$60,644	\$61,721	\$246,884	\$246,884	8%	12%	\$492,690	\$221,133
November	121,596	58,657	60,798	243,193	490,077	15%	-1%	\$484,245	496,825
December	117,901	57,089	58,950	235,802	725,878	23%	0%	\$469,742	723,756
January	116,569	56,245	58,285	233,138	959,016	30%	0%	\$464,237	957,558
February	181,961	88,182	90,981	363,922	1,322,939	42%	4%	\$725,046	1,276,839
March									1,481,361
April									1,675,566
May									2,005,676
June									2,277,542
July									2,517,004
August									2,806,283
September									3,046,597
TOTAL	\$661,469	\$320,818	\$330,735	\$1,322,939				\$2,635,960	\$6,078,270
BUDGET	\$1,610,000	\$800,000	\$810,000	\$3,180,000				\$6,400,000	\$5,730,000

Notes

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

E. Consent Agenda

Subject:	4. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2024.
Meeting	March 3, 2025 - City Council Meeting
Access	Public
Type	Action (Consent)
Fiscal Impact	None
Recommended Action	Accept the Quarterly Investment Report for the quarter ending December 31, 2024.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

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

Quarterly Budget and Investment Reports are provided for the quarter ending December 31, 2024.

POLICY CONSIDERATIONS

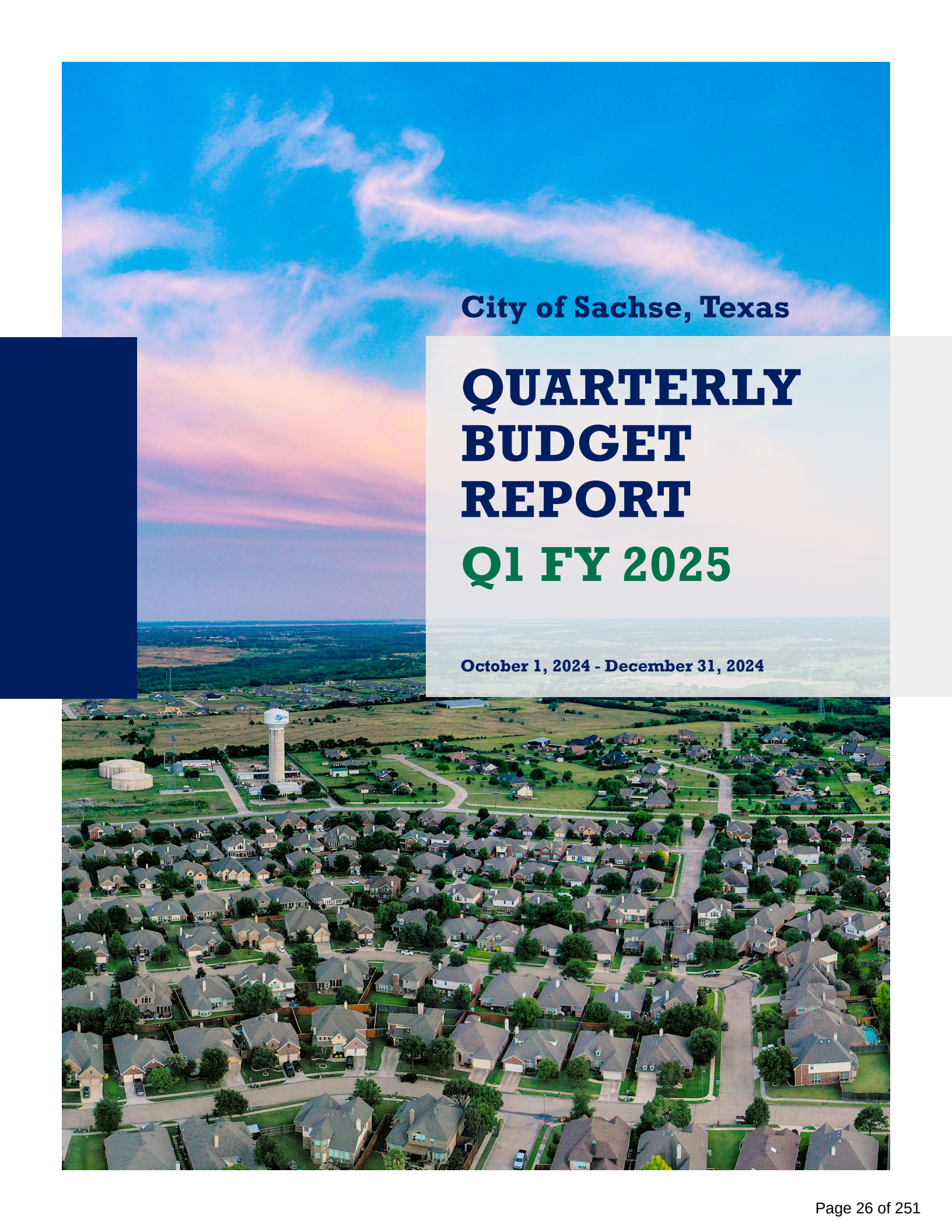
Sachse Comprehensive Financial Management Policy Section VI.E. Capital Improvements/Project Reporting requires not less than quarterly, the investment officer prepare and submit a written report of investment transactions for all funds conveyed by the Investment Policy. The City's Investment Policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of Sachse and conforming to the PFIA, and other state and local statutes governing the investment of public funds.

RECOMMENDATION

Accept the Quarterly Investment Report for the quarter ending December 31, 2024.

File Attachments

1. Quarterly Budget Report FY 2025 Q1 2024.12.31
2. Quarterly Investment Report FY 2025 Q1 2024.12.31

An aerial photograph of a suburban neighborhood in Sachse, Texas. The foreground is filled with rows of houses with grey roofs and green lawns. In the middle ground, a tall white water tower stands out against the landscape. The background shows a vast, flat area under a sky with soft, pink and blue clouds, suggesting a sunset or sunrise. A dark blue vertical bar is on the left side of the image.

City of Sachse, Texas

**QUARTERLY
BUDGET
REPORT**

Q1 FY 2025

October 1, 2024 - December 31, 2024

TABLE OF CONTENTS

Finance Department Memo	3
Revenue and Expenditure Summary	5
General Fund Revenues	6
General Fund Expenditures	7
General Fund Expenditures by Category	8
Utility Fund Summary	9
Utility Fund Expenditures by Category	10
Debt Service Fund Summary	11
Special Revenue Fund Summary	12
Impact Fee Funds Summary	13
Street Maintenance Tax Fund	14
Health Insurance Fund Summary	15
Capital Project Summary	16
Economic Development Corporation Summary	18
Municipal Development District Summary	19



Finance Department Memo

TO: Gina Nash, City Manager
 FROM: David Baldwin, Finance Director
 SUBJ: Quarterly Budget Report For 1st Quarter Ending December 31st, 2024
 DATE: March 3, 2025
 CC: Mayor and City Council

Attached is the unaudited 1st Quarter Budget Report for the 2024 fiscal year. The fiscal year for the City of Sachse is October 1st through September 30th. 25% of the fiscal year was complete as of the end of December 2024.

Overall, the City has received \$31.5 million through the 1st quarter, representing 46.5% of budgeted revenues.

City-Wide Revenues

Fund	Budget	YTD	% Collected
General Fund	\$ 29,802,968	\$ 13,051,380	43.8%
Utility Fund	19,158,001	4,928,575	25.7%
Debt Service Fund	7,912,361	4,566,713	57.7%
Special Revenue Fund	369,675	37,348	10.1%
Street Maintenance Tax Fund	910,000	190,294	20.9%
Health Insurance Fund	20,000	10,026	50.1%
Impact Fee Funds	9,555,000	8,697,797	91.0%
Total	\$ 67,728,005	\$ 31,482,133	46.5%

Year-to-date expenditures totaled \$21.0 million for the 1st quarter, representing 26.0% of budgeted expenditures.

City-Wide Operating Expenditures

Fund	Budget	YTD	% Collected
General Fund	\$ 29,737,819	\$ 7,907,712	26.6%
Utility Fund	30,624,991	4,301,856	14.1%
Debt Service Fund	7,707,088	1,980	0.0%
Special Revenue Fund	157,000	2,848	1.8%
Street Maintenance Tax Fund	931,084	-	0.0%
Health Insurance Fund	99,500	5,698	5.7%
Impact Fee Funds	11,450,000	8,764,462	76.6%
Total	\$ 80,707,482	\$ 20,984,556	26.0%

The City of Sachse Home Rule Charter, Sec. 7.13 – Lapse of Appropriations, states that an appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Revenue

- > Total General Fund revenues are \$13,051,380 or 43.8% of expected collections. Total revenues increased \$977,928 compared to the same period last fiscal year.
- > Sales tax revenues are 23.1% of expected collections, at \$725,878 collected.
- > Franchise fees are at \$541,947, or 24.3% of budget; an increase of \$44,330 from last year through the same period.
- > General Fund current property tax revenues are 58.6% collected at \$10,644,466; a \$899,609 increase over last fiscal year through the same period.
- > Collections for Licenses & Permits are a total of \$66,219, or 6.0% of expected collections, a decrease of \$105,463 from last year through the same period.
- > Fees are \$312,794, or 17.5% of budget; an increase of \$164,303 compared to the same period last fiscal year.
- > Court fine revenues are \$86,367 or 32.9% of anticipated collections.
- > Utility Fund revenues are \$4,928,575 or 25.7% of budget.
- > Special Revenue Fund revenues are \$37,348 or 10.1% of budget.
- > Impact Fee Fund revenues are \$8,697,797 or 91.0% of the year's budget.
- > Sales tax revenue in the Street Maintenance Tax Fund is \$181,470 or 22.4% of budgeted collections for the current fiscal year.

Expenditures

- > Total General Fund expenditures are \$7,907,712 or 26.6% expended.
- > Utility Fund expenditures are \$4,301,856, or 14.1% of budget; a decrease of \$1,162,301 from the prior fiscal year.
- > Capital Project expenditures across all funds total \$1,947,957 year-to-date. This includes \$2,264,158 of project expenditures in the Utility Fund.

Component Units

- > Sales tax revenue in the Municipal Development District Fund is \$176,390 or 22.1% of budget, an increase of \$394 over the previous fiscal year.
- > Sachse Economic Development Corporation had expenditures totaling \$649,207 or 29.8% of budget.

Revenue and Expenditure Summary and Changes in Fund Balance Reserves

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

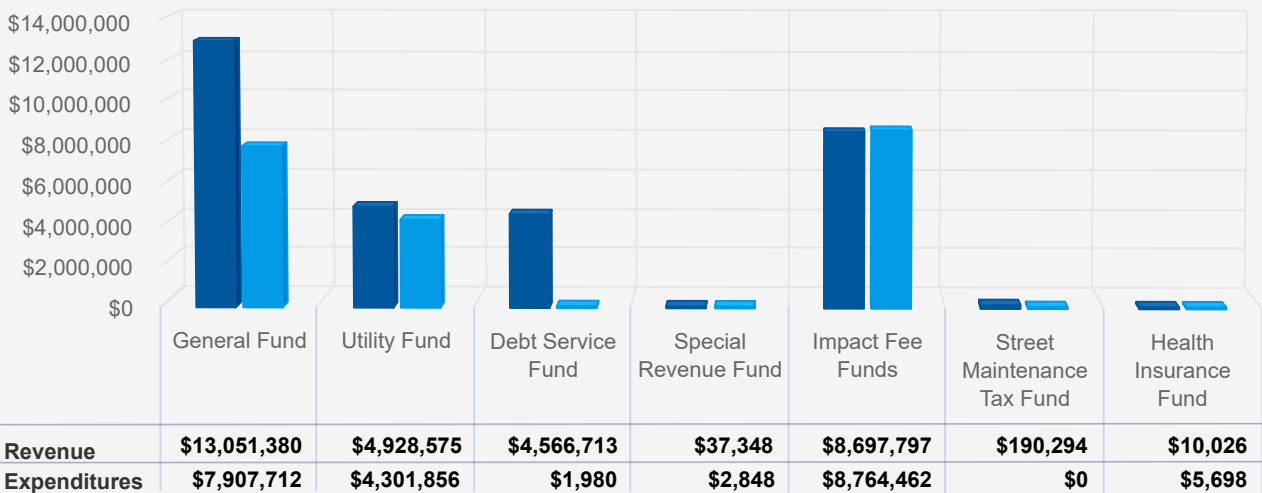
	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Funds	Street Maintenance Tax Fund	Health Insurance Fund	Total
Revenues								
Budget	\$ 29,802,968	\$ 19,158,001	\$ 7,912,361	\$ 369,675	\$ 9,555,000	\$ 910,000	\$ 20,000	\$ 67,728,005
YTD Actual	13,051,380	4,928,575	4,566,713	37,348	\$ 8,697,797	190,294	10,026	\$ 31,482,133
Budget Remaining	\$ 16,751,588	\$ 14,229,426	\$ 3,345,648	\$ 332,327	\$ 857,203	\$ 719,706	\$ 9,974	\$ 36,245,872
% of Budget	43.79%	25.73%	57.72%	10.10%	91.03%	20.91%	50.13%	46.48%
Expenditures								
Budget	\$ 29,737,819	\$ 30,624,991	\$ 7,707,088	\$ 157,000	\$ 11,450,000	\$ 931,084	\$ 99,500	\$ 80,707,482
YTD Actual	7,907,712	4,301,856	1,980	2,848	\$ 8,764,462	-	5,698	12,220,094
Budget Remaining	\$ 21,830,107	\$ 26,323,135	\$ 7,705,108	\$ 154,152	\$ 2,685,538	\$ 931,084	\$ 93,802	\$ 57,037,388
% of Budget	26.59%	14.05%	0.03%	1.81%	76.55%	0.00%	5.73%	15.14%
Net Over/ (Under)	\$ 5,143,668	\$ 626,719	\$ 4,564,733	\$ 34,500	\$ (66,665)	\$ 190,294	\$ 4,328	\$ 19,262,039

Note - FY 2024 budget includes City Council-approved budget amendments - Ordinance 4218 adopted on November 6, 2023 and Ordinance 0-2024-12 adopted on September 16, 2024.

Note - The large activity to date in the Impact Fee Funds is due to a transfer of funds from the original Impact Fee Fund into the new individualized Impact Fee Funds.

The City of Sachse Home Rule Charter, Sec. 7.13 – Lapse of Appropriations, states that an appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Revenue and Expenditure Summary

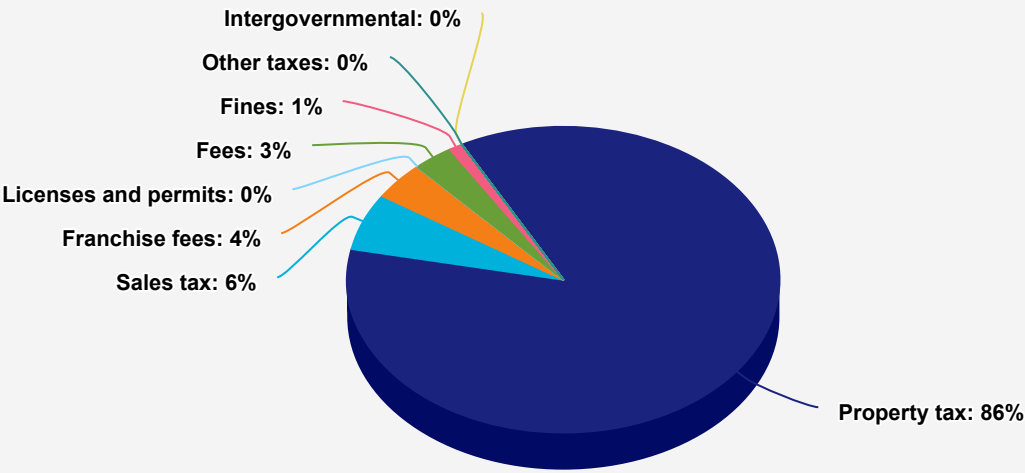


General Fund Revenues
Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	FY 2024		FY 2025			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Property tax	\$ 16,716,996	\$ 9,744,857	\$ 18,171,765	\$ 10,644,466	\$ 7,527,299	58.58%
Sales tax	2,825,000	723,756	3,140,000	725,878	2,414,122	23.12%
Franchise fees	2,211,000	497,617	2,230,711	541,947	1,688,764	24.29%
Licenses and permits	1,076,000	171,682	1,100,500	66,219	1,034,281	6.02%
Fees	1,610,300	148,491	1,785,920	312,794	1,473,126	17.51%
Fines	250,000	56,165	262,500	86,367	176,133	32.90%
Intergovernmental	400,000	80,481	508,000	42,568	465,432	8.38%
Other taxes	50,000	15,777	75,000	17,335	57,665	23.11%
Miscellaneous	729,917	248,706	882,281	208,041	674,240	23.58%
Transfers in	1,543,687	385,920	1,646,291	405,765	1,240,526	24.65%
Total Revenues	\$ 27,412,900	\$ 12,073,452	\$ 29,802,968	\$ 13,051,380	\$ 16,751,588	43.79%

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 0-2024-12 adopted on September 16, 2024.

General Fund Year-To-Date Revenue



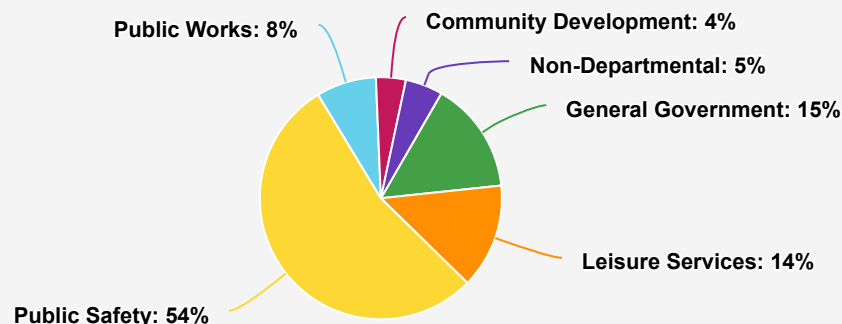
General Fund Expenditures

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	FY 2024		FY 2025			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
General Government						
City Manager	\$ 963,828	\$ 184,540	\$ 1,062,408	\$ 247,410	\$ 814,998	23.29%
City Secretary	268,759	52,976	315,001	74,722	240,279	23.72%
Finance	901,786	254,226	1,011,392	281,367	730,025	27.82%
Human Resources	578,457	117,903	637,401	132,238	505,163	20.75%
Information Technology	1,127,676	252,502	1,400,042	313,231	1,086,811	22.37%
Municipal Court	296,512	74,365	322,386	87,638	234,748	27.18%
	4,137,018	936,512	4,748,630	1,136,606	3,612,024	23.94%
Leisure Services						
Facilities Maintenance	697,806	202,714	748,046	234,049	513,997	31.29%
Library	886,420	191,330	876,453	202,481	673,972	23.10%
Parks	4,229,298	1,040,567	1,640,990	377,746	1,263,244	23.02%
Recreation	836,225	212,170	885,750	273,052	612,698	30.83%
Senior Activity Center	219,318	46,855	221,923	50,302	171,621	22.67%
	6,869,067	1,693,636	4,373,162	1,137,630	3,235,532	26.01%
Public Safety						
Animal Services	306,808	84,571	340,848	79,841	261,007	23.42%
Fire-Rescue	7,070,902	1,847,266	7,804,196	2,159,092	5,645,104	27.67%
Police	7,288,534	1,933,976	7,903,813	2,066,030	5,837,783	26.14%
	14,666,244	3,865,813	16,048,857	4,304,963	11,743,894	26.82%
Public Works						
Engineering	391,816	99,148	364,118	87,085	277,033	23.92%
Streets	5,719,287	1,375,109	2,192,495	534,015	1,658,480	24.36%
	6,111,103	1,474,257	2,556,613	621,100	1,935,513	24.29%
Community Development						
Development Services	1,205,277	213,494	1,318,635	228,952	1,089,683	17.36%
Neighborhood Services	1,173,903	290,230	465,204	93,217	371,987	20.04%
	2,379,180	503,724	1,783,839	322,169	1,461,670	18.06%
Non-Departmental	528,778	296,817	226,718	385,244	(158,526)	169.92%
Total Expenditures	\$ 34,691,390	\$ 8,770,759	\$ 29,737,819	\$ 7,907,712	\$ 21,830,107	26.59%

Note - FY 2024 budget includes City Council-approved budget amendments - Ordinance 4218 adopted on November 6, 2023 and Ordinance 0-2024-12 adopted on September 16, 2024.

Year-To-Date Expenditures By Function



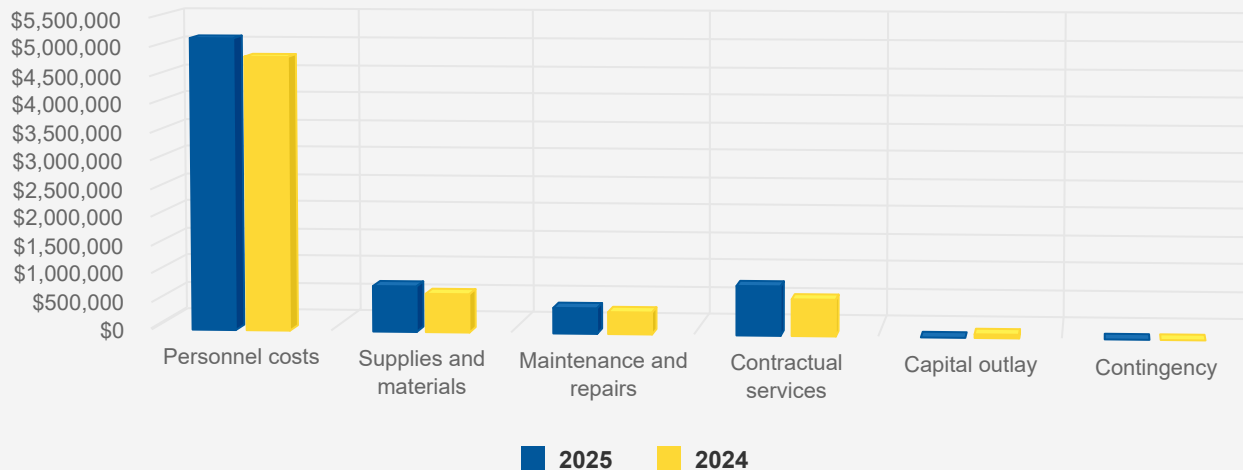
General Fund Expenditures by Category

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	Fiscal Year	Budget	Year-to-Date	Budget Remaining	% of Budget
Personnel costs	2025	\$ 20,600,930	\$ 5,190,927	\$ 15,410,003	25.20%
	2024	19,586,459	4,846,915	14,739,544	24.75%
Supplies and materials	2025	2,820,886	813,937	2,006,949	28.85%
	2024	2,804,639	672,448	2,132,191	23.98%
Maintenance and repairs	2025	1,087,149	444,707	642,442	40.91%
	2024	1,247,010	379,521	867,489	30.43%
Contractual services	2025	2,476,325	882,846	1,593,479	35.65%
	2024	2,069,510	647,992	1,421,518	31.31%
Capital outlay	2025	402,529	12,795	389,734	3.18%
	2024	277,796	72,388	205,408	26.06%
Contingency	2025	100,000	-	100,000	-%
	2024	100,000	-	100,000	-%
Transfers out	2025	2,250,000	562,500	1,687,500	25.00%
	2024	8,605,976	2,151,495	6,454,481	25.00%
Total Expenditures	2025	29,737,819	7,907,712	21,830,107	26.59%
	2024	34,691,390	8,770,759	25,920,631	25.28%

Note - FY 2024 budget includes City Council-approved budget amendments - Ordinance 4218 adopted on November 6, 2023 and Ordinance 0-2024-12 adopted on September 16, 2024.

Year-To-Date Expenditures by Category

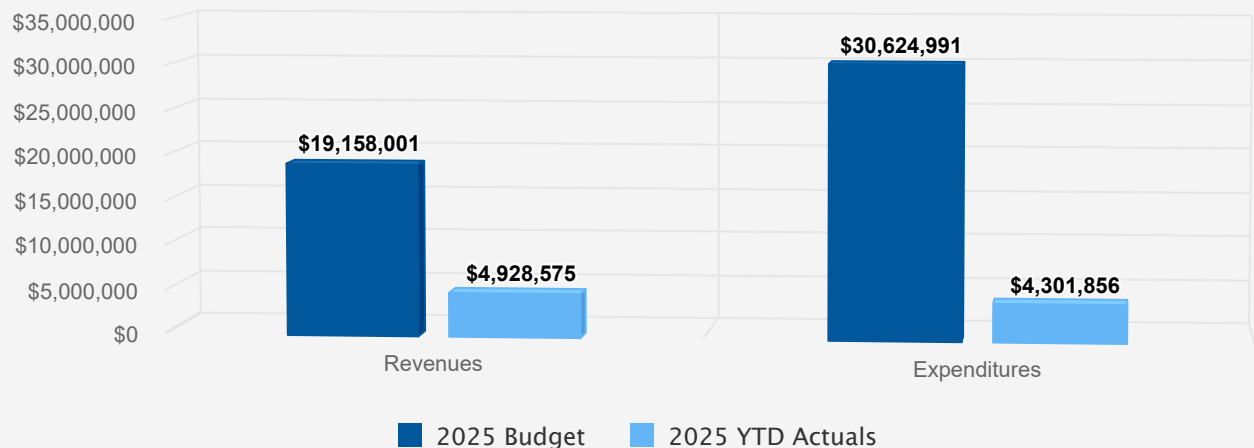


Utility Fund Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

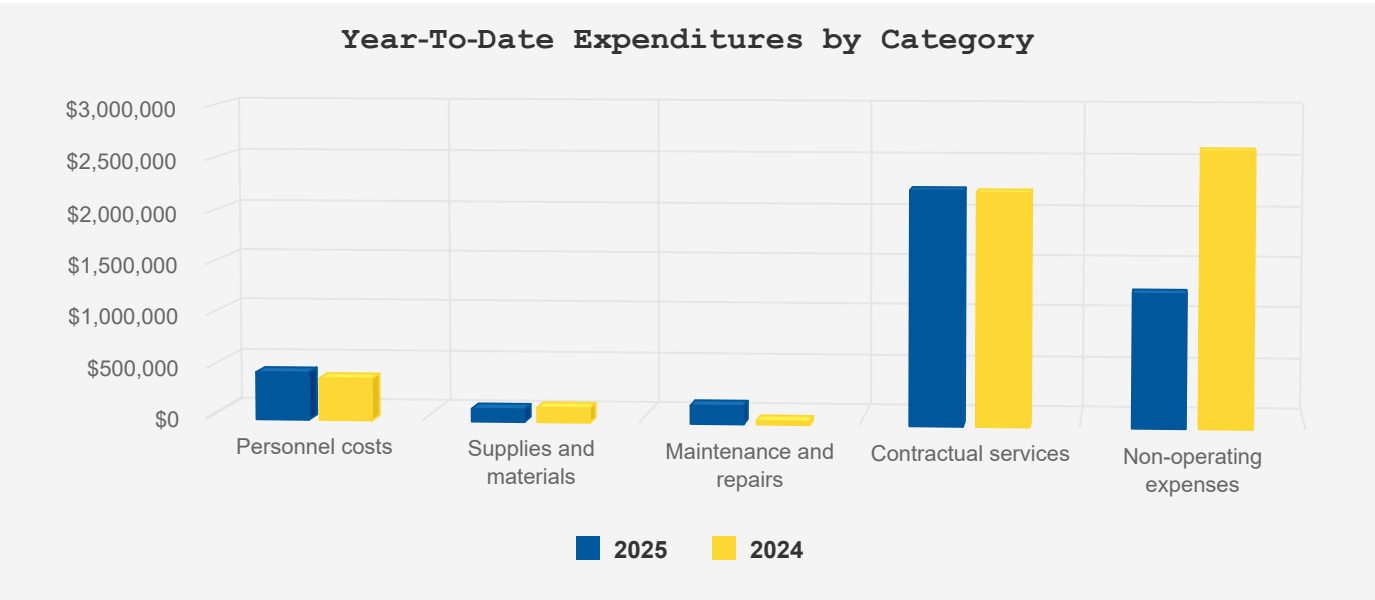
	2024		2025			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Water revenue	\$ 9,500,000	\$ 2,062,824	\$ 10,176,540	\$ 2,553,152	\$ 7,623,388	25.09%
Sewer revenue	6,500,000	1,687,746	6,816,861	1,812,617	5,004,244	26.59%
Drainage revenue	230,000	58,706	265,000	59,186	205,814	22.33%
Water tap charges	500	-	300	-	300	-%
Water line bore charge	-	-	500	-	500	-%
Meter installation charge	75,000	35,702	100,000	50	99,950	0.05%
Sewer tap charge	-	-	300	-	300	-%
Reconnection charges	35,000	9,470	40,000	5,825	34,175	14.56%
Penalties	140,000	34,845	150,000	42,511	107,489	28.34%
Solid waste admin charge	30,000	7,442	37,000	9,270	27,730	25.05%
Auction proceeds	25,000	13,088	-	31	(31)	-%
Miscellaneous receipts	1,000	568	1,500	464	1,036	30.93%
Interest	290,000	290,959	870,000	270,470	599,530	31.09%
Total Revenues	\$ 18,826,500	\$ 4,701,351	\$ 19,158,001	\$ 4,928,575	\$ 14,229,426	25.73%
Expenditures						
Utility Administration	\$ 572,725	\$ 196,364	\$ 609,887	\$ 188,289	\$ 421,598	30.87%
Water	11,298,506	2,716,188	11,017,382	2,287,512	8,729,870	20.76%
Sewer	17,990,613	2,424,143	17,753,529	1,826,055	15,927,474	10.29%
Stormwater Drainage	700,000	127,462	1,244,193	-	1,244,193	-%
Total Expenditures	\$ 30,561,844	\$ 5,464,157	\$ 30,624,991	\$ 4,301,856	\$ 26,323,135	14.05%

Utility Fund Revenues and Expenditures



Utility Fund Expenditures by Category
Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	Fiscal Year	Budget	Year-to-Date	Budget Remaining	% of Budget
Personnel costs	2025	\$ 1,810,912	\$ 462,876	\$ 1,348,036	25.56%
	2024	1,791,512	401,865	1,389,647	22.43%
Supplies and materials	2025	474,797	123,641	351,156	26.04%
	2024	335,747	136,579	199,168	40.68%
Maintenance and repairs	2025	1,033,081	173,784	859,297	16.82%
	2024	529,465	41,129	488,336	7.77%
Contractual services	2025	9,347,546	2,253,973	7,093,573	24.11%
	2024	8,920,907	2,243,551	6,677,356	25.15%
Non-operating expenses	2025	17,958,655	1,287,582	16,671,073	7.17%
	2024	18,984,213	2,641,033	16,343,180	13.91%
Total Expenditures	2025	30,624,991	4,301,856	26,323,135	14.05%
	2024	30,561,844	5,464,157	25,097,687	17.88%

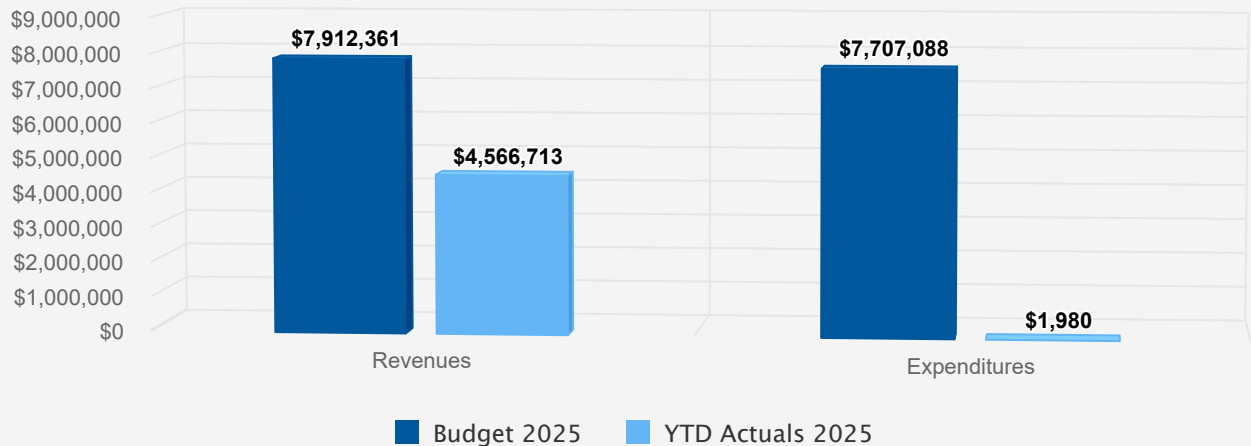


Debt Service Fund Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024		2025				
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget	
Revenues							
Property tax	\$ 7,111,584	\$ 4,147,910	\$ 7,732,361	\$ 4,530,257	\$ 3,202,104	58.59%	
Investment income	50,000	35,819	180,000	36,456	143,544	20.25%	
Total Revenues	\$ 7,161,584	\$ 4,183,729	\$ 7,912,361	\$ 4,566,713	\$ 3,345,648	57.72%	
Expenditures							
Debt service - principal	\$ 4,740,000	\$ -	\$ 4,975,000	\$ -	\$ 4,975,000	0.00%	
Debt service - interest	1,744,018	-	2,731,088	-	2,731,088	0.00%	
Other costs	548,016	1,980	1,000	1,980	(980)	198.00%	
Total Expenditures	\$ 7,032,034	\$ 1,980	\$ 7,707,088	\$ 1,980	\$ 7,705,108	0.03%	

Debt Service Fund Revenues and Expenditures

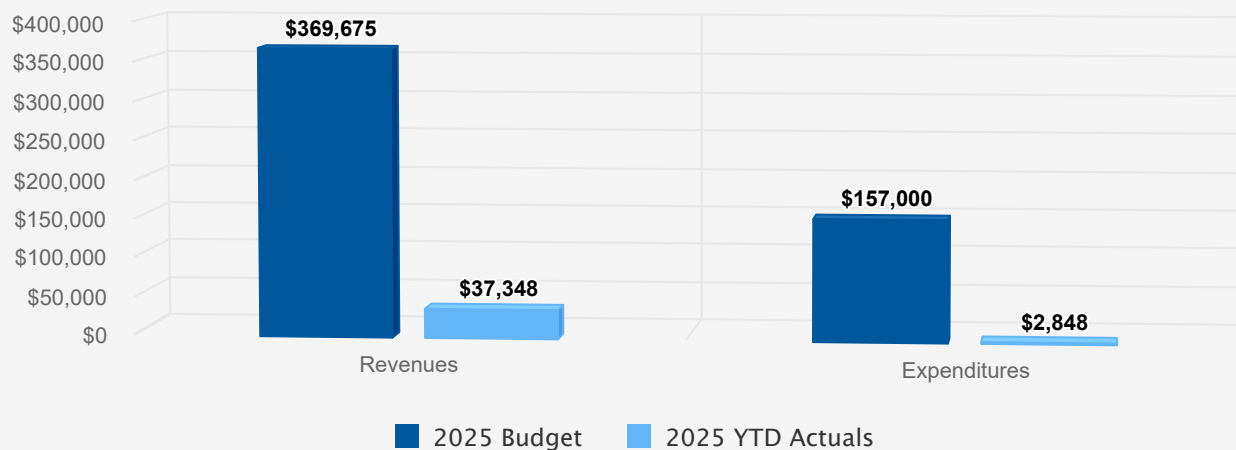


Special Revenue Fund Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024			2025			
	Budget	Year-to-Date		Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues							
Impact and development fees	\$ 125,000	\$ -	\$	250,000	\$ -	\$ 250,000	0.00%
Franchise and local taxes	27,500	5,751		27,500	4,814	22,686	17.51%
Grants and donations	4,250	258		4,500	321	4,179	7.13%
Fines and forfeitures	48,725	12,510		47,675	18,903	28,772	39.65%
Investment income	20,000	10,629		40,000	13,310	26,690	33.28%
Total Revenues	\$ 225,475	\$ 29,148	\$	369,675	\$ 37,348	\$ 332,327	10.10%
Expenditures							
General Government	\$ 1,500	\$ -	\$	1,500	\$ -	\$ 1,500	0.00%
Public Safety	102,000	13		85,000	2,848	82,152	3.35%
Leisure Services	500	-		500	-	500	0.00%
Capital outlay	70,000	-		70,000	-	70,000	0.00%
Total Expenditures	\$ 174,000	\$ 13	\$	157,000	\$ 2,848	\$ 154,152	1.81%

Special Revenue Fund Revenues and Expenditures

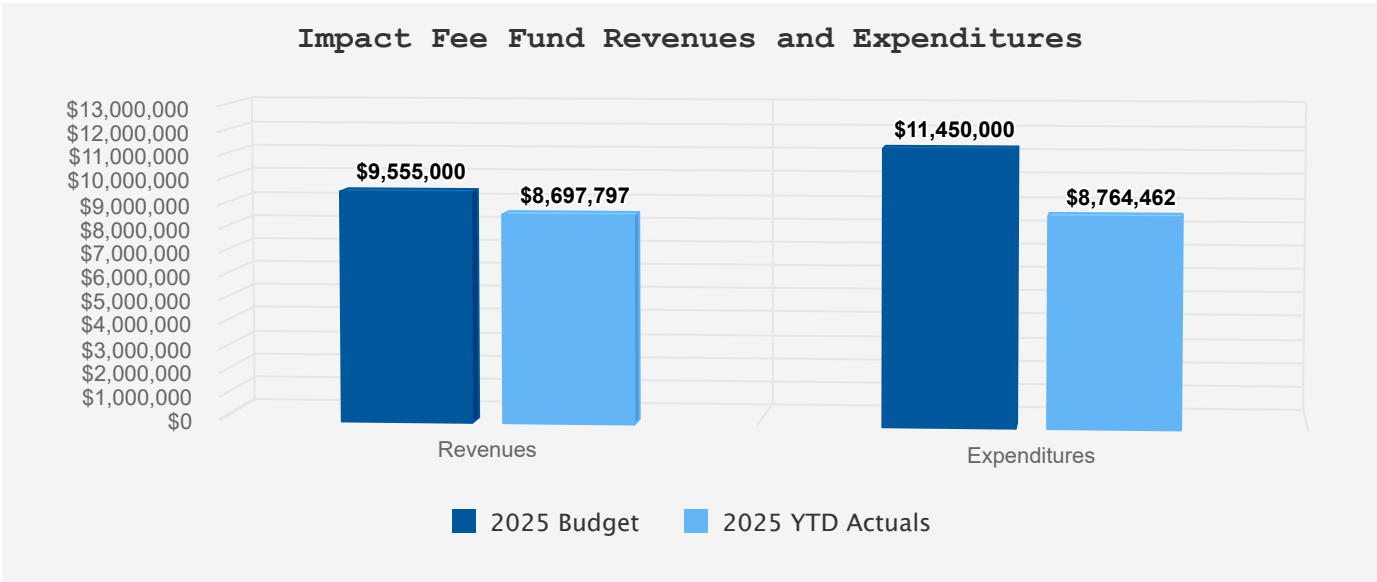


Impact Fee Funds Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024			2025			
	Budget	Year-to-Date		Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues							
Impact fees	\$ 1,075,000	\$ 434,067	\$	850,000	\$ 13,138	\$ 836,862	1.55%
Investment income	150,000	112,265		405,000	95,196	309,804	23.51%
Transfers in	-	-		8,300,000	8,589,463	(289,463)	103.49%
Total Revenues	\$ 1,225,000	\$ 546,332	\$	9,555,000	\$ 8,697,797	\$ 857,203	91.03%
Expenditures							
Transfers out	\$ 2,120,000	\$ 530,001	\$	9,000,000	\$ 8,764,462	\$ 235,538	97.38%
Professional Services	-	-	\$	250,000	-	250,000	0.00%
Capital outlay	-	-		2,200,000	-	2,200,000	0.00%
Total Expenditures	\$ 2,120,000	\$ 530,001	\$	11,450,000	\$ 8,764,462	\$ 2,685,538	76.55%

Note - The large activity to date in the Impact Fee Funds is due to a transfer of funds from the original Impact Fee Fund into the new individualized Impact Fee Funds.



Street Maintenance Tax Fund

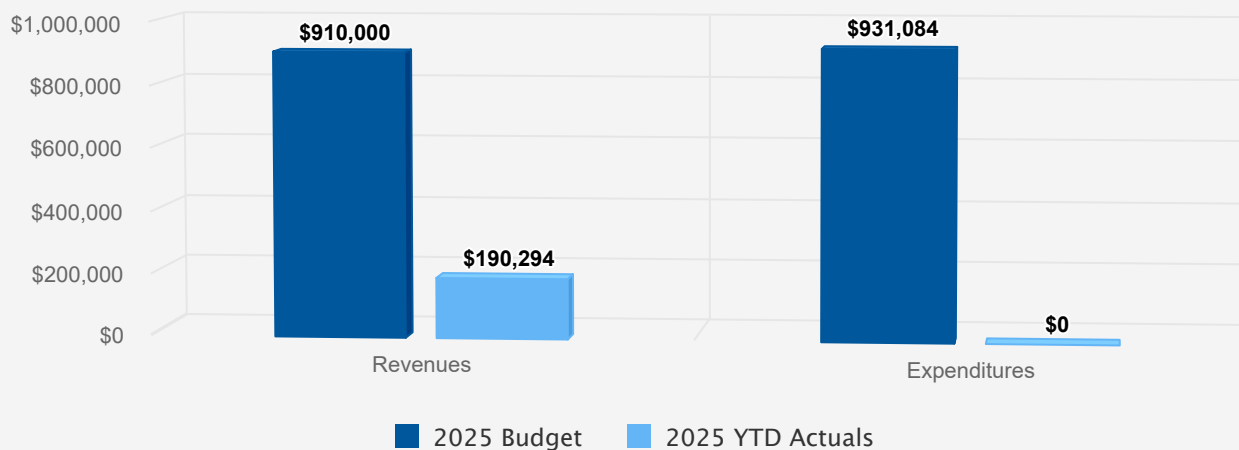
Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024			2025			
	Budget	Year-to-Date		Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues							
Sales tax	\$ 725,000	\$ 180,939		\$ 810,000	\$ 181,470	\$ 628,530	22.40%
Investment income	25,000	23,040		100,000	8,824	91,176	8.82%
Total Revenues	\$ 750,000	\$ 203,979		\$ 910,000	\$ 190,294	\$ 719,706	20.91%
Expenditures							
Street maintenance projects	\$ 1,650,916	\$ -		\$ 931,084	\$ -	\$ 931,084	0.00%
Total Expenditures	\$ 1,650,916	\$ -		\$ 931,084	\$ -	\$ 931,084	0.00%

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 0-2024-12 adopted on September 16, 2024.

The City of Sachse Home Rule Charter, Sec. 7.13 – Lapse of Appropriations, states that an appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Street Maintenance Tax Fund Revenues and Expenditures

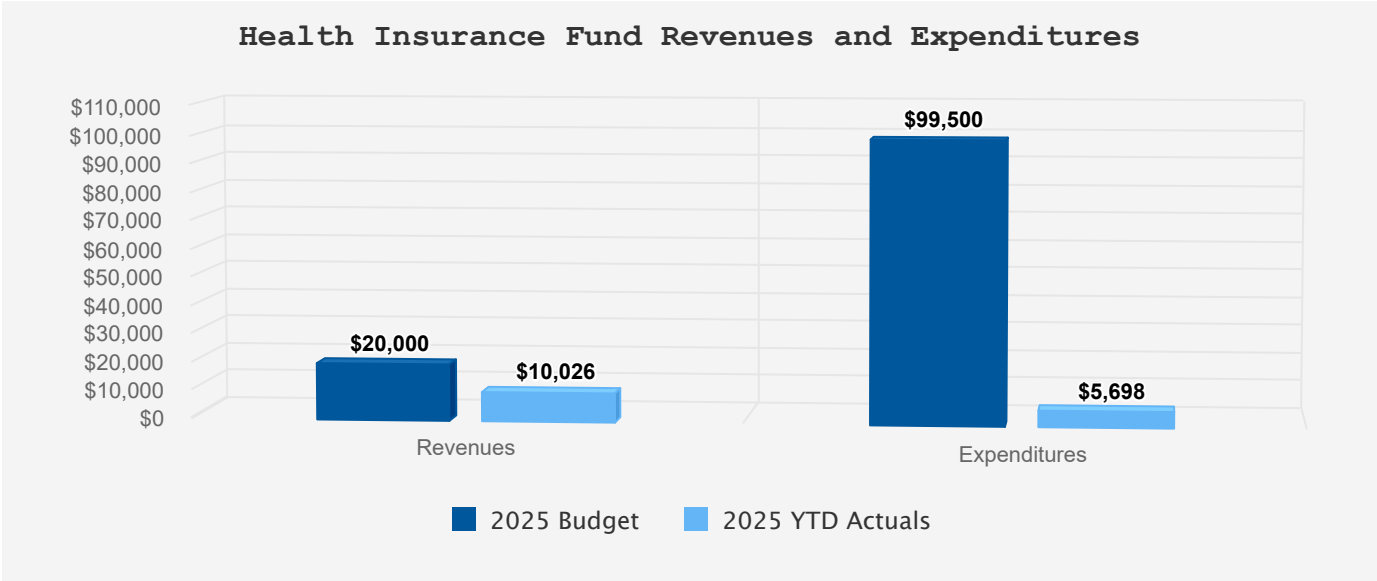


Health Insurance Fund Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024				2025			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget		
Revenues								
Investment income	\$ 40,000	\$ 14,990	\$ 20,000	\$ 10,026	\$ 9,974	50.13%		
Total Revenues	\$ 40,000	\$ 14,990	\$ 20,000	\$ 10,026	\$ 9,974	50.13%		
Expenditures								
Health insurance premiums	\$ 38,000	\$ 2,085	\$ 8,000	\$ (7,688)	\$ 15,688	-96%		
Dental insurance premiums	1,000	169	500	(479)	979	-96%		
HRA deductible reimbursements	76,000	3,891	76,000	14,311	61,689	18.83%		
LTD and life insurance	12,000	10,394	4,800	(3,267)	8,067	-68%		
Employee assistance program	6,000	1,330	4,200	-	4,200	0%		
Other	12,000	2,556	6,000	2,821	3,179	47.02%		
Total Expenditures	\$ 145,000	\$ 20,425	\$ 99,500	\$ 5,698	\$ 93,802	5.73%		

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 0-2024-12 adopted on September 16, 2024.



Capital Project Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

		Budget			Actuals			
		Thru	FY	Thru	Prior	FY	Project-	Remaining
Cip No.	Project	FY 2024	2025	FY 2025	Year Expenditures	2025	To-Date	Project Budget
Roadway								
R-12-13	Merritt Road Re-alignment & Widening ^(U)	\$ 6,500,000	\$ -	\$ 6,500,000	\$ 4,969,634	\$ 150,649	\$ 5,120,283	\$ 1,379,717
R-13-03	Pleasant Valley Road ^(U)	300,000	-	300,000	54,296	-	54,296	245,704
IF-21-01	Impact Fee Study ^(C)	150,000		150,000	61,812	19,457	81,269	68,731
R-23-03	Miscellaneous Street Repair ^(U)	300,000	250,000	550,000	288,414	-	288,414	261,586
R-24-03	Woodbridge Parkway	2,600,000	-	2,600,000	-	-	-	2,600,000
R-24-04	Traffic Signal Maintenance and Upgrades	120,000	-	120,000	-	-	-	120,000
R-25-01	Asphalt Overlay - Sachse Road (Merritt to City Limits)	-	200,000	200,000	-	-	-	200,000
R-25-02	Old Ben Davis - Ben Davis Road to Bunker Hill Road	-	100,000	100,000	-	-	-	100,000
R-25-03	Mapleshade/Harvest Alley	-	132,000	132,000	-	-	-	132,000
R-25-04	4th Street/Sachse Street/Floyd Street Overlay	-	150,000	150,000	-	-	-	150,000
R-OG-01	Street and Alley Maintenance (on-going) ^(U)	450,000	455,000	905,000	312,480	22,615	335,095	569,905
R-OG-02	Sidewalk Maintenance (On-going) ^(U)	-	200,000	200,000	-	-	-	200,000
Subtotal Roadway		\$ 10,420,000	\$ 1,487,000	\$ 11,907,000	\$ 5,686,636	\$ 192,721	\$ 5,879,357	\$ 6,027,643
Parks & Trails								
P-22-04	J.K. Sachse Park Construction ^(U)	\$ 3,641,250	\$ 705,564	\$ 4,346,814	\$ 2,863,512	\$ 68,327	\$ 2,931,839	\$ 1,414,975
F-24-07	Heritage Park Expansion Projects ^(U)	1,700,000	-	1,700,000	-	-	-	1,700,000
Subtotal Parks & Trails		\$ 5,341,250	\$ 705,564	\$ 6,046,814	\$ 2,863,512	\$ 68,327	\$ 2,931,839	\$ 3,114,975
Facilities/Other								
F-24-12	Service Center	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000
F-24-13	Comprehensive Plan Update ^(U)	300,000	-	300,000	86,943	47,465	134,408	165,592
Subtotal Facilities		\$ 6,300,000	\$ -	\$ 6,300,000	\$ 86,943	\$ 47,465	\$ 134,408	\$ 6,165,592
Neighborhood Services								
NS-OG-01	Neighborhood Programs (on-going)	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Subtotal Neighborhood Services		\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Bond Proposition 2021								
BP-21-A01	Sachse Road Phase 2 ^(U)	\$ 1,700,000	\$ 12,975,000	\$ 14,675,000	\$ 435,608	\$ 368,208	\$ 803,816	\$ 13,871,184
BP-21-B01	Streets & Roads - Bailey-Hooper Road ^(U)	10,660,000	1,200,000	11,860,000	830,309	17,718	848,027	11,011,973
BP-21-B02	Streets & Roads - West Creek	-	2,820,000	2,820,000	-	-	-	2,820,000
BP-21-B03	Streets & Roads - Williford Road	-	7,170,000	7,170,000	-	-	-	7,170,000
BP-21-C01	Neighborhood Package ^(U)	675,000	4,300,000	4,975,000	674,994	-	674,994	4,300,006
BP-21-D01	Animal Shelter ^(C/SC)	5,000,000	-	5,000,000	4,868,016	58,179	4,926,195	73,805
Subtotal Bond Proposition 2021		\$ 18,035,000	\$ 28,465,000	\$ 46,500,000	\$ 6,808,927	\$ 444,105	\$ 7,253,032	\$ 39,246,968

Capital Project Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

		Budget			Actuals			Remaining Project Budget
		Thru FY 2024	FY 2025	Thru FY 2025	Prior Year Expenditures	FY 2025	Project-To-Date	
Cip No.	Project							
Water								
W-14-01	Maxwell Creek Pump Station ^(C)	\$ 5,765,000	\$ -	\$ 5,765,000	\$ 5,310,260	\$ 418,582	\$ 5,728,842	\$ 36,158
W-21-05	Public Works Pump Station Generator ^(C/SC)	680,000	-	680,000	552,327	-	552,327	127,673
W-24-14	Ingram Road Sewer Relief	130,000	500,000	630,000	-	-	-	630,000
W-24-15	Tank Maintenance and Cleaning ^(U)	65,000	-	65,000	28,307	-	28,307	36,693
W-24-16	Public Works Pump Station - Pump Installation and Upgrades ^(U)	800,000	500,000	1,300,000	139,423	8,305	147,728	1,152,272
W-25-05	Maxwell Creek Pump Station GST Painting	-	200,000	200,000	-	-	-	200,000
W-25-06	Utility Master Plan Updates	-	250,000	250,000	-	-	-	250,000
W-25-07	Large Water Valve Replacement Program	-	300,000	300,000	-	-	-	300,000
W-25-08	Maxwell Creek Pump Station Fence Improvements	-	185,000	185,000	-	-	-	185,000
Subtotal Water		\$ 7,440,000	\$ 1,935,000	\$ 9,375,000	\$ 6,030,317	\$ 426,887	\$ 6,457,204	\$ 2,917,796
Sewer								
SS-18-01	Ingram Rd Sewer Relief ^(U)	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 197,729	\$ 197,729	\$ 2,271
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab ^(U)	2,450,000		2,450,000	1,597,909	151,104	1,749,013	700,987
SS-21-12	Sewer Rehab Hwy 78 at old City Hall	249,000	-	249,000	-	-	-	249,000
SS-24-18	Southeast Sewer Expansion: Trunk Line A from Sachse Rd to SE Lift Station ^(U)	11,865,000	(466,587)	11,398,413	284,857	8,588	293,445	11,104,968
SS-24-19	Sewer Manhole Odor and Gas Remediation	60,000	-	60,000	-	-	-	60,000
SS-24-21	Murphy Road Sewer Main Repair ^(U)	140,000	-	140,000	-	124,670	124,670	15,330
SS-25-09	Ponderosa/Bonanza Sewer Main Replacement ^(U)	-	450,000	450,000	-	286,361	286,361	163,639
Subtotal Sewer		\$ 14,964,000	\$ (16,587)	\$ 14,947,413	\$ 1,882,766	\$ 768,452	\$ 2,651,218	\$ 12,296,195
Drainage								
D-17-15	Vicksburg Drainage Easement ^(U)	\$ 451,409	\$ -	\$ 451,409	\$ 63,519	\$ -	\$ 63,519	\$ 387,890
D-23-04	Small Drainage Projects ^(U)	80,000	-	80,000	-	-	-	80,000
D-24-20	Stormwater Utility Rate Study ^(U)	200,000	-	200,000	40,000	-	40,000	160,000
D-25-10	Heritage Park Pond Maintenance	-	50,000	50,000	-	-	-	50,000
D-25-11	Cornwall Street Drainage Improvements	-	150,000	150,000	-	-	-	150,000
D-25-12	Sachse Road Parking Lot Detention	-	400,000	400,000	-	-	-	400,000
Subtotal Drainage		\$ 731,409	\$ 200,000	\$ 931,409	\$ 103,519	\$ -	\$ 103,519	\$ 827,890
Total Capital Projects		\$ 63,231,659	\$33,200,977	\$ 96,432,636	\$ 23,462,620	\$ 1,947,957	\$ 25,410,577	\$ 71,022,059

(C) - Project Closed

(C/SC) - Project Complete, or Substantially Complete

(U) - Project Underway

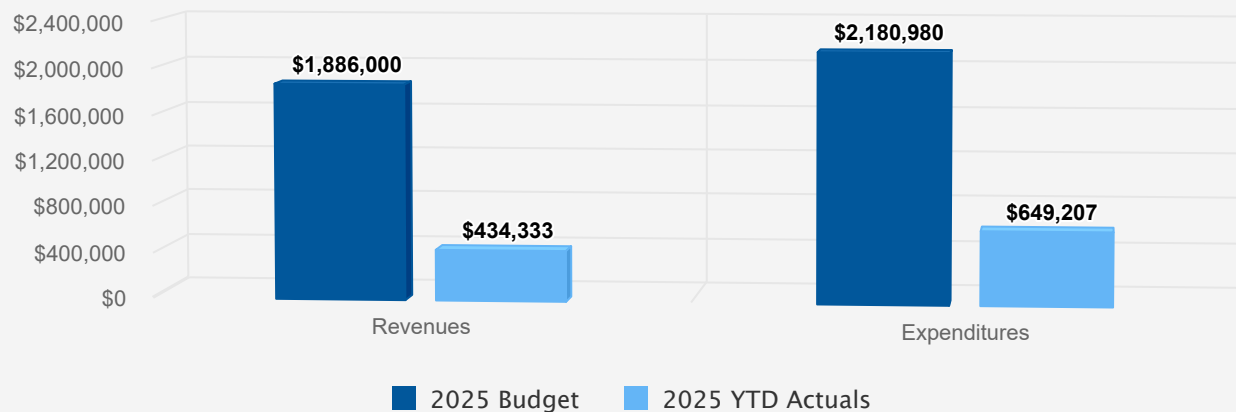
Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 0-2024-12 adopted on September 16, 2024.

Sachse Economic Development Corporation Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024		2025				
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget	
Revenues							
Sales tax	\$ 1,430,000	\$ 361,878	\$ 1,610,000	\$ 362,939	\$ 1,247,061	22.54%	
Grants and donations	10,000	-	10,000	-	10,000	0.00%	
Investment income	100,000	63,262	260,000	71,394	188,606	27.46%	
Other income	-	-	6,000	-	6,000	0.00%	
Total Revenues	\$ 1,540,000	\$ 425,140	\$ 1,886,000	\$ 434,333	\$ 1,451,667	23.03%	
Expenditures							
Personnel	\$ 211,618	\$ 50,610	\$ 269,962	\$ 64,417	\$ 205,545	23.86%	
Supplies and materials	85,334	14,696	90,464	18,319	72,145	20.25%	
Maintenance and repairs	53,020	35,221	51,850	31,271	20,579	60.31%	
Contractual services	256,265	13,918	1,218,765	408,851	809,914	33.55%	
Capital Outlay and Projects	30,600	2,623	35,600	3,571	32,029	10.03%	
Transfers out	272,795	68,199	514,339	122,778	391,561	23.87%	
Total Expenditures	\$ 909,632	\$ 185,267	\$ 2,180,980	\$ 649,207	\$ 1,531,773	29.77%	

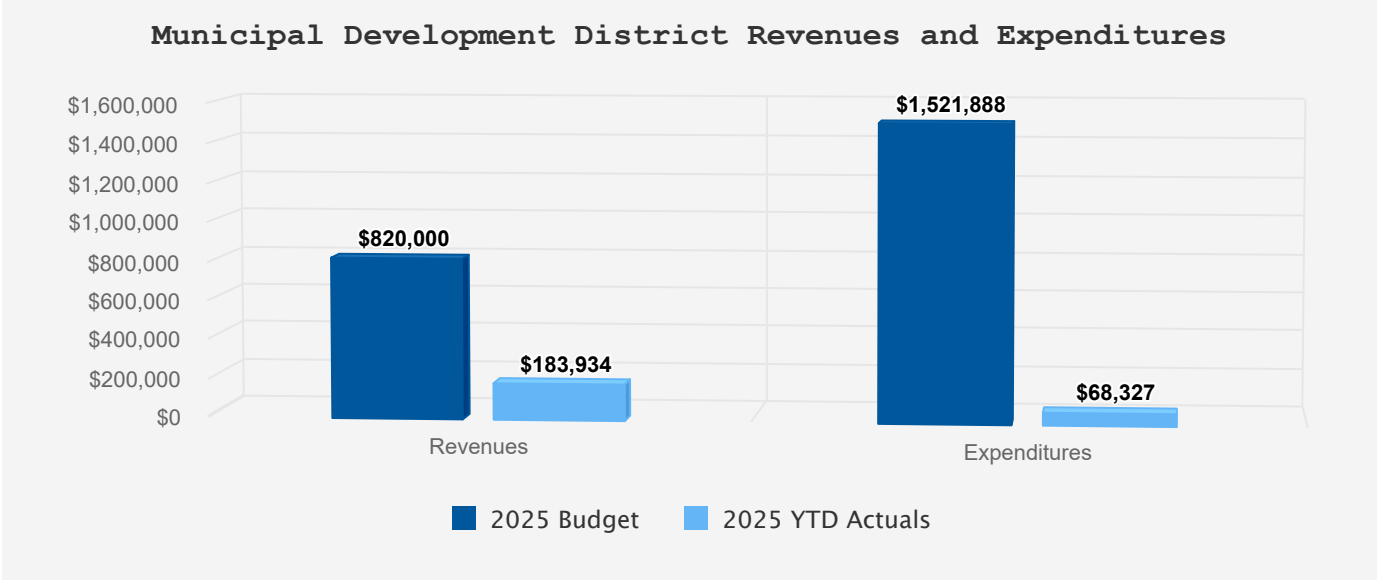
Sachse Economic Development Corporation Revenues and Expenditures



Municipal Development District Summary

Quarter Ended 12/31/2024 - 25% Of Year Complete (Unaudited)

	2024			2025			
	Budget	Year-to-Date		Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues							
Sales tax	\$ 750,000	\$ 175,996		\$ 800,000	\$ 176,390	\$ 623,610	22.05%
Investment income	1,000	3,284		20,000	7,544	12,456	37.72%
Total Revenues	\$ 751,000	\$ 179,280		\$ 820,000	\$ 183,934	\$ 636,066	22.43%
Expenditures							
Maintenance and repairs	\$ 50,000	\$ -		\$ 50,000	\$ -	\$ 50,000	0.00%
Park improvements	836,500	-		1,471,888	68,327	1,403,561	4.64%
Total Expenditures	\$ 886,500	\$ -		\$ 1,521,888	\$ 68,327	\$ 1,453,561	4.49%





The City of
SACHSE

3815-B Sachse Road
Sachse, TX 75048
www.cityofsachse.com



To: Gina Nash, City Manager

From: David Baldwin, Director of Finance

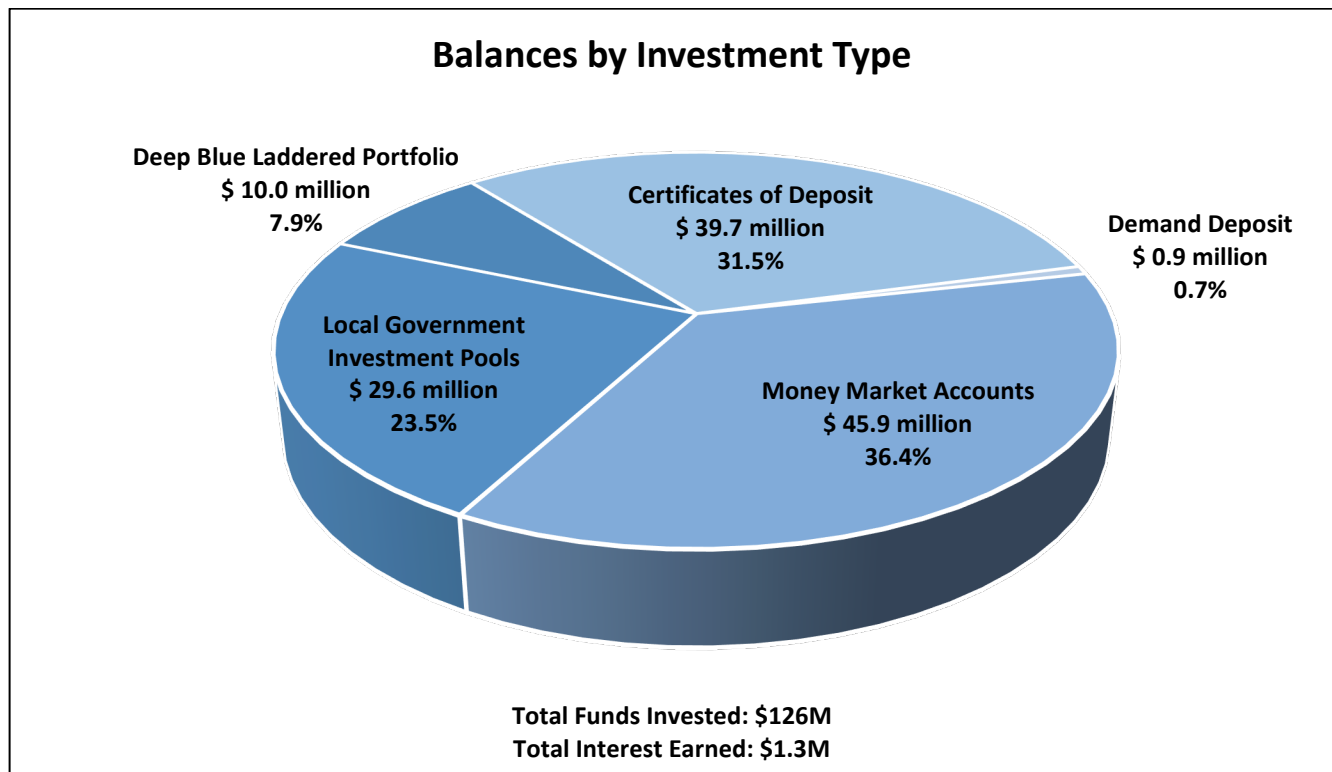
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: March 3, 2025

Re: Investment Report for the quarter ending December 31, 2024

Attached is the Quarterly Investment Report for the quarter ending December 31, 2024. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Demand Deposit	0.00%
Money Market Accounts	4.55%
Local Government Investment Pools	4.73%
Certificates of Deposit	5.07%
Deep Blue Laddered Portfolio	4.47%

Average interest rate yield	4.72%
3-month US Treasury (benchmark)	4.23%

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2024		December 31, 2024			
	Book Value	Market Value	Book Value	Market Value	Ave. Yield	Weight
Demand Deposit	\$ 2,489,553	\$ 2,489,553	\$ 855,665	\$ 855,665	0.00%	1%
Money Market Accounts	32,823,173	32,823,173	45,854,582	45,854,582	4.55%	36%
Local Government Investment Pools	-	-	29,644,565	29,644,565	4.73%	24%
CDs	52,000,979	52,000,979	39,663,828	39,663,828	5.07%	31%
DBIA Long-Term Portfolio	-	-	10,014,059	10,014,059	4.47%	8%
Totals	\$ 87,313,705	\$ 87,313,705	\$ 126,032,698	\$ 126,032,698	4.72%	100%

Current Quarter Average Yield (1)

Total Portfolio 4.72%

Weighted Average Maturity 68.1 days

Rolling Three Month Treasury 4.23%

Rolling Six Month Treasury 4.28%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 4.72%

Rolling Three Month Treasury 4.23%

Rolling Six Month Treasury 4.28%

Interest Earnings (Approximate)

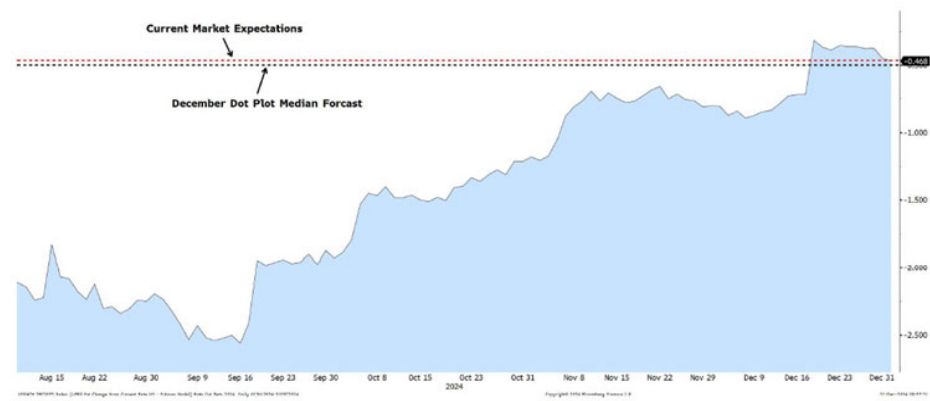
	City	EDC
Interest Earnings QTR	\$ 1,242,807	\$ 71,394
Interest Earnings YTD	\$ 1,242,807	\$ 71,394

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

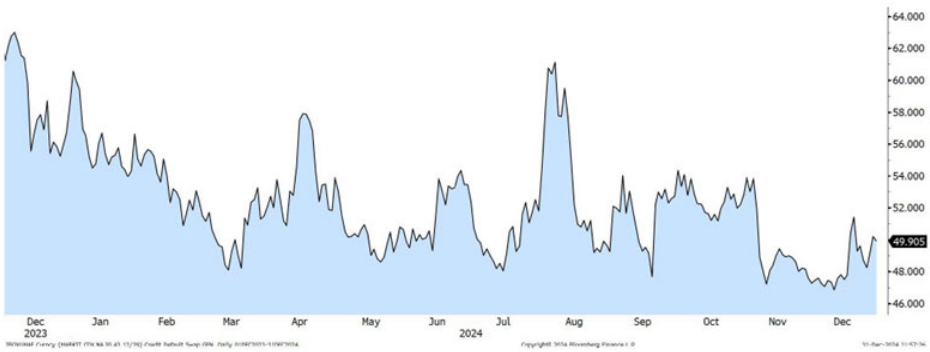
(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Update

Third quarter GDP registered at 3.1% for its final revision, up above expectations of 2.8%, and down from 4.9% in the third quarter of 2023. Total nonfarm payrolls increased 227k in November, above expectations of 220k. The unemployment rate in November came in at 4.2%, slightly above expectations. The Federal Reserve Board met on December 17-18 and decided to proceed with its ratecutting cycle, implementing a 25 basis point reduction. According to the Federal Reserve's dot plot, board members expect a total reduction of 50 basis points by the end of the year. Core CPI (excluding food and energy) came in at 3.3% year-over-year, slightly higher than the 3.2% from the previous month but still below the 3.9% highs seen in 2024. With inflation cooling, the Fed has shifted its focus more towards the labor market.

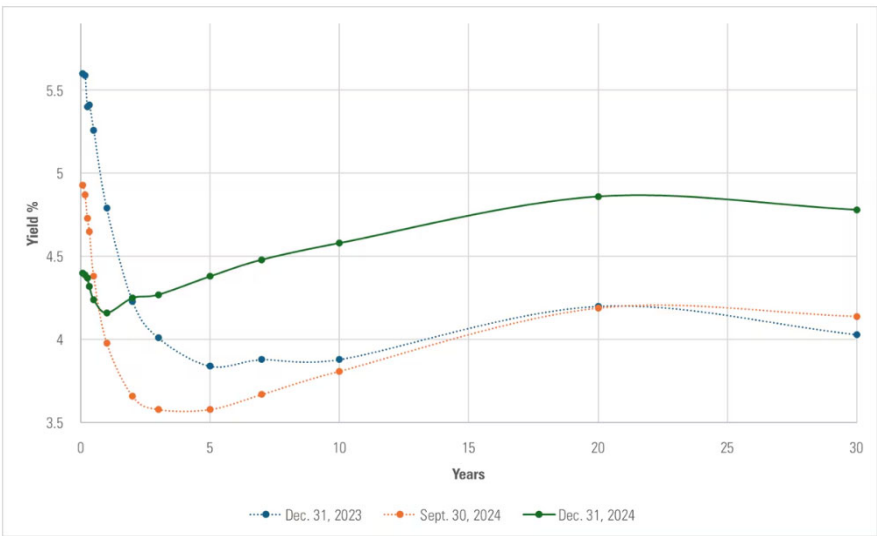


Financial Conditions Remain Accommodative



US Treasury Yield-Curve Comparison

US Treasury Yield-Curve Comparison



Investment Holdings

December 31, 2024

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Book Value	Market Price	Market Value	Life (days)	Yield	Weight
<u>Checking Accounts</u>										
American Nat'l Bank of Texas Checking		0.00%	1/1/2025	12/31/2024	\$ 855,665	1.00	\$ 855,665	1	0.00%	1%
<u>Money Market Accounts</u>										
American Nat'l Bank of Texas		3.91%	1/1/2025	12/31/2024	104,229	1.00	104,229	1	3.91%	0%
NexBank Intrafi		4.55%	1/1/2025	12/31/2024	45,750,353	1.00	45,750,353	1	4.55%	36%
Texas Bank		0.00%	1/1/2025	12/31/2024	-	1.00	-	1	0.00%	0%
<u>Local Government Investment Pools</u>										
TexPool		4.48%	1/1/2025	12/31/2024	-	1.00	-	1	4.48%	0%
TX FIT		4.73%	1/1/2025	12/31/2024	29,644,565	1.00	29,644,565	1	4.73%	24%
<u>Certificates of Deposit</u>										
Veritex Community Bank 5562		4.94%	1/16/2025	1/16/2024	10,484,098	100.00	10,484,098	16	4.94%	8%
BOK Financial 3645		4.93%	6/12/2025	6/15/2023	1,079,391	100.00	1,079,391	163	4.93%	1%
Cornerstone Capital Bank 7374		5.34%	6/20/2025	6/20/2024	5,144,565	100.00	5,144,565	171	5.34%	4%
BOK Financial 2643		4.93%	7/3/2025	7/6/2023	538,168	100.00	538,168	184	4.93%	0%
BOK Financial 3602		4.93%	7/10/2025	7/13/2023	4,838,937	100.00	4,838,937	191	4.93%	4%
Cornerstone Capital Bank 7374		5.26%	7/10/2025	7/11/2024	5,126,942	100.00	5,126,942	191	5.26%	4%
Cornerstone Capital Bank 2023		5.18%	7/24/2025	7/25/2024	6,137,889	100.00	6,137,889	205	5.18%	5%
Texas Bank 0374/0102		4.94%	12/18/2025	12/19/2024	6,313,838	100.00	6,313,838	352	4.94%	5%
<u>Deep Blue Laddered Portfolio</u>										
MUFG BANK, LTD. - NEW YORK BRANCH	A1-P1	0.00%	6/26/2025	12/27/2024	5,000,078	100.00	5,000,078	177	4.47%	4%
THE TORONTO-DOMINION BANK	P1	0.00%	7/3/2025	12/27/2024	5,000,595	100.00	5,000,595	184	4.48%	4%
First American Govt. Money Market		4.09%	1/1/2025	12/31/2024	13,386	1.00	13,386	1	4.09%	0%
<u>TOTAL</u>					<u>\$ 126,032,698</u>		<u>\$ 126,032,698</u>	<u>68.1</u>	<u>4.72%</u>	

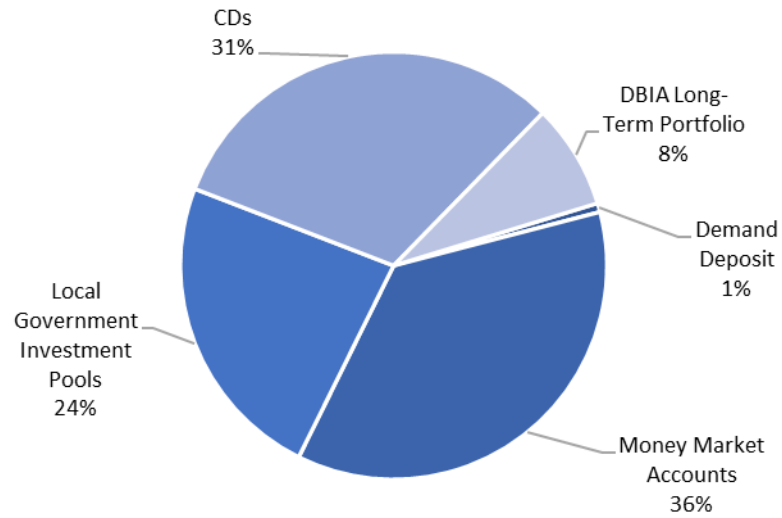
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

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

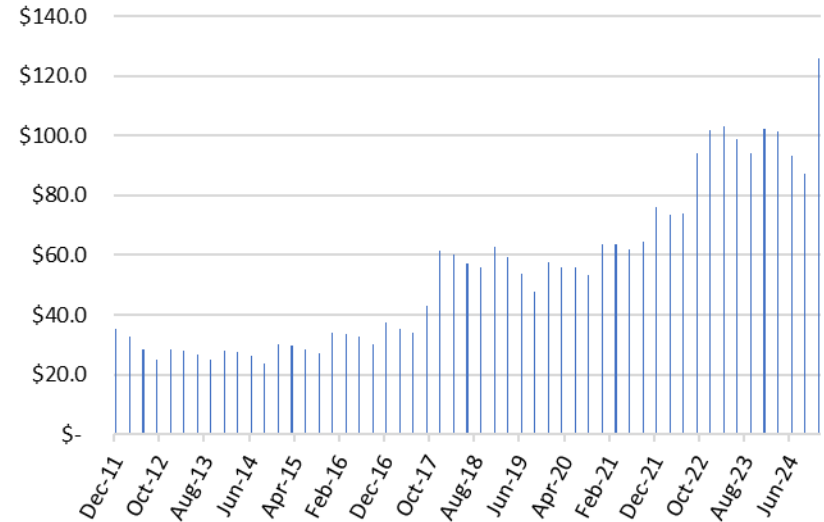
Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 9/30/24	Increases	Decreases	Book Value 12/31/24	Market Value 9/30/24	Change in Market Value	Market Value 12/31/24
<u>Checking Accounts</u>									
American Nat'l Bank of Texas Checking	0.00%	1/1/2025	\$ 2,489,553	\$ -	\$ (1,633,888)	\$ 855,665	\$ 2,489,553	\$ (1,633,888)	\$ 855,665
<u>Money Market Accounts</u>									
American Nat'l Bank of Texas	3.91%	1/1/2025	103,227	1,002	-	104,229	103,227	1,002	104,229
NexBank Intrafi	4.55%	1/1/2025	32,666,002	13,084,351	-	45,750,353	32,666,002	13,084,351	45,750,353
Texas Bank	0.00%	1/1/2025	53,944	-	(53,944)	-	53,944	(53,944)	-
<u>Certificates of Deposit</u>									
East West Bank 6187	5.61%	10/7/2024	7,708,645	-	(7,708,645)	-	7,708,645	(7,708,645)	-
East West Bank 4112	5.42%	10/19/2024	5,131,625	-	(5,131,625)	-	5,131,625	(5,131,625)	-
Texas Bank 0374	5.06%	12/19/2024	6,235,769	-	(6,235,769)	-	6,235,769	(6,235,769)	-
Veritex Community Bank 5562	4.94%	1/16/2025	10,354,632	129,466	-	10,484,098	10,354,632	129,466	10,484,098
BOK Financial 3645	4.93%	6/12/2025	1,066,070	13,321	-	1,079,391	1,066,070	13,321	1,079,391
Cornerstone Capital Bank 7374	5.34%	6/20/2025	5,075,846	68,719	-	5,144,565	5,075,846	68,719	5,144,565
BOK Financial 2643	4.93%	7/3/2025	531,526	6,642	-	538,168	531,526	6,642	538,168
BOK Financial 3602	4.93%	7/10/2025	4,779,219	59,718	-	4,838,937	4,779,219	59,718	4,838,937
Cornerstone Capital Bank 7374	5.26%	7/10/2025	5,059,427	67,515	-	5,126,942	5,059,427	67,515	5,126,942
Cornerstone Capital Bank 2023	5.18%	7/24/2025	6,058,220	79,669	-	6,137,889	6,058,220	79,669	6,137,889
Texas Bank 0102	4.94%	12/18/2025	-	6,313,838	-	6,313,838	-	6,313,838	6,313,838
<u>Local Government Investment Pools</u>									
TexPool	4.48%	1/1/2025	-	-	-	-	-	-	-
TX FIT	4.73%	1/1/2025	-	29,644,565	-	29,644,565	-	29,644,565	29,644,565
<u>Deep Blue Laddered Portfolio</u>									
MUFG BANK, LTD. - NEW YORK BRANCH	4.47%	6/26/2025	-	5,000,078	-	5,000,078	-	5,000,078	5,000,078
THE TORONTO-DOMINION BANK	4.48%	7/3/2025	-	5,000,595	-	5,000,595	-	5,000,595	5,000,595
First American Govt. Money Market	4.09%	1/1/2025	-	13,386	-	13,386	-	13,386	13,386
<u>TOTAL/AVERAGE</u>	4.72%		\$ 87,313,705	\$ 59,482,864	\$ (20,763,871)	\$ 126,032,698	\$ 87,313,705	\$ 38,718,993	\$ 126,032,698

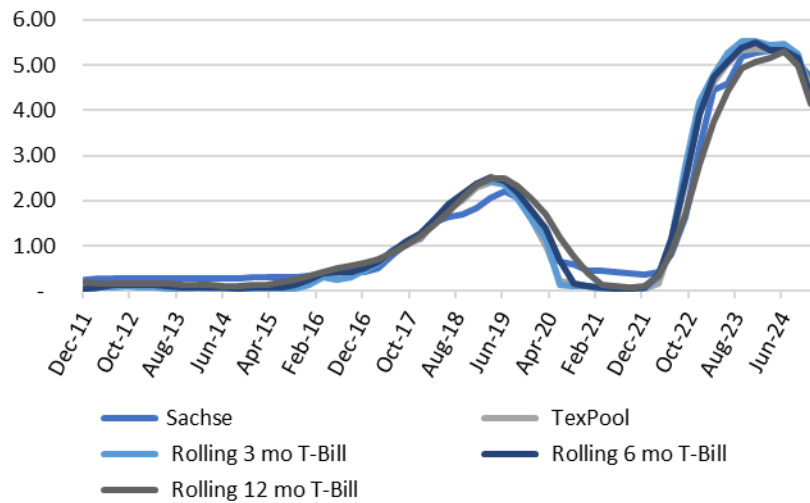
Portfolio Composition



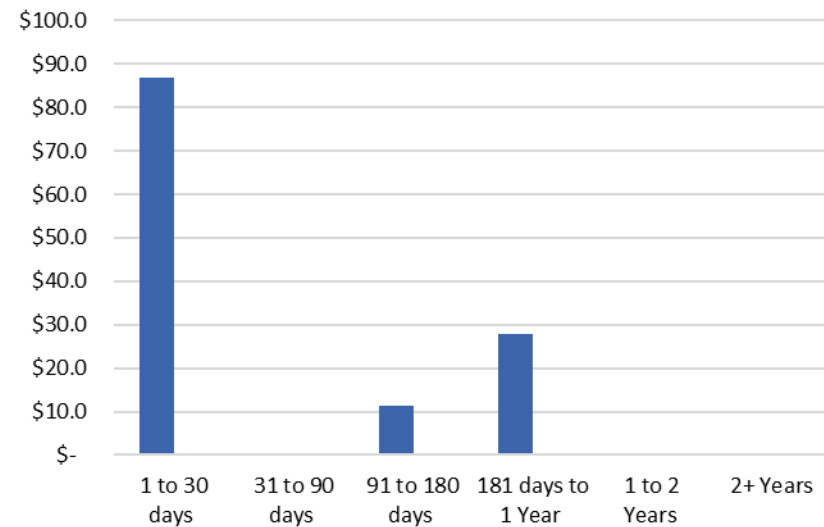
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



Fund Equity In Pooled Cash and Investment

Fund	Balance as of 09/30/24	Balance as of 12/31/24	Percent	Quarterly Change
01 - General Fund	\$ 9,107,211	\$ 13,910,433	\$ 0	\$ 4,803,223
02 - Utility Fund	23,471,478	24,552,788	19.48%	1,081,311
03 - Debt Service Fund	1,593,593	6,216,923	4.93%	4,623,330
04 - General Capital Projects	15,869,939	15,918,293	12.63%	48,354
05 - Special Revenue Fund	1,181,056	1,210,215	0.96%	29,159
06 - Economic Development Fund	6,315,162	6,466,831	5.13%	151,669
09 - TIRZ 1 - PGBT	192,915	194,978	0.15%	2,063
10 - Impact Fee Fund	8,589,463	-	0.00%	(8,589,463)
11 - Street Maintenance Tax Fund	757,373	860,168	0.68%	102,795
12 - General VERF	2,750,002	4,032,234	3.20%	1,282,232
13 - Municipal Development District	575,664	692,635	0.55%	116,971
14 - TIRZ 2 - The Station	297,917	300,147	0.24%	2,230
15 - Health Insurance	892,921	913,411	0.72%	20,491
16 - PID - O&M	203,123	174,423	0.14%	(28,700)
17 - American Rescue Plan Act (ARPA) Fund	639,803	68,623	0.05%	(571,180)
18 - Hotel Occupancy Tax Fund	44,736	47,783	0.04%	3,047
19 - TIRZ 3 - Highway 78	1,399,228	1,414,853	1.12%	15,625
21 - 2022 Bond Construction Fund	13,432,120	40,167,145	31.88%	26,735,025
22 - Roadway Impact Fee	-	1,153,233	0.92%	1,153,233
23 - Water Impact Fee	-	5,048,843	4.01%	5,048,843
24 - Sewer Impact Fee	-	2,320,722	1.84%	2,320,722
55 - Utility VERF	-	368,015	0.29%	368,015
Total Pooled Cash and Investments	\$ 87,313,706	\$ 126,032,698	100.00%	\$ 38,718,992

Notes:

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

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

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

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

F. Action Items

Subject: 1. Conduct a public hearing to consider approval of an ordinance amending the Comprehensive Zoning Ordinance and map, to grant a change of zoning from Residential-5 District (R-5) to a Neighborhood Shopping District (C-1) on an approximately 1.81± acre tract of land of the Church of Christ addition lot 1, block 1 subdivision, City of Sachse, Dallas County, Texas, more particularly described in Exhibit “A” and located at 5206 Ben Davis Road; providing a conflicts resolution clause; providing a severability clause; providing a savings clause; providing a penalty of fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense; and providing for an effective date.

Meeting March 3, 2025 - City Council Meeting

Access Public

Type Action, Discussion, Public Hearing

Fiscal Impact None

Recommended Action Approve an ordinance amending the Comprehensive Zoning Ordinance and map as presented.

The Planning and Zoning Commission recommended 3-2 to deny the proposed zoning change at its January 27, 2025, regular meeting.

Goals Meet the public safety needs of a growing citizen; student; and business population.

BACKGROUND

- The subject property consists of one lot and is operating as a temple for the American Imams Academy.
- Zone change request is from R-5 Single Family Residential District to C-1 Neighborhood Shopping District.
- Applicant: Amy Designers
- Owner: 180 Degree Architects LLC
- Size: Approximately 1.81 acres
- The applicant is requesting the zoning change to accommodate the construction of a two- to three-story expansion that would add classrooms and meeting rooms.
- The property is bordered by streets to the west and south, a residential subdivision on the east boundary with an alley separating the two uses, and commercially zoned property to the north.

POLICY CONSIDERATIONS

- The Future Land Use Plan (FLUP) designates the subject property for Public Uses, which are described as “Public buildings and offices, semi-public facilities including public and private schools, churches, and historical buildings.”
- State law requires that zoning decisions “must be adopted in accordance with a Comprehensive Plan.”
- The FLUP supports the proposed rezoning request.

RECOMMENDATION

Approve an ordinance amending the Comprehensive Zoning Ordinance and map as presented.

The Planning and Zoning Commission recommended 3-2 to deny the proposed zoning change at its January 27, 2025, regular meeting.

File Attachments

1. Presentation_Rezoning Request_5206 Ben Davis
2. Exhibit A - Legal Description ZO 24-01
3. Exhibit B - Zoning Exhibit ZO 24-01
4. Ordinance_Change in Zoning 1.81 Acres McCullough from R-5 to C-1 FINAL

5206 Ben Davis Road Rezoning Request

City Council
March 03, 2025



Request

Conduct a public hearing to consider approval of an ordinance amending the Comprehensive Zoning Ordinance and map, to grant a change of zoning from Residential-5 District (R-5) to a Neighborhood Shopping District (C-1) on an approximately 1.81-acre tract of land of the Church of Christ Addition Lot 1, Block 1 subdivision, City of Sachse, Dallas County, Texas, more particularly described in Exhibit "A" and located at 5206 Ben Davis Road.



Project Information

- Proposal to rezone property from R-5 Single Family Residential District to C-1 Neighborhood Shopping District
- Applicant: Amy Designers
- Owner: 180 Degree Architects LLC
- Size: Approximately 1.81 acres
- Site Attributes: Property is currently one lot and is operating as a temple for the American Imams Academy. The applicant is requesting the zoning change to accommodate the construction of a two- to three-story expansion that would add classrooms and meeting rooms.

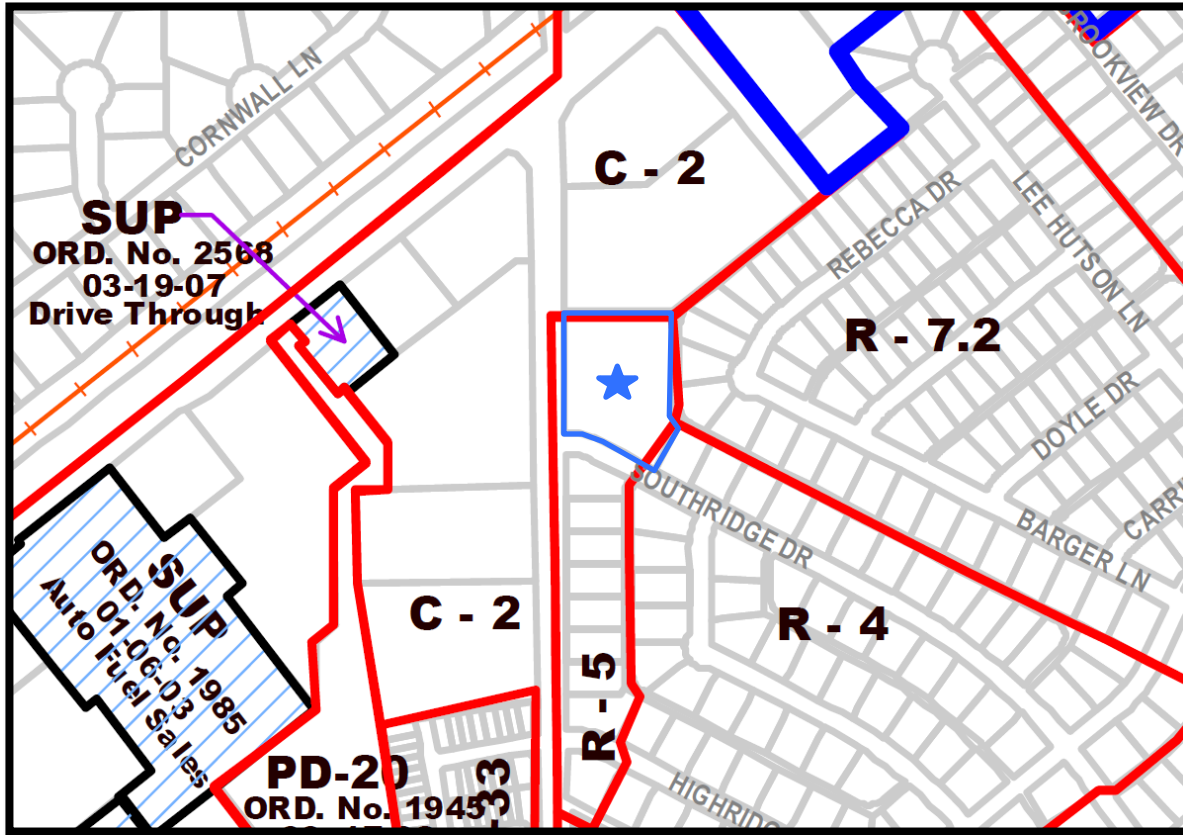


Aerial Map

The property is located at 5206 Ben Davis Road, within Sachse city limits.



Zoning Map



The property is zoned R-5.
The blue star indicates the
subject property.

District Standards

Proposed:

C-1 Neighborhood Commercial

- Maximum height: 3.5 stories or 40' whichever is less
- Front setback: 25' minimum
- Side setback: 25' adjacent to Southridge Drive
- Rear setback: 25' where adjacent to residential
- Max coverage: N/A

Existing:

R-5 Single Family Residential

- Maximum height: 1.5 stories or 25' whichever is less
- Front setback: 25'-45'
- Side setback: 10% of lot width at the BL
- Rear setback: 25' or 20% of lot depth whichever is less
- Max coverage: 25%

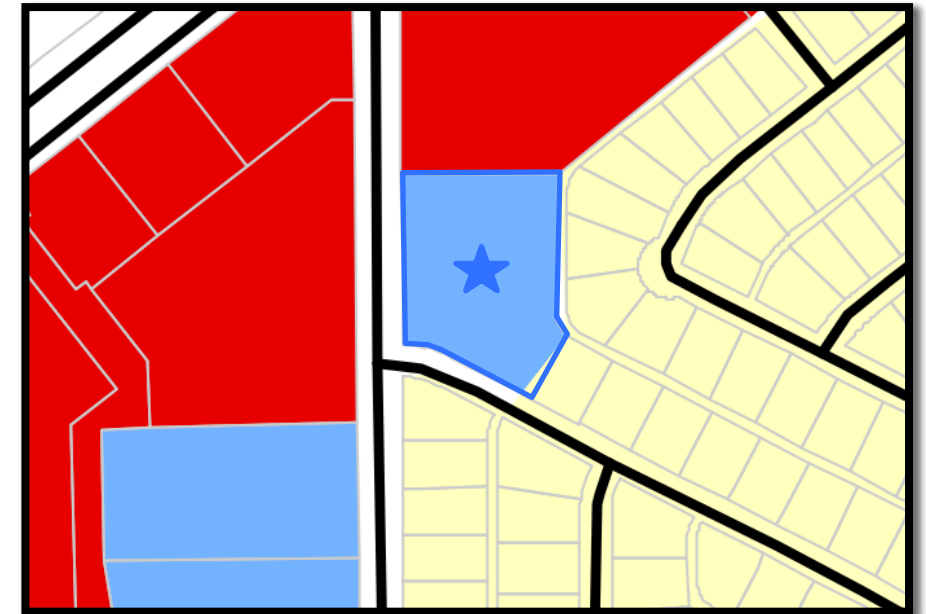
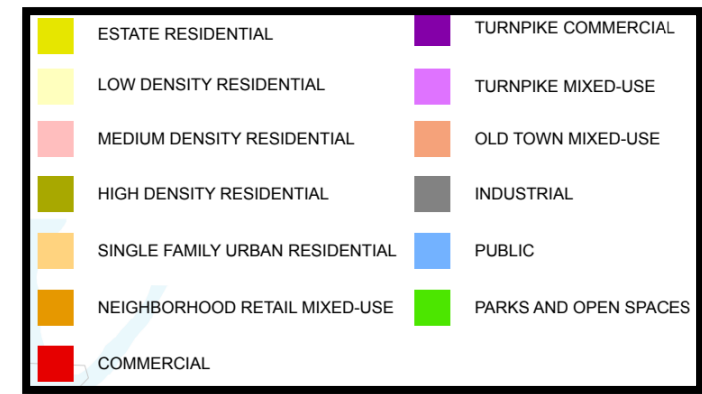
* *"Churches, ... may exceed the height limitation of the district if the minimum depth of rear yards and the minimum width of the side yards required in the district are increased one foot for each two feet by which the height of such public or semi-public structure exceeds the prescribed height limit."*

CH 11A Art 4 Sec. 3 (3.1(c))



FLUP

- The Future Land Use Plan (FLUP) designates the subject property for Public Uses, which are described as “Public buildings and offices, semi-public facilities including public and private schools, churches and historical buildings”.
- State law requires that zoning decisions “*must be adopted in accordance with a Comprehensive Plan*”.
- The FLUP supports the proposed rezoning request.



Recommendation

Staff recommends approval of the proposed rezoning request for the following reasons:

- The proposed rezoning request is consistent with the goals and objectives of the Comprehensive Plan and is in compliance with the Future Land Use Plan.

At their January 27 regular meeting, the Planning & Zoning Commission voted 3-2 to recommend denial of the proposed zoning change. Denial was recommended due to concerns of traffic and parking.



EXHIBIT A

AREA TO BE REZONED:

Being a lot, tract or parcel of land situated in the Robert McCullough Survey, Abstract No. 928, City of Sachse, Dallas County, Texas, and being Lot 1, Block 1 of Church of Christ Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 90050, Page 3164, Map Records, Dallas County, Texas, same being a tract of land conveyed to 180 Degree Architects LLC, by deed recorded in Instrument No. 202100329942, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point found for corner, said corner being the intersection of the North right of way line of Southridge Drive (50 foot right of way) and the East right of way line of Ben Davis Road (variable width right of way);

THENCE North 00 degrees 05 minutes 51 seconds East, along the East right of way line of said Ben Davis Road, a distance of 278.53 feet to a point for corner, said corner being along the South line of Lot 2, Block A of Ben Davis Crossing Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Instrument No. 200503521722, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, South 14 degrees 22 minutes 56 seconds West, a distance of 2.77 feet for witness, from which a 1/2 inch iron rod found bears, South 89 degrees 49 minutes 30 seconds West, a distance of 2.56 feet for witness;

THENCE North 89 degrees 49 minutes 30 seconds East, along the South line of said Ben Davis Crossing Addition, a distance of 247.91 feet to a point for corner, said corner being along a West right of way line of a 15 foot alley, from which a 1/2 inch iron rod found bears, South 40 degrees 33 minutes 26 seconds West, a distance of 0.32 feet for witness;

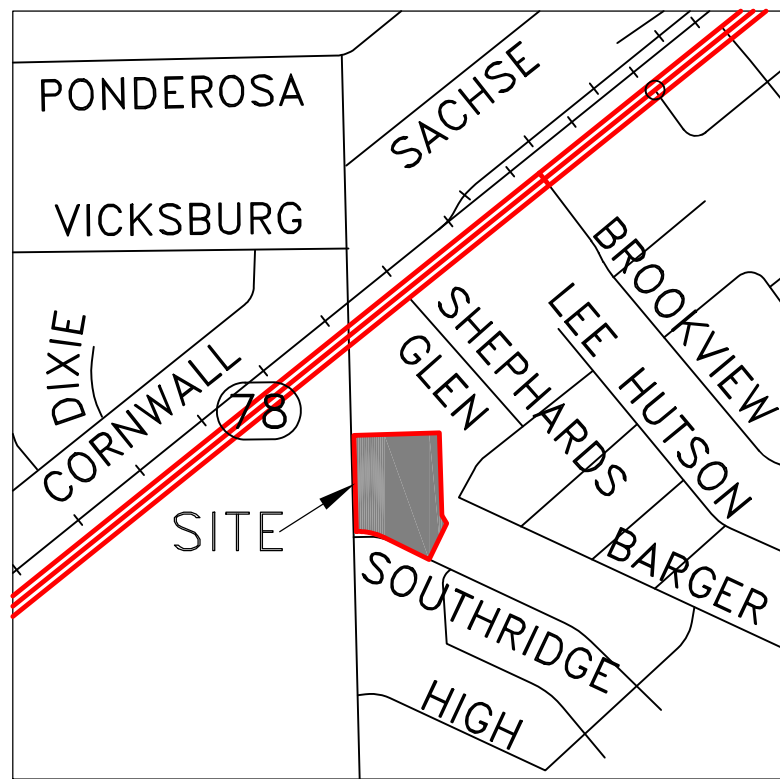
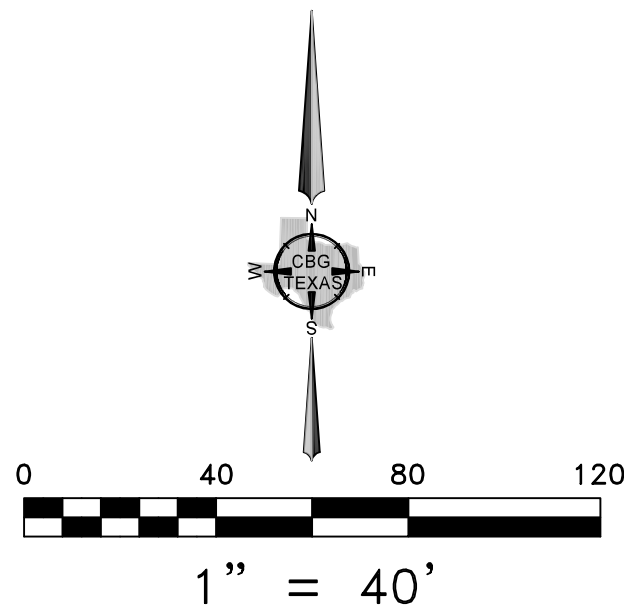
THENCE South 00 degrees 04 minutes 39 seconds East, along the West right of way line of said 15 foot alley, passing a 1/2 inch iron rod found on line at 3.06 feet, a total distance of 239.09 feet to a point for corner;

THENCE South 29 degrees 43 minutes 32 seconds East, along the Southwest right of way line of said 15 foot alley, a distance of 27.57 feet to a point for corner, said corner being the North corner of Lot 4, Block 1 of Southridge Estates No. 1, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 83223, Page 6763, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, North 09 degrees 57 minutes 20 seconds East, a distance of 0.78 feet for witness;

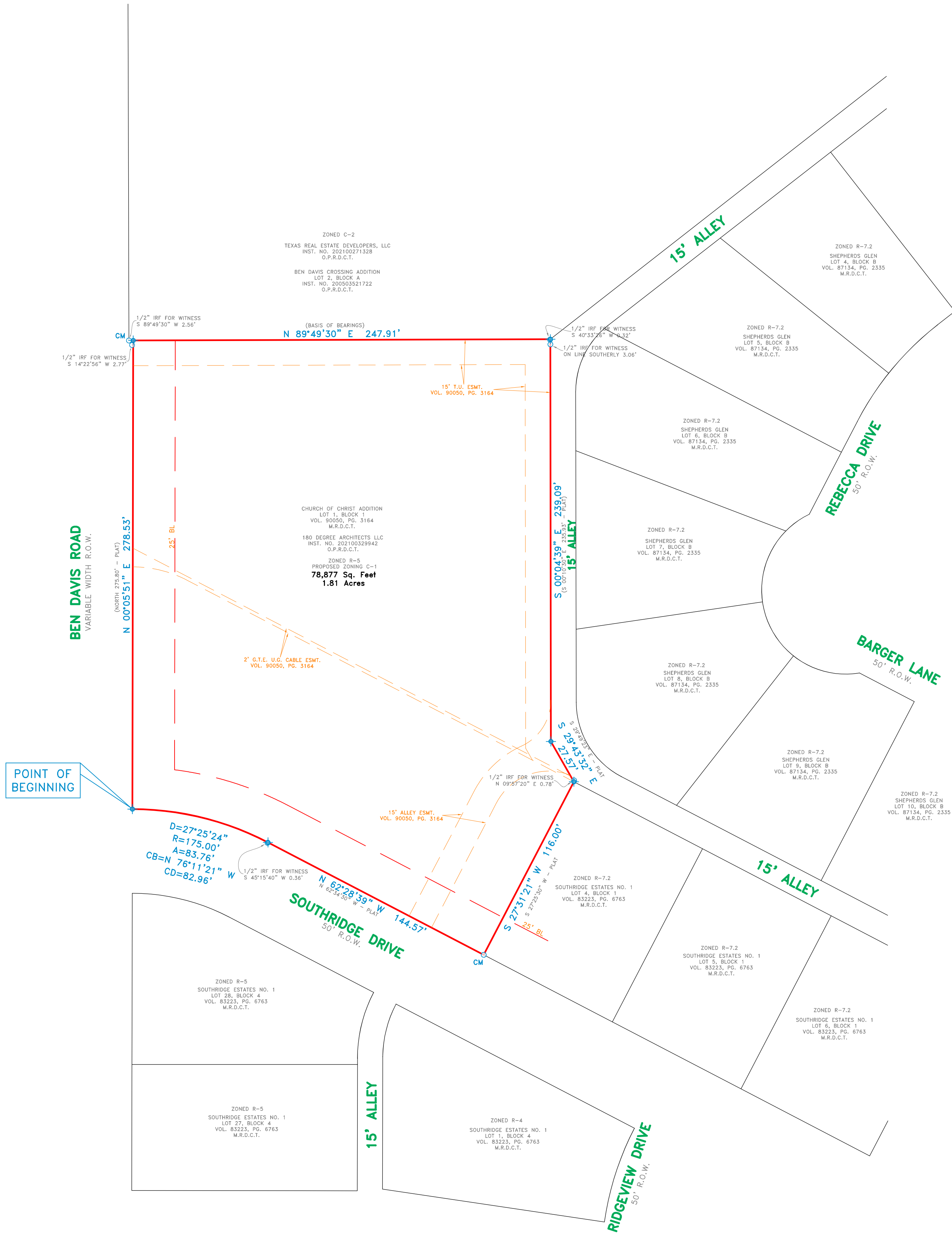
THENCE South 27 degrees 31 minutes 21 seconds West, along the Northwest line of said Lot 4, Block 1, a distance of 116.00 feet to a 1/2 inch iron rod found for corner, said corner being along the Northeast right of way line of said Southridge Drive;

THENCE North 62 degrees 28 minutes 39 seconds West, along the Northeast right of way line of said Southridge Drive, a distance of 144.57 feet to a point for corner, and being the beginning of a tangent curve to the left, with a radius of 175.00 feet, a delta angle of 27 degrees 25 minutes 24 seconds, a chord bearing of North 76 degrees 11 minutes 21 seconds West, and a chord length of 82.96 feet;

THENCE along said curve to the left, along the North right of way line of said Southridge Drive, an arc length of 83.76 feet to the POINT OF BEGINNING and containing 78,877 square feet or 1.81 acres of land.



VICINITY MAP
NOT TO SCALE



- LEGEND:**
- ⊕ POINT FOR CORNER
 - 1/2 INCH IRON ROD FOUND
 - CM CONTROLLING MONUMENT
 - ESMT. EASEMENT
 - VOL. VOLUME
 - PG. PAGE
 - INST. NO. INSTRUMENT NUMBER
 - SQ. FT. SQUARE FEET
 - R.O.W. RIGHT-OF-WAY
 - D.R.D.C.T. DEED RECORDS, DALLAS COUNTY, TEXAS
 - M.R.D.C.T. MAP RECORDS, DALLAS COUNTY, TEXAS
 - O.P.R.D.C.T. OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS

NOTES:
BEARINGS, EASEMENTS AND BUILDING LINES ARE BY
RECORDED PLAT UNLESS OTHERWISE NOTED.

AREA TO BE REZONED:
Being a lot, tract or parcel of land situated in the Robert McCullough Survey, Abstract No. 928, City of Sachse, Dallas County, Texas, and being Lot 1, Block 1 of Church of Christ Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 90050, Page 3164, Map Records, Dallas County, Texas, same being a tract of land conveyed to 180 Degree Architects LLC, by deed recorded in Instrument No. 202100329942, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point found for corner, said corner being the intersection of the North right of way line of Southridge Drive (50 foot right of way) and the East right of way line of Ben Davis Road (variable width right of way);

THENCE North 00 degrees 05 minutes 12 seconds East, along the East right of way line of said Ben Davis Road, a distance of 278.53 feet to a point for corner, said corner being along the South line of Lot 2, Block A of Ben Davis Crossing Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Instrument No. 200503521722, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, South 14 degrees 22 minutes 56 seconds West, a distance of 2.77 feet for witness, from which a 1/2 inch iron rod found bears, South 89 degrees 49 minutes 30 seconds West, a distance of 2.56 feet for witness;

THENCE North 89 degrees 49 minutes 30 seconds East, along the South line of said Ben Davis Crossing Addition, a distance of 247.91 feet to a point for corner, said corner being along a West right of way line of a 15 foot alley, from which a 1/2 inch iron rod found bears, South 40 degrees 33 minutes 26 seconds West, a distance of 0.32 feet for witness;

THENCE South 00 degrees 04 minutes 39 seconds East, along the West right of way line of said 15 foot alley, passing a 1/2 inch iron rod found on line at 3.06 feet, a total distance of 239.09 feet to a point for corner;

THENCE South 29 degrees 43 minutes 32 seconds East, along the Southwest right of way line of said 15 foot alley, a distance of 27.57 feet to a point for corner, said corner being the North corner of Lot 4, Block 1 of Southridge Estates No. 1, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 83223, Page 6763, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, North 09 degrees 57 minutes 20 seconds East, a distance of 0.78 feet for witness;

THENCE South 27 degrees 31 minutes 21 seconds West, along the Northwest line of said Lot 4, Block 1, a distance of 116.00 feet to a 1/2 inch iron rod found for corner, said corner being along the Northeast right of way line of said Southridge Drive;

THENCE North 62 degrees 28 minutes 39 seconds West, along the Northeast right of way line of said Southridge Drive, a distance of 144.57 feet to a point for corner, and being the beginning of a tangent curve to the left, with a radius of 175.00 feet, a delta angle of 27 degrees 25 minutes 24 seconds, a chord bearing of North 76 degrees 11 minutes 21 seconds West, and a chord length of 82.96 feet;

THENCE along said curve to the left, along the North right of way line of said Southridge Drive, an arc length of 83.76 feet to the POINT OF BEGINNING and containing 78,877 square feet or 1.81 acres of land.



Bryan Connally

BRYAN CONNALLY 07/26/2024
R.P.L.S. NO. 5513

EXHIBIT B - ZONING EXHIBIT
CHURCH OF CHRIST ADDITION
LOT 1, BLOCK 1
BEING A TRACT OF LAND SITUATED IN THE
ROBERT MCCULLOUGH SURVEY, ABSTRACT NO. 928
CITY OF SACHSE, DALLAS COUNTY, TEXAS
78,877 SQ.FT. / 1.81 ACRES
DATE OF PREPARATION 07-24-2024

OWNER: 180 DEGREE ARCHITECTS LLC
5206 BEN DAVIS ROAD
SACHSE, TEXAS 75048
419-509-5533



PLANNING & SURVEYING
Main Office
1413 E. IH-30, Ste. 7
Garland, TX 75043
P 214.349.9485
F 214.349.2216
Firm No. 10168800
www.cbgtxl.com

SCALE: 1"=40' / DATE: 07/24/2024 / JOB NO. 2117960-01 / DRAWN BY: TO

ORDINANCE NO. O-2025-_____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE AND MAP, AS HERETOFORE AMENDED; TO GRANT A CHANGE OF ZONING FROM RESIDENTIAL-5 DISTRICT (R-5) TO A NEIGHBORHOOD SHOPPING DISTRICT (C-1) ON AN APPROXIMATELY 1.81± ACRE TRACT OF LAND OF THE CHURCH OF CHRIST ADDITION LOT 1, BLOCK 1 SUBDIVISION, CITY OF SACHSE, DALLAS COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED IN EXHIBIT “A” AND LOCATED AT 5206 BEN DAVIS ROAD; PROVIDING A CONFLICTS RESOLUTION CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Planning and Zoning Commission of the City of Sachse and the governing body of the City of Sachse, in compliance with state laws applying to amending the Comprehensive Zoning Ordinance and Map, have given the requisite notice by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally, the governing body of the City of Sachse is of the opinion that said comprehensive Zoning Ordinance and Zoning Map should be amended as provided herein;

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

SECTION 1. The Comprehensive Zoning Ordinance and Zoning Map of the City of Sachse, Texas, as heretofore amended, be and the same are hereby further amended by changing the zoning relating to the use and development of a 1.81± acre tract of land of the Church of Christ Addition Lot 1, Block 1 subdivision, City of Sachse, Dallas County, Texas, more particularly described in Exhibit “A” and shown in Exhibit “B” attached hereto and incorporated herein by reference (“the Property”) from Residential 5 (“R-5”) to Neighborhood Shopping District (“C-1”) subject to the provisions of Section 2 of this Ordinance.

SECTION 2. That all provisions of the ordinances of the City of Sachse in conflict with the provisions of this ordinance be and the same are hereby repealed.

SECTION 3. In the event of an irreconcilable conflict between the provisions of another previously adopted ordinance of the City of Sachse and the provisions of this Ordinance as applicable to the use and development of the Property, the provisions of this Ordinance shall be controlling.

SECTION 4. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof other than the part

so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Comprehensive Zoning Ordinance as a whole.

SECTION 5. An offense committed before the effective date of this ordinance is governed by the prior law and the provisions of the Code of Ordinances, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

SECTION 6. Any person, firm or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Sachse, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

SECTION 7. This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and Charter in such cases provide.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas on the 3rd day of February 2025.

APPROVED:

Jeff Bickerstaff, Mayor

DULY ENROLLED:

Leah K Granger, City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr., City Attorney
(12-11-2024: 4899-9535-7189, v. 1)

EXHIBIT “A”

Description of Property

AREA TO BE REZONED:

Being a lot, tract or parcel of land situated in the Robert McCullough Survey, Abstract No. 928, City of Sachse, Dallas County, Texas, and being Lot 1, Block 1 of Church of Christ Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 90050, Page 3164, Map Records, Dallas County, Texas, same being a tract of land conveyed to 180 Degree Architects LLC, by deed recorded in Instrument No. 202100329942, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point found for corner, said corner being the intersection of the North right of way line of Southridge Drive (50 foot right of way) and the East right of way line of Ben Davis Road (variable width right of way);

THENCE North 00 degrees 05 minutes 51 seconds East, along the East right of way line of said Ben Davis Road, a distance of 278.53 feet to a point for corner, said corner being along the South line of Lot 2, Block A of Ben Davis Crossing Addition, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Instrument No. 200503521722, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, South 14 degrees 22 minutes 56 seconds West, a distance of 2.77 feet for witness, from which a 1/2 inch iron rod found bears, South 89 degrees 49 minutes 30 seconds West, a distance of 2.56 feet for witness;

THENCE North 89 degrees 49 minutes 30 seconds East, along the South line of said Ben Davis Crossing Addition, a distance of 247.91 feet to a point for corner, said corner being along a West right of way line of a 15 foot alley, from which a 1/2 inch iron rod found bears, South 40 degrees 33 minutes 26 seconds West, a distance of 0.32 feet for witness;

THENCE South 00 degrees 04 minutes 39 seconds East, along the West right of way line of said 15 foot alley, passing a 1/2 inch iron rod found on line at 3.06 feet, a total distance of 239.09 feet to a point for corner;

THENCE South 29 degrees 43 minutes 32 seconds East, along the Southwest right of way line of said 15 foot alley, a distance of 27.57 feet to a point for corner, said corner being the North corner of Lot 4, Block 1 of Southridge Estates No. 1, an addition to the City of Sachse, Dallas County, Texas, according to the map thereof recorded in Volume 83223, Page 6763, Map Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears, North 09 degrees 57 minutes 20 seconds East, a distance of 0.78 feet for witness;

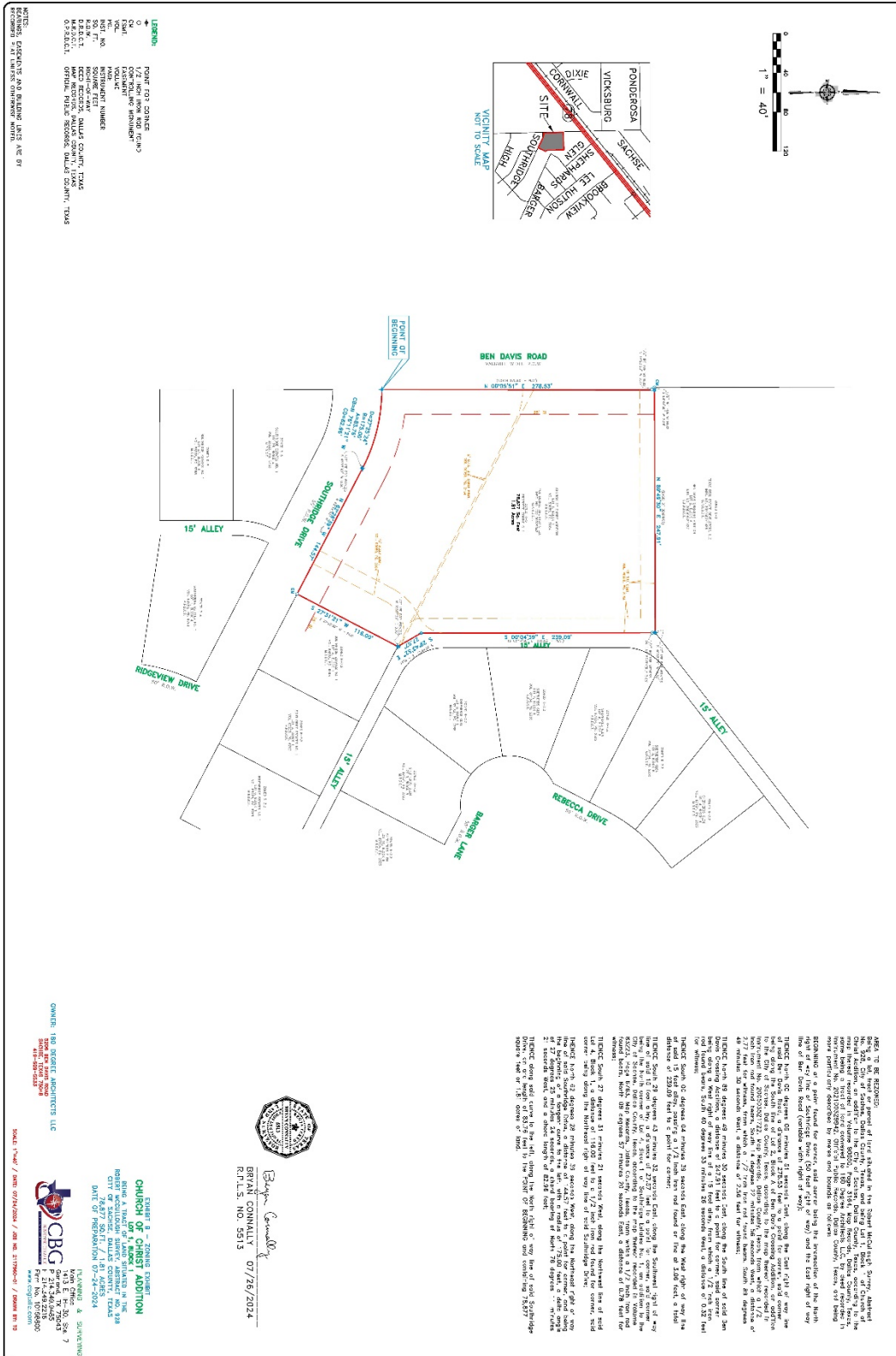
THENCE South 27 degrees 31 minutes 21 seconds West, along the Northwest line of said Lot 4, Block 1, a distance of 116.00 feet to a 1/2 inch iron rod found for corner, said corner being along the Northeast right of way line of said Southridge Drive;

THENCE North 62 degrees 28 minutes 39 seconds West, along the Northeast right of way line of said Southridge Drive, a distance of 144.57 feet to a point for corner, and being the beginning of a tangent curve to the left, with a radius of 175.00 feet, a delta angle of 27 degrees 25 minutes 24 seconds, a chord bearing of North 76 degrees 11 minutes 21 seconds West, and a chord length of 82.96 feet;

THENCE along said curve to the left, along the North right of way line of said Southridge Drive, an arc length of 83.76 feet to the POINT OF BEGINNING and containing 78,877 square feet or 1.81 acres of land.

EXHIBIT "B"

Zoning Exhibit



G. Discussion Items

Subject:	1. Receive the City's Annual Comprehensive Financial Report (ACFR) and Federal Single Audit Report for the fiscal year ending September 30, 2024.
Meeting	March 3, 2025 - City Council Meeting
Access	Public
Type	Discussion
Fiscal Impact	None
Recommended Action	Receive the City's Annual Comprehensive Financial Report (ACFR) and the Federal Single Audit Report for the fiscal year ending September 30, 2024. No action is necessary with this item.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

Section 103.001 of Texas Local Government Code requires that a municipality have its records and financial accounts audited annually. An Annual Comprehensive Financial Report (ACFR) is prepared based on the audit. Additionally, a Single Audit is required when the City expends \$750,000 or more in federal award funds during the fiscal year. A Single Audit Report is prepared based on the audit.

Pattillo, Brown & Hill, LLP (PB&H), an independent audit firm, has audited the City's financial statements for the fiscal year ending September 30, 2024, and has issued an unmodified or "clean" opinion. Additionally, PB&H has audited the City's compliance with requirements identified as subject to audit in the OMB Compliance Supplement for the fiscal year ending September 30, 2024, and has issued an unmodified or "clean" opinion.

Mishal Majewski of PB&H will provide highlights and comments on the ACFR, the Single Audit Report, and the audit process.

POLICY CONSIDERATIONS

City Charter Section 7.18 requires that at the close of each fiscal year, an independent audit firm audit the accounts of the City and a report of the audit be made to the City Council. City Comprehensive Financial Management Policy Statement I. Accounting, Auditing, and Financial Reporting, item C. Auditing, requires an annual audit to be conducted in conformance with the City's Charter and the provisions of the Texas Local Government Code Section 103. This is the City's first year working with PB&H.

RECOMMENDATION

Receive the City's Annual Comprehensive Financial Report (ACFR) and the Federal Single Audit Report for the fiscal year ending September 30, 2024. No action is necessary with this item.

File Attachments

1. City of Sachse - Audit Presentation Council FY2024
2. Sachse ACFR 2024
3. Sachse Single Audit Report 2024



PRESENTED TO
CITY OF SACHSE, TEXAS
FY24 Audit Presentation

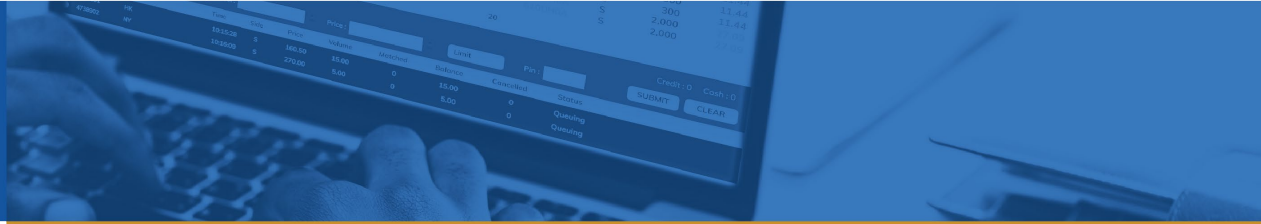
March 3, 2025

Mishal Majewski, CPA

Audit Supervisor, Government Assurance, Consulting & Advisory

- Overview of the ACFR
- Audit process
- Audit results
- Financial highlights
- Discussion



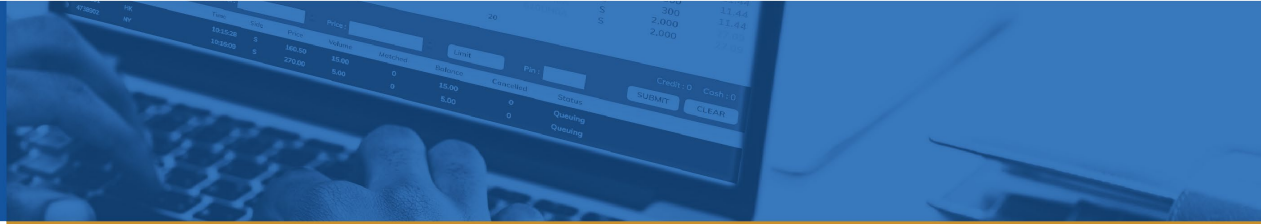


Overview of the ACFR

Annual Comprehensive Financial Report

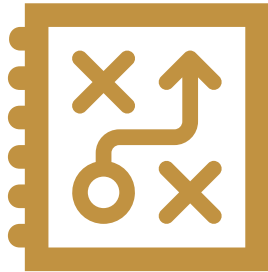
1. Introductory section:
 - a) Transmittal letter
 - b) List of elected & appointed officials
 - c) Organizational chart
2. Basic financial statements:
 - a) Gov-wide financial statements (full accrual)
 - b) Fund Financial statements (modified accrual)
 - c) Notes to the basic financial statements
3. Required supplementary information (unaudited):
 - a) Budget to actual (General Fund)
 - b) Pension & OPEB required schedules
4. Other information:
 - a) Combining fund financial statements (modified accrual)
 - b) Budget to actual (major funds w/ legally adopted budget)
5. Statistical section (unaudited):
 - a) Historical & trend data (financial trends, revenue capacity, debt capacity, demographic & economic information, operating information)





Audit Process

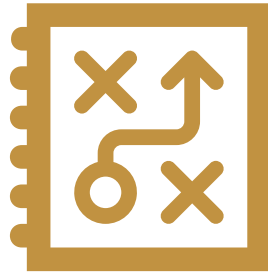




Planning



Fieldwork



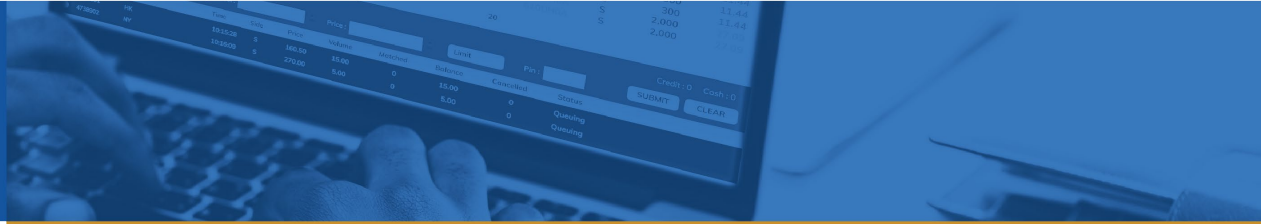
Planning

- Internal controls
- Risk assessment
- Preliminary testing
- Fraud interviews

- Material balances & transactions
- Compliance



Fieldwork



Audit Results



Independent Auditor's Report

- Management responsible for financial statements
- We **express an opinion** on the financial statements.
- Audit performed in accordance with GAS and GAAS
- **Unmodified opinion**



Independent Auditor's Report on Internal Controls over Financial Reporting

- We perform limited testing over internal controls as it relates to financial statements and disclose results.
- Not opining on effectiveness
- Material weakness identified



Required Communication with Governance

- Audit conducted in accordance with ethics and independence requirements
- Management corrected all material misstatements identified
- New standards adopted



Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant (CDBG)	14.218	EN-24-21	\$ 125,460
Total U.S. Department on Housing and Urban Development			<u>125,460</u>
Total U.S. Department of Housing and Urban Development			<u>125,460</u>
<u>U.S. Department of Transportation</u>			
Passed through the Texas Department of Transportation:			
Highway Planning and Construction	20.205	N/A	<u>1,406,211</u>
Total Texas Department of Transportation			<u>1,406,211</u>
Total U.S. Department of Transportation			<u>1,406,211</u>
<u>U.S. Department of Treasury</u>			
Passed through the Texas Division of Emergency Management:			
Coronavirus State and Local Fiscal Recovery Fund	21.027	TX1914	<u>4,110,867</u>
Total Texas Division of Emergency Management			<u>4,110,867</u>
Total U.S. Department of Treasury			<u>4,110,867</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Texas Division of Emergency Management:			
Hazard Mitigation Grant Program	97.039	24-00144 26APR	<u>22,014</u>
Total Texas Division of Emergency Management			<u>22,014</u>
Total U.S. Department of Homeland Security			<u>22,014</u>
Total Expenditures of Federal Awards			<u>\$ 5,664,552</u>

Summary of the Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	2024-001; 2024-002
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

Identification of major federal programs:

Assistance Listing Number(s):

21.027

20.205

Name of Federal Program or Cluster:

COVID-19 - State and Local Fiscal Recovery Fund (ARP Act)

Federal Aid Highway Program (FHWA)

The dollar threshold used to distinguish between type A and type B federal programs.

\$750,000

Auditee qualified as low-risk auditee?

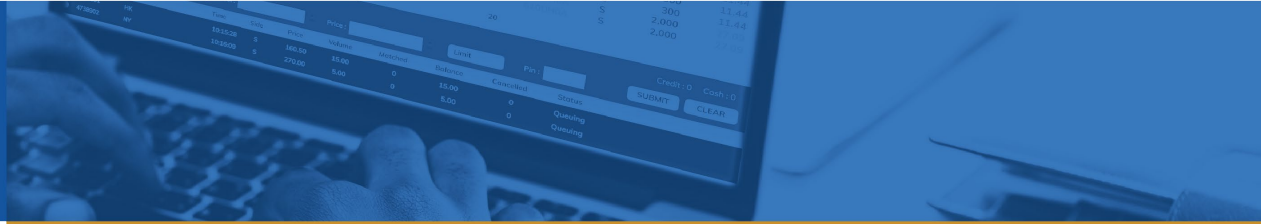
No

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

2024-001; 2024-002

Findings and Questioned Costs for Federal Awards

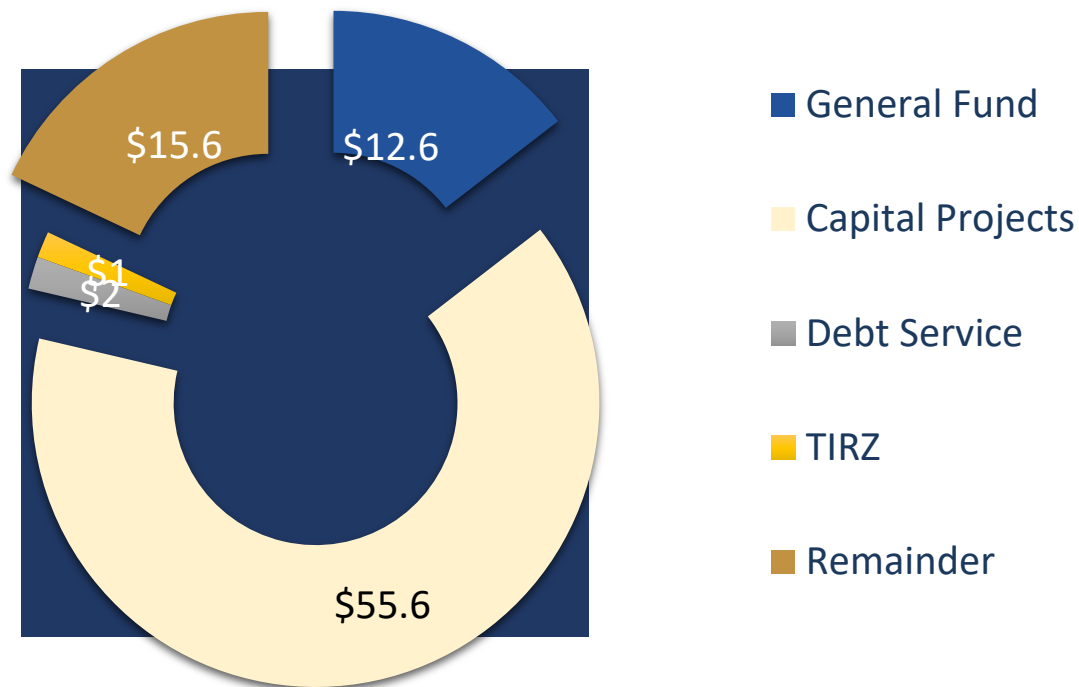
None reported



Financial Highlights

GOVERNMENTAL FUNDS

Fund Balance



GENERAL FUND BALANCE

	2023	2024
General Fund (Unassigned)	69.6%	32.0%

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% to 35% of expenditures

UTILITY FUND

	September 30, 2024
Operating income (loss)	\$3,875,796
Change in net position	\$5,879,494
Ending net position	\$59,294,227

- Net investment in capital assets - \$35,697,669
- Unrestricted - \$23,596,558



Discussion

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2024



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.”*

CITY OF SACHSE, TEXAS

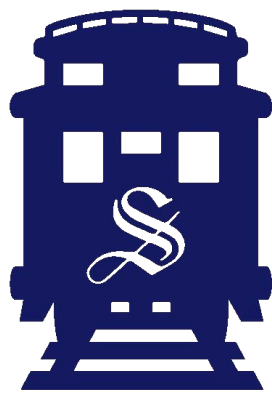
FOR THE YEAR ENDED SEPTEMBER 30, 2024

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - v
City Officials.....	vi
Organizational Chart	vii
Certificate of Achievement	viii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management Discussion and Analysis	4 - 11
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position.....	12 - 15
Statement of Activities.....	16 - 17
Fund Financial Statements:	
Governmental Funds	
Balance Sheet.....	18 - 19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21 - 22
Reconciliation of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds to the Statement of Activities.....	23
Proprietary Funds	
Statement of Net Position.....	24 - 25
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	26
Statement of Cash Flows	27 - 28
Notes to the Financial Statements	29 - 56
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	57 - 58

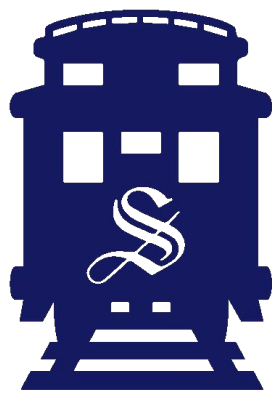
Notes to Budgetary Schedules	59
Schedule of Changes in Net Pension Liability and Related Ratios.....	60 - 61
Schedule of Employer Contributions	62 - 63
Schedule of Changes – TMRS Other Post-Employment Benefit Liability and Related Ratios.....	64 - 65
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	66 - 67
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	68 - 69
Combining Balance Sheet – Tax Increment Reinvestment Zones	70
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Tax Increment Reinvestment Zones	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund – Budget and Actual	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Projects Fund – Budget and Actual	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Street Maintenance Fund – Budget and Actual.....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Fund – Budget and Actual	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – American Rescue Plan Fund – Budget and Actual	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Impact Fee Fund – Budget and Actual	77
Combining Balance Sheet – Discretely Presented Component Units	78
Reconciliation of the Balance Sheet of Discretely Presented Component Units to the Statement of Net Position	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Discretely Presented Component Units	80
Reconciliation of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Discretely Presented Component Units to the Statement of Activities.....	81
STATISTICAL SECTION	
Net Position by Component	82 – 83
Change in Net Position	84 – 87
Fund Balances, Governmental Funds	88 – 89
Changes in Fund Balances, Governmental Funds.....	90 – 91
Assessed Values and Estimated Actual Value of Taxable Property.....	92

Property Tax Rates – Direct and Overlapping Governments	93 – 94
Principal Property Taxpayers	95
Property Tax Levies and Collections	96 – 97
Ratios of Outstanding Debt by Type	98 – 99
Ratios of General Bonded Debt Outstanding	100 – 101
Direct and Overlapping Governmental Activities Debt	102
Demographic and Economic Statistics.....	103
Principal Employers.....	104
Full-Time Equivalent City Governmental Employers by Function/Program.....	105 – 106
Operating Indicators by Function/Program	107 – 108
Capital Asset Statistics by Function/Program	109 – 110



The City of
SACHSE

INTRODUCTORY SECTION



The City of
SACHSE



March 3, 2025

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, 2024. 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.

Pattillo, Brown & Hill, LLP has issued an Unmodified (“clean”) opinion on the City of Sachse’s financial statements for the year ended September 30, 2024. The independent auditors’ report is located at the beginning of the financial section of the ACFR.

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

PROFILE OF THE GOVERNMENT

The City of Sachse, incorporated in 1956, is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently occupies a land area of 9.9 square miles. The City’s population is 30,483 according to the 2024 North Central Texas Council of Governments estimate.

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

The City of Sachse provides a full range of services including police, fire, emergency ambulance service, municipal court, library, parks, recreation, water/sewer, engineering, streets/drainage, community development (planning and zoning), and general administrative services. Sanitation collection services are billed by the City on behalf of a private contractor that provides those services. The City of Sachse is served by two school districts (Garland ISD and Wylie ISD).

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Sachse, as legally defined), as well as, all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government’s operations. The Sachse Economic Development Corporation (SEDC) and Sachse Municipal Development District are included in the financial statements as discretely presented component units.

3815-B Sachse Road
Sachse, Texas 75048



972-495-1212
www.cityofsachse.com



The annual budget serves as the foundation for Sachse's financial planning and control. Annual budgets are legally adopted for the General Fund, Utility Fund, Debt Service Fund, General Capital Projects Fund, General Vehicle/Equipment Replacement Fund, Special Revenue Fund, Impact Fee Fund, Street Maintenance Tax Fund, Health Insurance Fund, Bond Construction Fund, American Rescue Plan Act (ARPA) Fund, Tax Increment Financing Reinvestment Zone (TIRZ) #1 Fund, TIRZ #2 Fund, TIRZ #3 Fund, Sachse Economic Development Corporation (SEDC) Fund, and Municipal Development District (MDD) Fund. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year, which runs from October 1 through September 30. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance and setting the limit for expenditures during the fiscal year. Expenditures in the adopted budget are appropriated by department and may be amended during the year. The City Manager is authorized to adjust budgeted amounts; however, such revisions may not result in total expenditures exceeding budgeted expenditures without approval of the City Council.

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

Formal budgetary integration was not employed for the Hotel Occupancy Tax Fund. However, the City does develop an annual budget for that fund for managerial control. An annual budget was not adopted for the PID fund.

LOCAL ECONOMY

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

Property Values – Assessed property values increased \$560,358,455 (16%) with \$212,599,604 in new property and \$347,758,851 in existing property, from tax year 2022 to tax year 2023. During the last five years, assessed taxable property values have increased 75% (from \$2,366,146,541 in tax year 2018 to \$4,138,101,222 in tax year 2023). Property taxes account for 60% of General Fund revenue. With a well-educated populace and an average household income of \$171,943, 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 2024 fiscal year with the same six strategic goals that it identified in its Strategic Plan in 2016:

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

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

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

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

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

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

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





FISCAL YEAR 2024 HIGHLIGHTS

The City has seen significant activity across its departments this fiscal year, highlighted by advancements in infrastructure, quality development, quality of life, and government services. These achievements underscore the City's commitment to continuous improvement and resident satisfaction.

The City advanced several 2021 Bond Election projects, including the timely and budget-conscious opening of the new Sachse Animal Shelter and the start of construction on Bailey and Hooper Road. Significant capital improvements were also completed, such as the Hudson Screening Wall project and neighborhood street improvements in areas like Sachse South Estates and Tina/Leesa and Kellie Streets. To further enhance infrastructure, the City implemented its first annual concrete contract, expediting road repairs throughout the community.

Quality development remained a priority, with the City executing strategic incentive agreements with major retailers like Starbucks, Chipotle, and Cane Rosso. The City also earned the Texas Economic Development Council Economic Excellence Recognition for the third consecutive year. Efforts to enhance development continued with the initiation of negotiations for the 5th Street District and the welcoming of new businesses such as Medical City Sachse, Jake's Burgers, and The Learning Experience.

Quality of life improvements were evident in the opening of the reconstructed Heritage Park, now featuring new amenities such as additional pavilion with restrooms, splashpad, additional walking trails, amphitheater and innovative playground equipment featuring a unique custom train. J.K. Sachse Park also received an upgrade with the addition of lighted pickleball courts. New events, including Fall-o-ween, the JK Sachse Summer Concert Series, and the inclusive Easter Egg Hunt, were successfully launched. Joe Stone Park received long-awaited upgrades, such as pavilion lighting, a trail, and a restroom.

As part of the city's ongoing efforts to create a vibrant and engaged community, several new initiatives were introduced to connect residents with services and enhance local business support. The city also introduced the Code Ambassador Program, which fosters civic pride through a means of volunteerism. The city established a partnership with Four Seasons Markets to host a monthly farmers market, providing residents with convenient access to fresh goods and local products. Additionally, the Shop Local Passport program was launched to encourage patronage of Sachse businesses. Together, these programs reflect the City's dedication to strengthening community ties, supporting economic vitality, and improving quality of life across multiple service areas.

The City's commitment to excellent government services was reinforced by the implementation of a new Communications program. With the addition of a Communications Strategist, the City enhanced its social media presence, improved resident response, and introduced a new State of the City event.

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, 2023. This was the twenty-fifth 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 2023-2024 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the twelfth consecutive year the City's Budget has been so recognized. The 2023-2024 Fiscal Year Budget has been submitted for consideration.

Acknowledgements – Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to representatives of Pattillo, Brown and Hill, L.L.P. 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
City Manager

David Baldwin
Finance Director

Ryan Bredehoeft
Assistant Finance Director



City Council Members



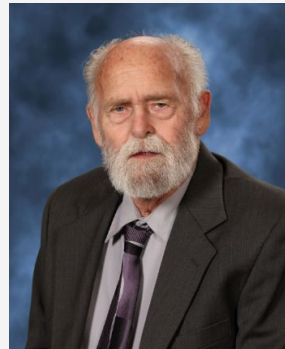
**Mayor
Jeff Bickerstaff**



**Place One
Mayor Pro Tem
Brett Franks**



**Place Two
Councilmember
Michelle Howarth**



**Place Three
Councilmember
Frank Millsap**



**Place Four
Councilmember
Chance Lindsey**



**Place Five
Councilmember
Lindsay Buhler**

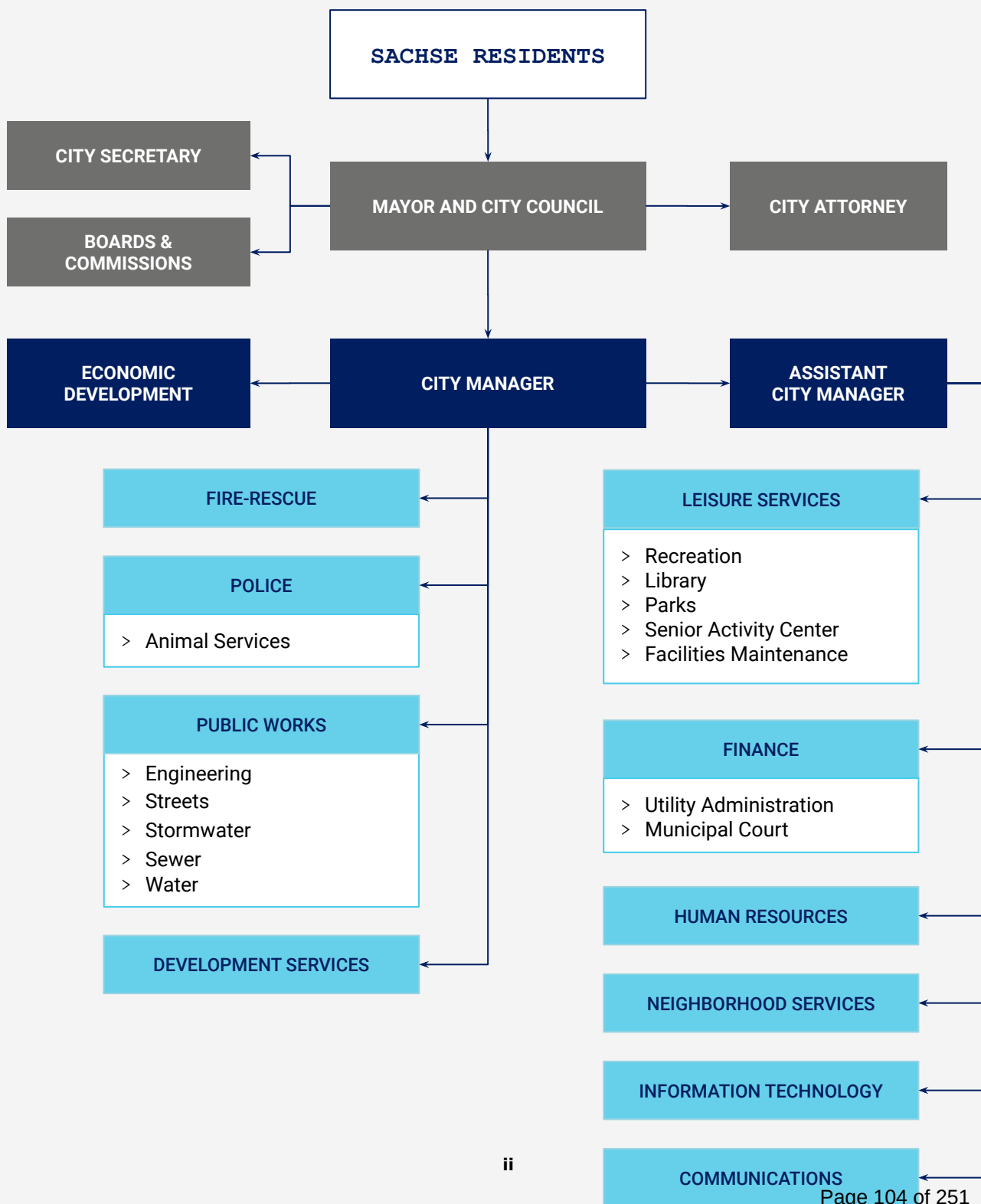


**Place Six
Councilmember
Matt Prestenberg**

The Sachse City Council is composed of the mayor and six council members. The Council meets on the first and third Monday of each month at Sachse City Hall with meetings starting at 6:30 p.m. All meetings are open to the public. Citizens and employees are encouraged to attend.



Organizational Chart





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, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter - Change of Accounting Principle

As discussed in Note I to the basic financial statements, during the year ended September 30, 2024, the City of Sachse implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, as well as Governmental Accounting Standards Board (GASB) Statement 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025, on our consideration of the City of Sachse, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sachse, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 3, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Sachse, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Sachse for the fiscal year ended September 30, 2024. 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 in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of the City of Sachse exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$166,598,647 (net position). Of this amount, \$6,964,337 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$11,435,251. The primary reason for this decrease was the reclassification of the PID fund to governmental activities and recording its related special assessment bonds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$86,714,441, an increase of \$23,400,365 in comparison with the prior year. The primary cause of this increase was the issuance of 2024 bonds and tax notes.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$8,855,420 or 31.96% of total general fund expenditures.
- The City's total long-term bonds, tax notes, and lease liabilities reflected a net increase (including premiums) of \$54,707,738. The total governmental long-term debt at the close of the fiscal year was \$108,815,262, including \$25,887,000 of private placement debt repaid by special assessments on property owners. Self-supporting debt of the proprietary fund was \$11,790,980.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the former two and latter two 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 of Sachse 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 to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, leisure services, and development services. The business-type activities of the City include utility operations.

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

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

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 is useful in evaluating a government's near-term financing requirements.

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, and the tax increment reinvestment funds, which are considered to be major funds. The City's street maintenance, special revenue, hotel occupancy, impact fee, and ARPA funds are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, capital projects fund, impact fee fund, street maintenance, American Rescue Plan Act Fund, and special revenue fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

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

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

Component Units. The City maintains the accounting and financial statements for five component units. The Sachse Economic Development Corporation and the Sachse Municipal Development District are reported as discrete component units on the government-wide financial statements. The George Bush Turnpike Reinvestment Zone, the Station Reinvestment Zone, and Highway 78 are reported as blended component units and are presented as one major fund, the tax increment reinvestment funds.

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

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.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Sachse, assets and deferred outflows exceeded liabilities and deferred inflows by \$166,598,647 at the close of the most recent fiscal year. The largest portion of the City's total net position (\$123,016,353) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding, plus bond proceeds that have not yet been spent. The City of Sachse uses these capital assets to provide services to citizens; consequently, these assets are not available for operational type of 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position (\$36,617,957) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 4%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Sachse is able to report positive balances in two of the three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Total capital assets as of September 30, 2024 and 2023 were \$170,534,159 and \$155,730,012, respectively. The increase of \$14,804,147 was primarily attributable to new capital contributions for park improvements, street and road improvements, and utility infrastructure in the current year.

Total other liabilities as of September 30, 2024 and 2023 were \$5,241,379 and \$11,222,901, respectively. The decrease of \$5,981,522 was primarily due to greater debt obligations due within one year, resulting from debt approaching maturity. In addition accounts payable for both governmental and business-type activities increased from the prior year.

City of Sachse's Net Position Government-Wide

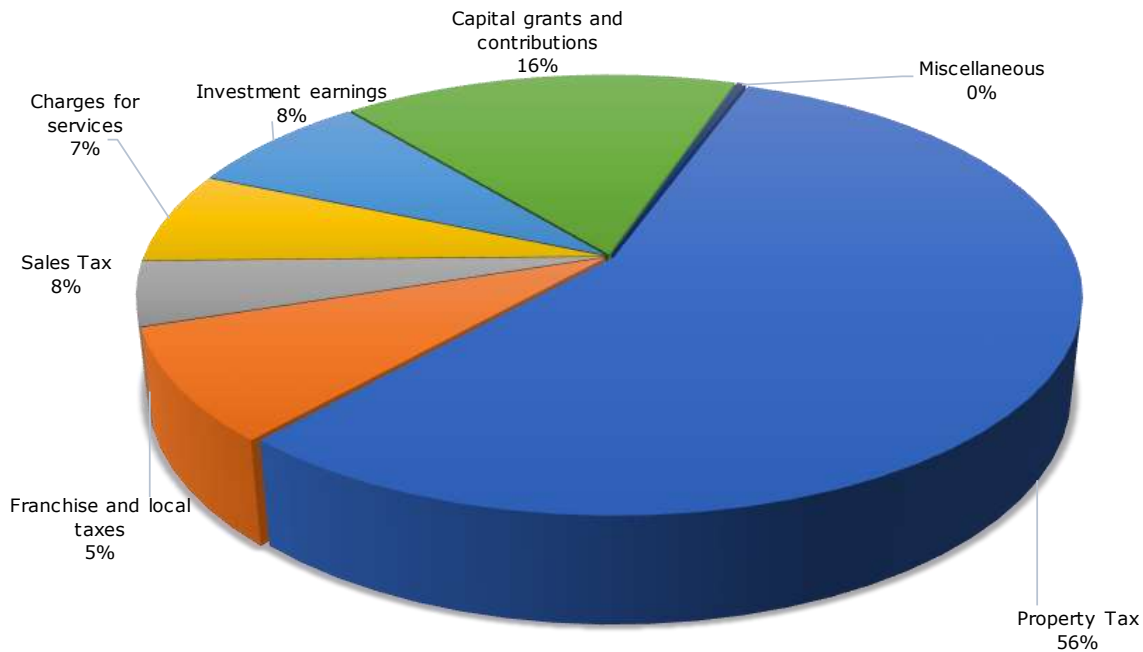
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 92,481,014	\$ 68,788,810	\$ 25,405,492	\$ 25,699,007	\$117,886,506	\$ 94,487,817
Capital assets, net	123,680,737	114,060,672	46,853,422	41,669,340	170,534,159	155,730,012
Total assets	216,161,751	182,849,482	72,258,914	67,368,347	288,420,665	250,217,829
Deferred outflows of resources	4,943,773	5,652,103	306,715	305,092	5,250,488	5,957,195
Current liabilities	3,789,045	8,606,583	1,452,334	2,616,318	5,241,379	11,222,901
Long-term liabilities	108,815,262	54,265,177	11,790,980	11,633,327	120,606,242	65,898,504
Total liabilities	112,604,307	62,871,760	13,243,314	14,249,645	125,847,621	77,121,405
Deferred inflows of resources	1,196,797	1,010,660	28,088	9,061	1,224,885	1,019,721
Net position:						
Net investment in capital assets	87,318,684	79,772,178	35,697,669	30,097,903	123,016,353	109,870,081
Restricted	36,617,957	29,423,509	-	-	36,617,957	29,423,509
Unrestricted	(16,632,221)	15,423,478	23,596,558	23,316,830	6,964,337	38,740,308
Total net position	\$ 107,304,420	\$124,619,165	\$ 59,294,227	\$ 53,414,733	\$166,598,647	\$178,033,898

The government's net position decreased by \$11,435,251 during the current fiscal year. The primary cause was the reclassification of the PID fund to a governmental fund, and the reporting of the PID's special assessment debt in the governmental activities in FY24.

The following table indicates changes in net position for governmental and business-type activities followed by graphs displaying total revenues and expenses by type:

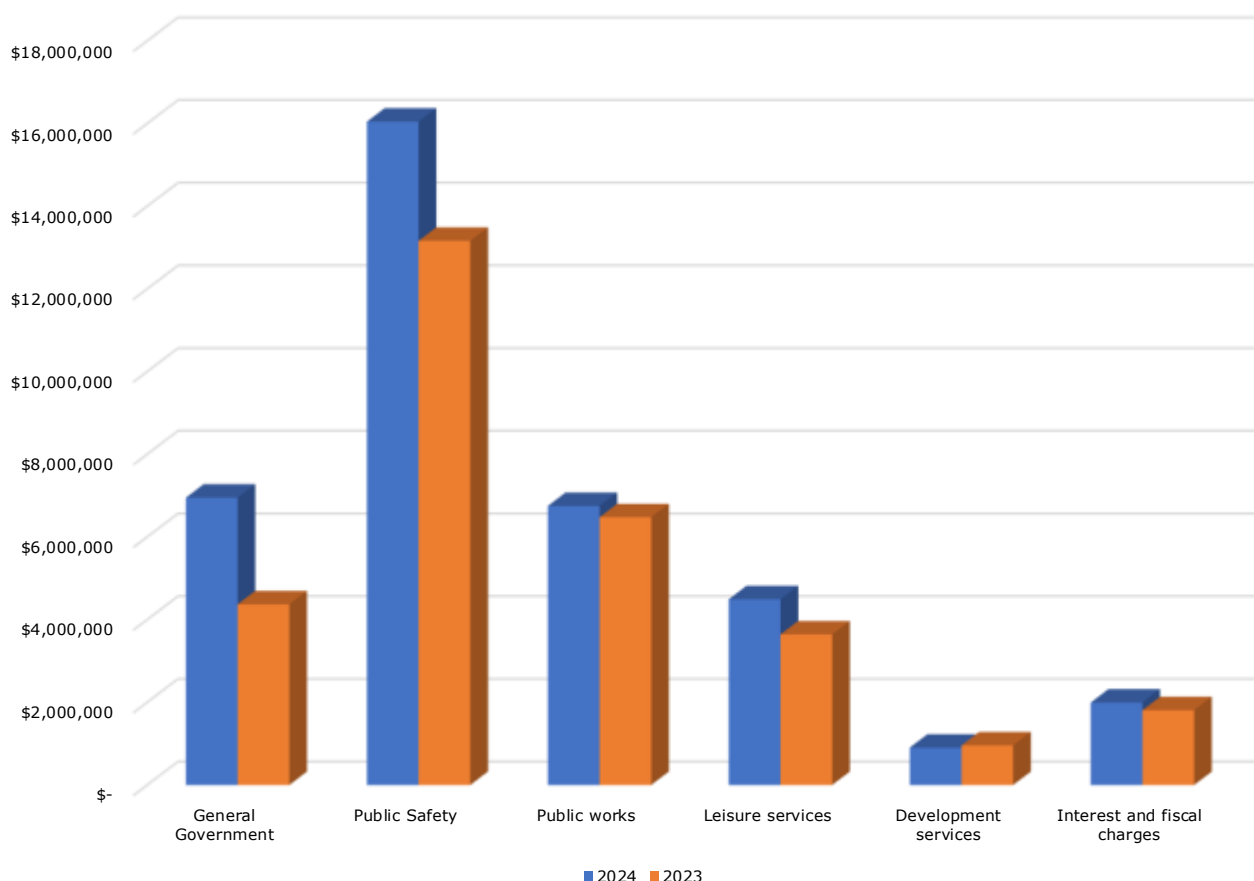
City of Sachse's Changes in Net Position Government-Wide						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,100,608	\$ 2,701,560	\$ 17,341,948	\$ 17,000,447	\$ 20,442,556	\$ 19,702,007
Operating grants & contributions	184,661	256,220	-	-	184,661	256,220
Capital contributions	7,448,074	4,437,327	978,189	1,378,955	8,426,263	5,816,282
General revenues:						
Property taxes	28,198,987	22,542,983	-	-	28,198,987	22,542,983
Sales taxes	3,866,139	3,699,011	-	-	3,866,139	2,148,503
Other taxes	2,178,945	2,148,503	-	-	2,178,945	3,699,011
Investment earnings	3,810,272	2,879,990	1,121,845	874,543	4,932,117	3,754,533
Miscellaneous	173,606	358,441	-	-	173,606	358,441
Total revenues	<u>48,961,292</u>	<u>39,024,035</u>	<u>19,441,982</u>	<u>19,253,945</u>	<u>68,403,274</u>	<u>58,277,980</u>
Expenses:						
General government	6,951,144	4,369,618	-	-	6,951,144	4,369,618
Public safety	16,045,835	13,163,847	-	-	16,045,835	13,163,847
Public works	10,654,043	6,477,102	-	-	10,654,043	6,477,102
Leisure services	4,492,124	3,641,473	-	-	4,492,124	3,641,473
Development services	902,686	956,514	-	-	902,686	956,514
Interest and other fees	3,441,732	1,809,107	-	358,220	3,441,732	2,167,327
Utility	-	-	13,808,183	12,256,950	13,808,183	12,256,950
Total expenses	<u>42,487,564</u>	<u>30,417,661</u>	<u>13,808,183</u>	<u>12,615,170</u>	<u>56,295,747</u>	<u>43,032,831</u>
Increase in net position before transfers	<u>6,473,728</u>	<u>8,606,374</u>	<u>5,633,799</u>	<u>6,638,775</u>	<u>12,107,527</u>	<u>15,245,149</u>
Transfers	<u>(245,695)</u>	<u>491,761</u>	<u>245,695</u>	<u>(491,761)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>6,228,033</u>	<u>9,098,135</u>	<u>5,879,494</u>	<u>6,147,014</u>	<u>12,107,527</u>	<u>15,245,149</u>
Net position - beginning of year	124,619,165	115,521,030	53,414,733	47,267,719	178,033,898	162,788,749
Adjustments	<u>(23,542,778)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,542,778)</u>	<u>-</u>
Net position - end of year	<u>\$ 107,304,420</u>	<u>\$ 124,619,165</u>	<u>\$ 59,294,227</u>	<u>\$ 53,414,733</u>	<u>\$ 166,598,647</u>	<u>\$ 178,033,898</u>

GENERAL REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



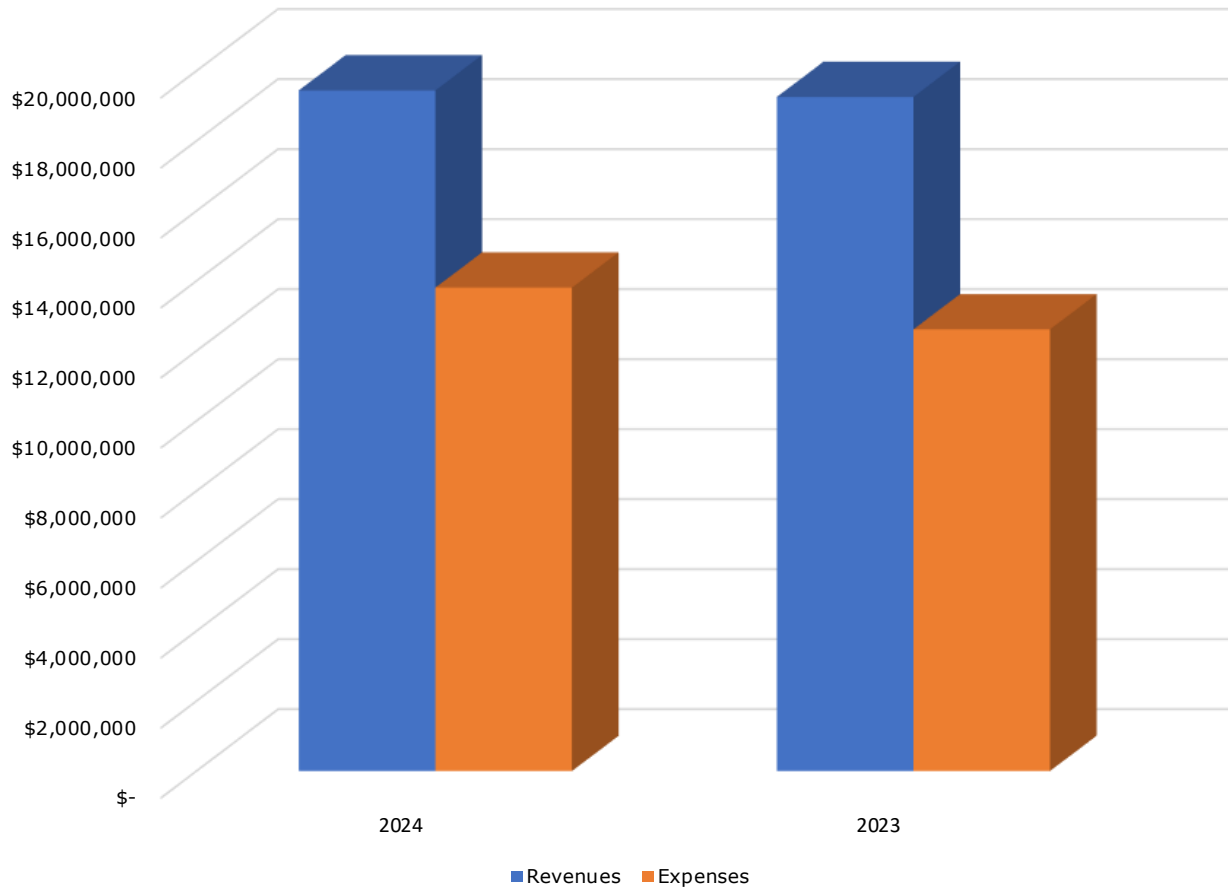
For the year ended September 30, 2024, revenues from governmental activities totaled \$48,961,292. Property taxes and capital grants/contributions are the City's largest general revenue sources. Overall revenue increased \$9,937,257 or 25%. Property taxes increased by \$5,656,004 or 25% during the current year. The increase is primarily due to greater appraised values in the current year as a result of continued growth and development throughout the community. Operating grants and contributions decreased by \$71,559 or 28% primarily due to nonrecurring reimbursements for capital projects received in the prior year. Capital grants and contributions increased by \$3,010,747 or 68% due to nonrecurring capital contributions for public works and park improvements in the current year. Charges for services increased by \$399,048 or 15% primarily due to nonrecurring building permits in the current year. Sales taxes increased by \$167,128 or 5% due to continued economic growth fueled by local purchases. Investment income increased by \$930,282 or over 32% due primarily to the city earning interest from a lease receivable, higher interest rates, and higher interest bearing account balances in the current year. Other revenues decreased by \$184,835 or over 52% primarily as a result of nonrecurring sale of assets in the current year. All other revenues remained relatively stable when compared to the previous year.

TOTAL EXPENSES – GOVERNMENTAL ACTIVITIES



For the year ended September 30, 2024, expenses for governmental activities totaled \$42,487,564. This represents an increase of \$12,069,903 or 40% from the prior year. The City's largest functional expense is public safety of \$16,045,835, a 22% increase from prior year, which is primarily due to greater personnel expenses and vehicle maintenance and repair cost in the current year. General government increased by \$2,581,526 or 59% primarily due to greater personnel cost, which is directly related to an increase in wages and compensation. Public works expenses increased by \$4,176,941 or 64% primarily due to the reclassification of the PID fund to governmental activities. Leisure services expenses increased by \$850,651 or 23% primarily due to greater personnel expenses directly related to wage and compensation increase. In addition, the increase is due to new equipment and related installation costs incurred during the year. Development services decreased by \$53,828 or 6% primarily due to nonrecurring professional services related to inspection fees for the PMB Station district and 3225 Switch Street in the prior year. Interest and fiscal charges increased by \$1,632,625 or 90% primarily due to interest being paid on the 2022 General Obligation Refunding Bond in the current year and no interest paid on these bonds in the prior year. All other expenses remained relatively consistent with the previous year.

TOTAL REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



For the year ended September 30, 2024, charges for services by business-type activities totaled \$17,341,948. This is an increase of \$341,501 or 2% from the previous year. This increase directly relates to the City's growth and increase in consumption during the current year. Investment income increased by \$247,302 or 28% primarily due to new investment accounts and realization of higher interest rates during the current year.

Total expenses increased \$1,193,013 to a total of \$13,808,183, due primarily to an increased volume of wastewater treated by the City of Garland, Texas, the City's wastewater treatment provider, as well as increased volume of water treated by North Texas Municipal Water District. In addition, the City incurred greater personnel costs, repairs and maintenance costs related to elevated storage tanks, sewer lines, and lift stations when compared to the prior year.

Financial Analysis of the Government's Funds

As noted earlier, the City of Sachse uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$86,714,441. Of this total amount, \$8,555,981 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service, for capital improvement projects, and other assigned purposes.

The general fund is the chief operating fund of the City of Sachse. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,855,420, while total fund balance was \$12,645,577, a decrease of \$3,591,105 from the prior year. Overall, the decrease was caused by a large, budgeted transfer out for capital projects, but the fund also experienced increases in investment earnings, property, and sales tax revenues. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.55% of total general fund expenditures, not including capital outlay.

The debt service fund has a total fund balance of \$1,622,664, 99.9% of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$206,785. This decrease was due to regular principal and interest payments on long-term debt exceeding interest and sinking property tax revenue during the year. Over time, however, the debt service fund has sufficient cash and equivalents on hand to remain liquid if tax revenues decrease.

The capital projects fund has a total fund balance of \$55,554,987, an increase of \$26,721,045. The increase is primarily due to an FY24 bond issuance in the amount of \$27,608,510 for Bond Proposition 2021 capital projects.

The tax increment reinvestment zones (includes three funds) are used to track property tax collected for development. During the year, the funds received \$2,254,326 in property taxes. The combined fund balance increased by \$528,684 as a result of the property tax revenues received. All revenues received in the President George Bush Turnpike Reinvestment Zone are applied to advances from the utility fund and the Sachse Economic Development Corporation.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$23,596,558 Total net position increased \$5,879,494. The fund reported a net investment in capital assets of \$35,697,669.

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

- The City received capital contributions of \$978,189 consisting of utility infrastructure.
- The City received capital contributions of \$4,166,587 from governmental activities.
- Operational expenses excluding depreciation and amortization were \$11,111,275.
- Cash and cash equivalents in the utility fund were \$9,225,751 at fiscal yearend.
- Investment balances in the utility fund were \$13,979,001 at fiscal yearend.

An internal service fund was established for the purpose of tracking and allocating expenses for employee insurance. Revenue consists of budgeted allocations transferred from the general and utility funds. Expenses consist of premiums paid for health, dental, and life insurance, as well as contributions to health savings accounts and deductible reimbursements. The fund had an ending fund balance of \$892,370 to be retained for future risk.

General Fund Budgetary Highlights

The general fund expenditures were \$1,412,001 more than the \$26,298,685 budget. Overall activity in the General Fund increased during the current year as the City emerged from the COVID-19 pandemic, although the amount of growth was less than expected. Revenues were \$36,204 more than budgeted, primarily due to increased property and sales tax revenues. Overall, ending fund balance in the general fund was \$2,714,680 higher than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. As of the end of the year, the City's governmental activities funds had invested \$123,680,737 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$46,853,422 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 \$14,804,147, net of depreciation.

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

- Replaced the screening wall on Hudson Drive totaling \$856,032.
- Purchase of new vehicles for governmental activities totaling \$1,274,021.
- Investment in machinery and equipment for governmental activities amounting to \$228,367.
- Purchase of new office equipment totaling \$107,626.
- Capital contributions from developers for governmental activities totaling \$452,709.
- Contribution of utility system infrastructure assets by developers totaling \$1,101,373.
- Purchased four new vehicles for business-type activities totaling \$325,043.
- Maxwell Creek Pump Station improvements totaling \$2,532,953.
- Multiple road improvement projects totaling \$2,063,754.
- J.K. Sachse Park improvements totaling \$335,706.
- Joe Stone Park improvements totaling \$250,778.
- Improvements to various neighborhood streets and sidewalks totaling \$674,642.
- Construction of the animal shelter for \$3,305,904.
- Hilltop Trail/Meadow Lane utility rehab totaling \$1,900,809.
- Purchased a new backup generator for \$250,000.
- Public Works Pump Station improvements totaling \$139,422.
- Expansion of the southeast sewer system totaling \$284,856.

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 of Sachse had total long-term debt outstanding of \$110,930,830. Of this amount, \$11,038,560 is self-supporting through revenues collected from the rates of the City's utility fund, and \$25,887,000 is self-supporting through special assessment revenues collected from owners within the PID boundaries. 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 Budgets and Rates

The 2024-2025 Fiscal Year Budget was approved by City Council on September 16, 2024. The tax rate adopted that same day was \$0.650416 per \$100 assessed value, same as the previous year. There was an increase in taxable values of \$509.0 million (12.3%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of \$3.0 million to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by \$2.6 million to a total of \$29.8 million. Budgeted expenditures decreased by \$4.5 million over the amended 2023-2024 budget to a total of \$29.7 million.

Budgeted revenue in the Utility Fund was estimated using rates adopted in September 2024 following a five-year update to the Utility Fund's cost-of-service and rate plan. The adopted rates included a 2% increase to sewer base and volume charges and a 7% increase to water charges. Utility rates will be reviewed annually during the budget process. Budgeted revenues increased \$0.3 million to \$19.2 million, and expenditures increased \$0.3 million to \$30.6 million. The expenditure budget includes re-appropriation of previously unspent capital project budget.

The City's capital budget includes \$33.2 million 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 new amounts budgeted include \$1.5 million from the Utility Fund, \$0.7 million from general fund, \$3.2 million from utility impact fees, \$0.8 million in street maintenance taxes, \$0.7 million from Municipal Development District sales tax revenue, \$0.2 million from Economic Development Corporation sales tax revenue, and a reduction of \$1.2 million to American Rescue Plan Act (ARPA) funds. Projects for the next year include Sachse Road Phase 2, Westcreek, Williford Road, a Neighborhood Package, Bailey-Hooper Road, Southeast Sewer Expansion, 3rd Street, Public Works Pump Station, J.K. Sachse Park Construction, Ponderosa/Bonanza Swer Main Replacement, and Large Water Valve Replacement.

Requests for Information

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.

BASIC FINANCIAL STATEMENTS

CITY OF SACHSE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 27,892,106	\$ 9,225,751	\$ 37,117,857
Investments	33,797,007	13,979,001	47,776,008
Receivables, net	29,845,140	2,076,449	31,921,589
Inventory	-	119,875	119,875
Prepaid items	72,981	4,416	77,397
Lease receivables, noncurrent	873,780	-	873,780
Capital assets:			
Non-depreciable	40,875,817	9,278,751	50,154,568
Net depreciable capital assets	<u>82,804,920</u>	<u>37,574,671</u>	<u>120,379,591</u>
Total Assets	<u>216,161,751</u>	<u>72,258,914</u>	<u>288,420,665</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	3,459,663	300,841	3,760,504
Related to OPEB	67,541	5,874	73,415
Deferred charge on refunding	<u>1,416,569</u>	<u>-</u>	<u>1,416,569</u>
Total Deferred Outflows of Resources	<u>4,943,773</u>	<u>306,715</u>	<u>5,250,488</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,571,322	1,175,292	4,746,614
Accrued interest payable	205,623	45,273	250,896
Customer deposits	-	231,769	231,769
Unearned revenue	12,100	-	12,100
Noncurrent liabilities:			
Due within one year:			
Compensated absences	401,739	30,235	431,974
Long-term debt	5,613,629	436,239	6,049,868
Total OPEB liability	7,573	659	8,232
Due in more than one year:			
Compensated absences	1,606,958	120,942	1,727,900
Long-term debt	94,278,641	10,602,321	104,880,962
Net pension liability	6,540,452	568,735	7,109,187
Total OPEB liability	<u>366,270</u>	<u>31,849</u>	<u>398,119</u>
Total Liabilities	<u>112,604,307</u>	<u>13,243,314</u>	<u>125,847,621</u>

The accompanying notes are an integral part of these financial statements.

Component Units	
Sachse EDC	Sachse MDD
\$ 2,554,016	\$ 232,814
3,761,146	342,851
255,038	119,301
-	-
-	-
-	-
1,649,893	-
2,086	-
<u>8,222,179</u>	<u>694,966</u>
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
42,598	6,262
-	-
-	-
-	-
2,955	-
577	-
-	-
11,818	-
1,577	-
-	-
-	-
<u>59,525</u>	<u>6,262</u>

CITY OF SACHSE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	\$ 171,432	\$ 14,907	\$ 186,339
Related to OPEB	151,585	13,181	164,766
Related to leases	873,780	-	873,780
Total Deferred Inflows of Resources	<u>1,196,797</u>	<u>28,088</u>	<u>1,224,885</u>
NET POSITION			
Net investment in capital assets	87,318,684	35,697,669	123,016,353
Restricted for:			
Debt service	1,672,832	-	1,672,832
Capital improvements	31,767,170	-	31,767,170
Municipal court	402,277	-	402,277
Street maintenance	792,392	-	792,392
Grants	346,486	-	346,486
Hotel occupancy	44,737	-	44,737
TIRZ activities	1,592,063	-	1,592,063
Economic development	-	-	-
Municipal development	-	-	-
Unrestricted	<u>(16,632,221)</u>	<u>23,596,558</u>	<u>6,964,337</u>
Total Net Position	<u>\$ 107,304,420</u>	<u>\$ 59,294,227</u>	<u>\$ 166,598,647</u>

The accompanying notes are an integral part of these financial statements.

Component Units	
Sachse EDC	Sachse MDD
\$ -	\$ -
-	-
-	-
-	-
1,649,825	-
-	-
-	-
-	-
-	-
-	-
6,512,829	-
-	688,704
-	-
<u>\$ 8,162,654</u>	<u>\$ 688,704</u>

CITY OF SACHSE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,951,144	\$ 326,645	\$ 23,443	\$ -
Public safety	16,045,835	1,464,390	29,819	76,491
Public works	10,654,043	-	-	7,137,083
Leisure services	4,492,124	184,037	8,604	234,500
Development services	902,686	1,125,536	122,795	-
Interest and fiscal charges	<u>3,441,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>42,487,564</u>	<u>3,100,608</u>	<u>184,661</u>	<u>7,448,074</u>
Business-type activities:				
Water	8,620,870	10,145,515	-	978,189
Sewer	5,137,277	6,961,176	-	-
Stormwater drainage	<u>50,036</u>	<u>235,257</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>13,808,183</u>	<u>17,341,948</u>	<u>-</u>	<u>978,189</u>
Total Primary Government	<u>56,295,747</u>	<u>20,442,556</u>	<u>184,661</u>	<u>8,426,263</u>
Component Unit				
Sachse EDC	902,222	-	-	-
Sachse MDD	<u>347,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component Units	<u>\$ 1,249,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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				
Net Position - Beginning, as Previously Reported				
Adjustment				
Change in accounting principle				
Error Correction				
Net Position - Beginning, as Restated				
Net Position - Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Units	
Primary Government			Sachse EDC	Sachse MDD
Governmental Activities	Business-Type Activities	Total		
\$ (6,601,056)	\$ -	\$ (6,601,056)	\$ -	\$ -
(14,475,135)	-	(14,475,135)	-	-
(3,516,960)	-	(3,516,960)	-	-
(4,064,983)	-	(4,064,983)	-	-
345,645	-	345,645	-	-
(3,441,732)	-	(3,441,732)	-	-
(31,754,221)	-	(31,754,221)	-	-
-	2,502,834	2,502,834	-	-
-	1,823,899	1,823,899	-	-
-	185,221	185,221	-	-
-	4,511,954	4,511,954	-	-
(31,754,221)	4,511,954	(27,242,267)	-	-
			(902,222)	-
			-	(347,262)
			(902,222)	(347,262)
28,198,987	-	28,198,987	-	-
3,866,139	-	3,866,139	1,519,925	744,854
2,178,945	-	2,178,945	-	-
3,810,272	1,121,845	4,932,117	289,821	20,974
173,606	-	173,606	10,000	-
(245,695)	245,695	-	-	-
37,982,254	1,367,540	39,349,794	1,819,746	765,828
6,228,033	5,879,494	12,107,527	917,524	418,566
124,619,165	53,414,733	178,033,898	7,245,130	270,138
(882,764)	-	(882,764)	-	-
(22,660,014)	-	(22,660,014)	-	-
101,076,387	53,414,733	154,491,120	7,245,130	270,138
\$ 107,304,420	\$ 59,294,227	\$ 166,598,647	\$ 8,162,654	\$ 688,704

CITY OF SACHSE, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General Fund	Debt Service	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 4,780,131	\$ 662,093	\$ 11,850,515
Investments	7,061,850	949,103	17,451,544
Receivables, net	3,180,184	61,636	27,349,767
Prepaid items	<u>72,001</u>	<u>980</u>	<u>-</u>
Total Assets	<u>15,094,166</u>	<u>1,673,812</u>	<u>56,651,826</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,196,856	-	1,096,839
Unearned revenues	<u>12,100</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,208,956</u>	<u>-</u>	<u>1,096,839</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues:			
Property taxes	104,654	51,148	-
Fines receivable, net	11,229	-	-
Lease related	873,780	-	-
Ambulance	<u>249,970</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,239,633</u>	<u>51,148</u>	<u>-</u>
FUND BALANCES			
Nonspendable for:			
Prepays	72,001	980	-
Restricted for:			
Debt service	-	1,621,684	-
Capital improvement	-	-	55,554,987
Municipal court	-	-	-
Street maintenance	-	-	-
Grants	-	-	-
Hotel occupancy	-	-	-
TIRZ activities	-	-	-
Assigned for:			
Vehicle replacement	3,718,156	-	-
Unassigned	<u>8,855,420</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>12,645,577</u>	<u>1,622,664</u>	<u>55,554,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,094,166</u>	<u>\$ 1,673,812</u>	<u>\$ 56,651,826</u>

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
\$ 764,389	\$ 9,473,856	\$ 27,530,984
1,125,670	6,677,040	33,265,207
-	127,333	30,718,920
-	-	72,981
<u>1,890,059</u>	<u>16,278,229</u>	<u>91,588,092</u>
597,435	679,640	3,570,770
-	-	12,100
<u>597,435</u>	<u>679,640</u>	<u>3,582,870</u>
-	-	155,802
-	-	11,229
-	-	873,780
-	-	249,970
<u>-</u>	<u>-</u>	<u>1,290,781</u>
-	-	72,981
-	-	1,621,684
-	14,012,697	69,567,684
-	402,277	402,277
-	792,392	792,392
-	346,486	346,486
-	44,737	44,737
1,592,063	-	1,592,063
-	-	3,718,156
(299,439)	-	8,555,981
<u>1,292,624</u>	<u>15,598,589</u>	<u>86,714,441</u>
<u>\$ 1,890,059</u>	<u>\$ 16,278,229</u>	<u>\$ 91,588,092</u>



CITY OF SACHSE, TEXAS

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

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	\$	86,714,441
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		123,680,737
Bonds payable and accrued compensated absences will not be liquidated with current financial resources and, therefore, have not been included in the fund financial statements.		(98,910,919)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.		(205,623)
Premiums on bond issuances and deferred losses on bond refunding are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.		
Premiums		(5,033,142)
Deferred loss		3,459,663
Receivables from grants, property taxes and fines and fees are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the fund financial statements.		417,001
Included in the items related to debt is the recognition of the City's net pension liability, total OPEB liability, and related deferred outflows and inflows of resources.		
Net pension liability		(6,540,452)
Deferred outflows related to pensions		3,459,663
Deferred inflows related to pensions		(171,432)
Total OPEB liability		(373,843)
Deferred outflows related to OPEB		67,541
Deferred inflows related to OPEB		(151,585)
Net Position of Governmental Activities	\$	<u>107,304,420</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Debt Service	Capital Projects
REVENUES			
Property tax	\$ 16,545,899	\$ 7,048,201	\$ -
Property owner assessments	-	-	-
Sales tax	3,106,177	-	-
Franchise and local taxes	2,142,206	-	-
License, Permits and fees	2,066,201	-	-
Intergovernmental	579,254	-	1,809,833
Grants and donations	150,167	-	-
Fines and forfeitures	283,676	-	-
Impact and development fees	-	-	-
Investment income	1,011,547	163,094	1,459,620
Other revenue	118,085	-	76,491
Total Revenues	<u>26,003,212</u>	<u>7,211,295</u>	<u>3,345,944</u>
EXPENDITURES			
Current:			
General government	3,805,977	-	-
Public safety	14,838,004	-	-
Public works	2,242,725	-	313,593
Leisure services	3,865,329	-	-
Development services	860,517	-	-
Combined services	699,037	-	-
Debt service:			
Principal	36,743	5,275,000	-
Interest and fiscal charges	48,051	1,747,114	318,510
Capital outlay	1,314,303	-	12,647,838
Total Expenditures	<u>27,710,686</u>	<u>7,022,114</u>	<u>13,279,941</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,707,474)</u>	<u>189,181</u>	<u>(9,933,997)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,420,892	17,604	12,190,000
Transfers out	(7,587,604)	-	(9,841)
Bond issuance	940,000	-	25,585,000
Premium on bonds issued	70,900	-	2,023,510
Sale of general capital asset	26,900	-	-
Insurance recoveries	111,654	-	-
Total Other Financing Sources (Uses)	<u>(5,017,258)</u>	<u>17,604</u>	<u>39,788,669</u>
NET CHANGE IN FUND BALANCE	<u>(6,724,732)</u>	<u>206,785</u>	<u>29,854,672</u>
FUND BALANCES - BEGINNING, AS PREVIOUSLY REPORTED	16,236,682	1,415,879	28,833,942
ADJUSTMENTS			
Change within financial reporting entity	3,133,627	-	(3,133,627)
Error Correction	-	-	-
FUND BALANCES - BEGINNING, AS RESTATED	<u>19,370,309</u>	<u>1,415,879</u>	<u>25,700,315</u>
FUND BALANCES - ENDING	<u>\$ 12,645,577</u>	<u>\$ 1,622,664</u>	<u>\$ 55,554,987</u>

*Formerly a major fund

The accompanying notes are an integral part
of these financial statements.

Impact Fee*	Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
	\$ 2,254,326	\$ -	\$ 25,848,426
	-	2,360,251	2,360,251
	-	759,962	3,866,139
	-	36,739	2,178,945
	-	-	2,066,201
	-	4,110,867	6,499,954
	-	7,275	157,442
	-	64,740	348,416
	-	1,495,300	1,495,300
	80,503	1,045,202	3,759,966
	-	-	194,576
	<u>2,334,829</u>	<u>9,880,336</u>	<u>48,775,616</u>
	624,406	2,877	4,433,260
	-	20,257	14,858,261
	-	3,905,558	6,461,876
	-	-	3,865,329
	-	-	860,517
	-	-	699,037
	-	435,000	5,746,743
	-	1,447,751	3,561,426
	<u>1,181,739</u>	<u>6,085,764</u>	<u>21,229,644</u>
	<u>1,806,145</u>	<u>11,897,207</u>	<u>61,716,093</u>
	<u>528,684</u>	<u>(2,016,871)</u>	<u>(12,940,477)</u>
	-	9,841	13,638,337
	-	(2,120,000)	(9,717,445)
	-	-	26,525,000
	-	-	2,094,410
	-	-	26,900
	-	-	111,654
	<u>-</u>	<u>(2,110,159)</u>	<u>32,678,856</u>
	<u>528,684</u>	<u>(4,127,030)</u>	<u>19,738,379</u>
8,999,460	763,940	7,064,173	63,314,076
(8,999,460)	-	8,999,460	-
<u>-</u>	<u>-</u>	<u>3,661,986</u>	<u>3,661,986</u>
<u>-</u>	<u>763,940</u>	<u>19,725,619</u>	<u>66,976,062</u>
<u>\$ -</u>	<u>\$ 1,292,624</u>	<u>\$ 15,598,589</u>	<u>\$ 86,714,441</u>



CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Changes in Fund Balances - Governmental Funds \$ 19,738,379

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

Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, that cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	15,822,830
Depreciation expense	(6,197,511)

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, or donations) is to decrease net position.

(5,254)

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

Property taxes	6,666
EMS revenues	5,094
Court fines	(9,690)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Issuance of long-term debt	(28,619,410)
Repayment of principal of long-term debt	5,746,743
Amortization of loss on refunding	90,558

Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	(227,726)
Net pension liability	(88,806)
Total OPEB liability	(166)

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.

29,136

Change in Net Position of Governmental Activities \$ 6,228,033

CITY OF SACHSE, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds	Governmental Activities
	Utility Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,225,751	\$ 361,122
Investments	13,979,001	531,800
Receivables, net	2,076,449	-
Prepaid items	4,416	-
Inventory	119,875	-
Total Current Assets	<u>25,405,492</u>	<u>892,922</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	9,278,751	-
Net depreciable capital assets	<u>37,574,671</u>	<u>-</u>
Total Noncurrent Assets	<u>46,853,422</u>	<u>-</u>
Total Assets	<u>72,258,914</u>	<u>892,922</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions	300,841	-
Related to OPEB	<u>5,874</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>306,715</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SACHSE, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds	Governmental Activities
	Utility Fund	Internal Service Fund
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,175,292	\$ 552
Accrued interest	45,273	-
Customer deposits	231,769	-
Compensated absences - current	30,235	-
Long-term debt - current	436,239	-
Total OPEB liability - current	659	-
Total Current Liabilities	<u>1,919,467</u>	<u>552</u>
Noncurrent liabilities:		
Compensated absences, noncurrent	120,942	-
Long-term debt - noncurrent	10,602,321	-
Net pension liability	568,735	-
Total OPEB liability, noncurrent	31,849	-
Total Noncurrent Liabilities	<u>11,323,847</u>	<u>-</u>
Total Liabilities	<u>13,243,314</u>	<u>552</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	14,907	-
Related to OPEB	13,181	-
Total Deferred Inflows of Resources	<u>28,088</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	35,697,669	-
Unrestricted	23,596,558	892,370
Total Net Position	<u>\$ 59,294,227</u>	<u>\$ 892,370</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds	Governmental Activities
	Utility Fund	Internal Service Fund
OPERATING REVENUES		
Water revenue	\$ 9,900,047	\$ -
Sewer revenue	6,930,595	-
Drainage fee revenue	235,257	-
Connection and tap charges	104,318	-
Other revenue	171,731	-
Total Operating Revenues	17,341,948	-
OPERATING EXPENSES		
Administration	504,252	-
Personnel services	1,296,289	113,116
Cost of water operations	6,071,211	-
Cost of sewer operations	3,189,715	-
Cost of stormwater drainage operations	49,808	-
Depreciation	2,354,877	-
Total Operating Costs	13,466,152	113,116
Operating Income (Loss)	3,875,796	(113,116)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	1,121,845	50,306
Interest expense	(342,031)	-
Total Non-Operating Revenues (Expenses)	779,814	50,306
Income before contributions and transfers	4,655,610	(62,810)
Contributions from governmental activities	4,166,587	-
Capital contributions	978,189	-
Transfers in	2,000,000	-
Transfers out	(5,920,892)	-
CHANGE IN NET POSITION	5,879,494	(62,810)
NET POSITION - BEGINNING	53,414,733	955,180
NET POSITION - END OF YEAR	\$ 59,294,227	\$ 892,370

CITY OF SACHSE, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Utility Fund	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 17,467,207	\$ -
Payments to suppliers	(10,489,879)	(113,983)
Payments to employees	(1,169,155)	-
Net Cash Provided By Operating Activities	<u>5,808,173</u>	<u>(113,983)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	2,000,000	-
Transfers (out)	(5,920,892)	-
Net Cash Used in Non-Capital Financing Activities	<u>(3,920,892)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Capital purchases	(2,397,173)	-
Disposal of assets	2,990	-
Principal paid on debt	(415,000)	-
Interest paid on debt	(364,055)	-
Net Cash Used in Capital and Related Financing Activities	<u>(3,173,238)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	794,536	72,963
Interest on investments	<u>1,121,845</u>	<u>50,306</u>
Net Cash Provided By (Used in) Investing Activities	<u>1,916,381</u>	<u>123,269</u>
Net (Decrease) Increase in Cash and Cash Equivalents	630,424	9,286
Cash and cash equivalents at beginning of year:		
Cash and cash equivalents	8,595,327	351,836
Cash and cash equivalents at end of year:		
Cash and cash equivalents	<u>9,225,751</u>	<u>361,122</u>
	<u>\$ 9,225,751</u>	<u>\$ 361,122</u>

The accompanying notes are an integral part
of these financial statements.

CITY OF SASCHE, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Utility Fund	Governmental Activities Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 3,875,796	\$ (113,116)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,354,877	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	150,035	-
Inventory	(16,216)	-
Prepaid items	(4,416)	-
Deferred outflows - pension liability	3,736	-
Deferred outflows- OPEB liability	(5,359)	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(654,261)	(867)
Compensated absences	77,077	-
Customer deposits	(24,776)	-
Deferred inflows - pension liability	14,907	-
Deferred inflows - OPEB liability	4,120	-
OPEB liability	6,603	-
Net pension liability	26,050	-
Net cash provided by operating activities	<u>\$ 5,808,173</u>	<u>\$ (113,983)</u>
SCHEDULE OF NON-CASH CAPITAL ACTIVITIES		
Developer contributions	\$ 978,189	\$ -
Capital assets transferred from govt. activities	<u>4,166,587</u>	<u>-</u>
Total non-cash capital activities	<u>\$ 5,144,776</u>	<u>\$ -</u>

CITY OF SACHSE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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

President George Bush Turnpike (PGBT) Reinvestment Zone Tax Increment Fund

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. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which primarily rely on fees and charges for support.

Fiduciary activities are not reported in the government-wide financial statements. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's utility function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. With this measurement focus, all assets, deferred outflows of resources and liabilities associated with the operation of these funds are included on the Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

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

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

The enterprise, internal service, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

The City reports the following major governmental funds:

The **General Fund** is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, leisure services, development services, and nondepartmental. This fund is considered to be a major fund.

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.

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.

Tax Increment Reinvestment Zones 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.

The City reports the following major enterprise funds:

The **Utility 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.

Additionally, the City reports the following internal service fund:

The Health Insurance Fund is used to account for health insurance benefits provided to City employees.

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.

D. 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

E. 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.

F. 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 noncurrent 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.

G. 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).

H. Capital Assets

Capital assets, which include property, plant, equipment, right to use equipment, right to use subscriptions, 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. 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. Right to use assets are amortized over the life of the contract term.

<u>Assets</u>	<u>Use Lives (Years)</u>
Vehicles	5 - 10
Machinery and equipment	5 - 10
Infrastructure	5 - 30
Buildings and improvements	25
Right to use assets	2 - 5

I. Deferred Inflows/Outflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

J. Leases

The City has entered into lease agreements as both lessee and lessor. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lessee. The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

Lessor. The City is a lessor for a noncancellable lease of a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

K. Subscription-Based Information Technology Arrangements

The City is a lessee for subscription-based IT arrangements (SBITAs). The City recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

L. 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 that accumulates and is more likely than not to be used is accrued when incurred in the government-wide and proprietary fund financial statements. The City estimates that 40% of sick leave balances are more likely than not to be paid in future years, and this is included in the liability. 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 governmentwide 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.

M. 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.

N. Other Post-Employment 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.

O. Long-Term Obligations

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

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

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

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

P. 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.

Q. Fund Balance

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.

R. 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.

S. 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.

T. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund include 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.

U. Change in Accounting Principle

During fiscal year 2024, the City adopted the following new accounting guidance:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, was adopted effective October 1, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Accordingly, the cumulative effect of the accounting change has been recognized in a restatement of beginning net position for the year ended September 30, 2024.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, SEDC, special revenue, impact fee, street maintenance, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Supplemental budget appropriations were made during the year, impacting the Impact Fee Fund and the Street Maintenance Fund.

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

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Cash, Cash Equivalents and Investments

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

The City had the following deposits and investments at year end:

Description	Reported Value	Weighted Average Maturity (days)
Primary government:		
Bank Deposits	\$ 2,290,084	N/A
Money market accounts	30,156,484	N/A
Certificates of Deposit	<u>47,776,008</u>	15
Total primary government	<u>\$ 80,222,576</u>	
Component units:		
Bank Deposits	\$ 196,374	N/A
Money market accounts	2,590,456	N/A
Certificates of Deposit	<u>4,103,997</u>	15
Total component units	<u>6,890,827</u>	
Total reporting entity	<u>\$ 87,113,403</u>	

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, 2024, the City's investment in TexPool was rated AAAM by Standard & Poor's.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of September 30, 2024, the fair values of pledged securities and FDIC exceeded bank balances.

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

B. 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.

C. Receivables

1. Receivables as of September 30, 2024 for the government's individual major funds and nonmajor funds are as follows:

	Governmental Activities				Business-Type Activities	Total
	General Fund	Debt Service	Capital Projects	Nonmajor Funds	Water and Sewer Fund	
Receivables:						
Property taxes	\$ 185,630	\$ 79,001	\$ -	\$ -	\$ -	\$ 264,631
Sales tax	478,843	-	-	122,519	-	601,362
Mixed beverage taxes	13,457	-	-	-	-	13,457
Franchise taxes	267,024	-	-	-	-	267,024
Customers	-	-	-	-	2,126,989	2,126,989
Court fines	174,762	-	-	-	-	174,762
Bond proceeds	970,902	-	27,290,000	-	-	28,260,902
Grants	111,640	-	59,767	-	-	171,407
EMS	1,008,571	-	-	-	-	1,008,571
Leases	873,780	-	-	-	-	873,780
Other	170	15	-	4,814	-	4,999
Gross receivables	4,084,779	79,016	27,349,767	127,333	2,126,989	33,767,884
Less: allowance for uncollectible accounts	(904,595)	(17,380)	-	-	(50,540)	(972,515)
Net receivables	<u>\$ 3,180,184</u>	<u>\$ 61,636</u>	<u>\$27,349,767</u>	<u>\$ 127,333</u>	<u>\$ 2,076,449</u>	<u>\$32,795,369</u>

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

	<u>Sachse EDC</u>	<u>Sachse MDD</u>	<u>Total</u>
Sales tax	\$ 245,038	\$ 119,301	\$ 364,339
Other	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total	<u>\$ 255,038</u>	<u>\$ 119,301</u>	<u>\$ 374,339</u>

3. The City is the lessor of three contracts in which the City receives lease payments from Verizon Wireless, AT&T, and the Federal Aviation Administration ("FAA") for the use tower space, real property, and water tower facilities, respectively. The lease commenced several years ago. Monthly lease payments range from \$1,207 to \$2,300. As of September 30, 2024, the lease receivable is \$873,780, which is fully deferred.

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

Year ending September 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 17,306	\$ 23,376	\$ 40,682
2026	8,364	22,663	31,027
2027	3,739	22,461	26,200
2028	4,393	22,301	26,694
2029	7,078	22,086	29,164
2030-2034	39,885	106,443	146,328
2035-2039	49,785	100,197	149,982
2040-2044	77,456	92,034	169,490
2045-2049	111,664	79,878	191,542
2050-2054	153,667	62,742	216,409
2055-2059	204,941	39,601	244,542
2060-2064	<u>195,502</u>	<u>10,116</u>	<u>205,618</u>
Total	<u>\$ 873,780</u>	<u>\$ 603,898</u>	<u>\$ 1,477,678</u>

D. Interfund Balances and Transfers

Transfers between the primary government funds during the 2024 year were as follows:

Transfer From	Transfers In:					Total
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Water & Sewer</u>	
General	\$ -	\$ 17,604	\$ 7,570,000		\$ -	\$ 7,587,604
Capital projects	-	-	-	9,841	-	9,841
Nonmajor governmental	-	-	120,000		2,000,000	2,120,000
Utility	<u>1,420,892</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>5,920,892</u>
Total	<u>\$1,420,892</u>	<u>\$ 17,604</u>	<u>\$12,190,000</u>	<u>\$ 9,841</u>	<u>\$ 2,000,000</u>	<u>\$15,638,337</u>

Transfers from the utility fund to the general fund were used to fund the operating budget of the general fund and do not relate to specific expenditures that are being reimbursed. All transfers to the capital projects fund were made to fund various capital projects. Transfers from the general fund to the debt service fund were to close out the 2021 Tax Note Project. The nonmajor governmental transfers to the utility fund were made to reimburse the utility fund for a sewer expansion project. During the year, the American Rescue Plan Act Fund transferred capital assets to the utility fund in the amount of \$4,166,587, which was incorporated within transfers within the Statement of Activities.

E. Assigned Fund Balance

The City assigns fund balance for expenditures designated for specific purposes. The City's assigned fund balance at September 30, 2024 is as follows:

	<u>General Fund</u>
Assigned for:	
Vehicle replacement	\$ <u>3,718,156</u>
Total	<u>\$ 3,718,156</u>

F. 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	\$ 1,672,832	\$ -	\$ -
Capital improvements	31,767,170	-	-
*Municipal Court	402,277	-	-
*Street maintenance	792,392	-	-
Grants	346,486	-	-
Hotel occupancy	44,737	-	-
TIRZ activities	1,592,063	-	-
Economic development	-	6,512,829	-
Municipal development	-	-	688,704
Total	<u>\$ 36,617,957</u>	<u>\$ 6,512,829</u>	<u>\$ 688,704</u>

*Restricted by enabling legislation

G. Capital Assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reclassifications Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,657,722	\$ -	\$ -	\$ 10,657,722
Construction in progress	23,606,202	10,880,668	(4,268,775)	30,218,095
Total capital assets not being depreciated	34,263,924	10,880,668	(4,268,775)	40,875,817
Capital assets being depreciated:				
Buildings and improvements	31,465,565	856,032	37,316	32,358,913
Machinery, equipment, and vehicles	14,216,674	1,610,013	(672,573)	15,154,114
Other intangibles	76,942	-	-	76,942
Right to Use equipment	163,866	-	-	163,866
Right to Use subscriptions	108,011	-	-	108,011
Street and infrastructure	142,645,879	2,476,117	4,214,260	149,336,256
Total assets being depreciated	188,676,937	4,942,162	3,579,003	197,198,102
Less accumulated depreciation for:				
Buildings and improvements	(13,832,839)	(1,164,345)	-	(14,997,184)
Machinery, equipment, and vehicles	(8,310,303)	(1,063,303)	684,519	(8,689,087)
Other intangibles	(1,282)	(15,388)	-	(16,670)
Right to Use equipment	(79,906)	(18,658)	-	(98,564)
Right to Use subscriptions	(21,604)	(21,602)	-	(43,206)
Street and infrastructure	(86,634,256)	(3,914,215)	-	(90,548,471)
Total accumulated depreciation	(108,880,190)	(6,197,511)	684,519	(114,393,182)
Total capital assets being depreciated, net	79,796,747	(1,255,349)	4,263,522	82,804,920
Governmental activities capital assets, net	<u>\$ 114,060,671</u>	<u>\$ 9,625,319</u>	<u>\$ (5,253)</u>	<u>\$ 123,680,737</u>
	Beginning Balance	Additions	Reclassifications Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 880,675	\$ -	\$ -	\$ 880,675
Construction in progress	5,057,591	5,158,457	(1,817,972)	8,398,076
Total capital assets, not being depreciated	5,938,266	5,158,457	(1,817,972)	9,278,751
Capital assets being depreciated:				
Buildings and improvements	239,706	-	-	239,706
Machinery, equipment, and vehicles	4,796,877	347,330	(37,710)	5,106,497
Right to Use equipment	6,397	-	-	6,397
Infrastructure	72,062,314	2,036,163	1,817,972	75,916,449
Total assets being depreciated	77,105,294	2,383,493	1,780,262	81,269,049
Less accumulated depreciation for:				
Buildings and improvements	(232,890)	(2,124)	-	(235,014)
Machinery, equipment, and vehicles	(1,152,250)	(257,889)	34,720	(1,375,419)
Right to Use equipment	(640)	(1,279)	-	(1,919)
Infrastructure	(39,988,441)	(2,093,585)	-	(42,082,026)
Total accumulated depreciation	(41,374,221)	(2,354,877)	34,720	(43,694,378)
Total capital assets being depreciated, net	35,731,073	28,616	1,814,982	37,574,671
Business-type activities capital assets, net	<u>\$ 41,669,339</u>	<u>\$ 5,187,073</u>	<u>\$ (2,990)</u>	<u>\$ 46,853,422</u>

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

Governmental activities:	
General government	\$ 424,213
Public safety	973,099
Public works	4,170,128
Leisure Services	595,942
Development Services	34,129
Total	<u>\$ 6,197,511</u>
Business-type activities:	
Water	\$ 1,196,248
Sewer	1,158,401
Stormwater drainage	228
Total	<u>\$ 2,354,877</u>
Total Depreciation	<u>\$ 8,552,388</u>

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

	Beginning Balance	Additions	Reclassifications/ Retirements	Ending Balance
EDC Activities:				
Capital assets not being depreciated:				
Land	\$ 1,649,893	\$ -	\$ -	\$ 1,649,893
Total capital assets not being depreciated	<u>1,649,893</u>	<u>-</u>	<u>-</u>	<u>1,649,893</u>
Capital assets being depreciated:				
Right to use equipment	<u>2,980</u>	<u>-</u>	<u>-</u>	<u>2,980</u>
Total assets being depreciated	<u>2,980</u>	<u>-</u>	<u>-</u>	<u>2,980</u>
Less accumulated depreciation for:				
Right to use equipment	<u>(298)</u>	<u>(596)</u>	<u>-</u>	<u>(894)</u>
Total accumulated depreciation	<u>(298)</u>	<u>(596)</u>	<u>-</u>	<u>(894)</u>
Net capital assets being depreciated	<u>2,682</u>	<u>(596)</u>	<u>-</u>	<u>2,086</u>
EDC activities capital assets, net	<u>\$ 1,652,575</u>	<u>\$ (596)</u>	<u>\$ -</u>	<u>\$ 1,651,979</u>

H. Long-Term Liabilities

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2024:

	Beginning Balance	Issued	Refunded/ Retired	Ending Balance	Amount Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 8,885,000	\$ -	\$ (330,000)	\$ 8,555,000	\$ 345,000
General Obligation Bonds	37,920,000	25,585,000	(4,160,000)	59,345,000	4,640,000
Special assessment bonds	26,322,000	-	(435,000)	25,887,000	455,000
Premium	3,211,455	2,094,410	(272,724)	5,033,141	-
Tax notes	785,000	940,000	(785,000)	940,000	135,000
Other liabilities:					
Lease liabilities	84,744	-	(17,195)	67,549	18,104
Subscription liabilities	84,127	-	(19,547)	64,580	20,525
Compensated absences	1,780,971	227,726	-	2,008,697	401,739
Total governmental	\$ 79,073,297	\$ 28,847,136	\$ (6,019,466)	\$ 101,900,967	\$ 6,015,368
Long-term liabilities due in more than one year				\$ 95,885,599	
Business-type activities:					
Certificates of Obligation	\$ 11,140,000	\$ -	\$ (415,000)	\$ 10,725,000	\$ 435,000
Premium	327,657	-	(18,724)	308,933	-
Other liabilities:					
Lease liabilities	5,806	-	(1,179)	4,627	1,239
Compensated absences	74,100	77,077	-	151,177	30,235
Total business-type	\$ 11,547,563	\$ 77,077	\$ (434,903)	\$ 11,189,737	\$ 466,474
Long-term liabilities due in more than one year				\$ 10,723,263	
Component Unit					
Other liabilities:					
Lease liabilities	\$ 2,703	\$ -	\$ (549)	\$ 2,154	\$ 577
Compensated absences	9,174	5,599	-	14,773	2,955
Total Component Unit	\$ 11,877	\$ 5,599	\$ (549)	\$ 16,927	\$ 3,532
Long-term liabilities due in more than one year				\$ 13,395	

The debt service fund and utility funds have typically been used to liquidate the long-term debt obligations for the primary government. The general fund is typically used to liquidate the net pension and OPEB liabilities. The general fund and utility fund are used to liquidate compensated absences. 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. Private placement special assessment debt will be repaid with proceeds from special assessments on property tax owners in the Public Improvement District. The business-type long-term debt will be repaid, plus accrued interest, from operating revenues of the utility fund.

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

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities:			
2015 General obligation refunding and improvement bonds	2.0-4.0%	\$ 9,470,000	\$ 8,565,000
2016 General obligation refunding bonds	2.0-4.0%	20,025,000	12,440,000
2017A Certificates of obligation	3.0-4.0%	10,590,000	8,555,000
2020 Special assessment revenue bond (IA1)	2.5-4.0%	6,875,000	6,275,000
2020 Special assessment revenue bond (MIA)	5.375-5.625%	8,540,000	8,125,000
2022 Special assessment revenue bond (IA2, IA3)	5.00%	7,306,000	7,076,000
2022 Special assessment revenue bond (IA1)	6.0-7.0%	4,628,000	4,411,000
2022 General obligation bonds	5.00%	16,645,000	12,755,000
2024 General obligation bonds	4.0-5.0%	25,585,000	25,585,000
2024 Tax Notes	5.00%	940,000	940,000
Total Governmental Activities		<u>\$110,604,000</u>	<u>\$ 94,727,000</u>
Business-type Activities:			
2017 Certificates of obligation	3.0-4.0%	<u>\$ 12,670,000</u>	<u>\$ 10,725,000</u>
Total Business-type Activities		<u>\$ 12,670,000</u>	<u>\$ 10,725,000</u>
Total		<u>\$123,274,000</u>	<u>\$ 105,452,000</u>

The future debt service requirements are as follows:

Year ending September 30,	Governmental Activities					
	General Obligation Bonds		Tax Notes		Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,640,000	\$ 2,264,025	\$ 135,000	\$ 35,531	\$ 345,000	\$ 282,837
2026	4,450,000	2,284,650	120,000	37,250	360,000	268,738
2027	3,320,000	2,120,325	125,000	31,125	375,000	254,038
2028	3,475,000	1,971,550	130,000	24,750	390,000	238,738
2029	3,195,000	1,824,625	135,000	18,125	405,000	222,838
2030-2034	19,105,000	6,756,175	295,000	14,875	2,255,000	874,938
2035-2039	10,350,000	3,538,500	-	-	2,635,000	497,000
2040-2044	10,810,000	999,625	-	-	1,790,000	88,038
Total	<u>\$ 59,345,000</u>	<u>\$21,759,475</u>	<u>\$ 940,000</u>	<u>\$ 161,656</u>	<u>\$ 8,555,000</u>	<u>\$ 2,727,165</u>

Year ending September 30,	Business-type Activities	
	Certificates of Obligation	
	Principal	Interest
2025	\$ 435,000	\$ 345,613
2026	450,000	327,913
2027	470,000	309,513
2028	490,000	290,313
2029	510,000	270,313
2030-2034	2,845,000	1,068,363
2035-2039	3,295,000	605,500
2040-2044	<u>2,230,000</u>	<u>105,968</u>
Total	<u>\$ 10,725,000</u>	<u>\$3,323,496</u>

Year ending September 30,	Governmental Activities	
	Special Assessment Bonds	
	Principal	Interest
2025	\$ 455,000	\$ 1,428,393
2026	474,000	1,408,102
2027	497,000	1,385,657
2028	519,000	1,362,072
2029	544,000	1,337,376
2030-2034	3,169,000	6,240,958
2035-2039	4,104,000	5,319,208
2040-2044	5,357,000	4,096,867
2045-2049	7,090,000	2,420,895
2050-2052	<u>3,678,000</u>	<u>447,711</u>
Total	<u>\$ 25,887,000</u>	<u>\$25,447,239</u>

Lease Liabilities

A summary of leases payable as of September 30, 2024, is as follows:

	Interest Rates	Initial Year of Lease	Interest Current Year	Amounts Outstanding
Governmental activities				
Right to use:				
Copier	5.00%	2023	\$ 3,840	\$ 67,549
Total			<u>\$ 3,840</u>	<u>\$ 67,549</u>
Business-type activities				
Right to use:				
Copier	5.00%	2023	\$ 263	\$ 4,627
Total			<u>\$ 263</u>	<u>\$ 4,627</u>
Component unit				
Right to use:				
Copier	5.00%	2023	\$ 123	\$ 2,154
Total			<u>\$ 123</u>	<u>\$ 2,154</u>

The future principal and interest lease payments as of September 30, 2024, are as follows:

Year ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 18,104	\$ 2,965	\$ 21,069	\$ 1,239	\$ 203	\$ 1,442
2026	19,030	2,039	21,069	1,303	140	1,443
2027	20,004	1,065	21,069	1,370	73	1,443
2028	<u>10,411</u>	<u>152</u>	<u>10,563</u>	<u>715</u>	<u>10</u>	<u>725</u>
Total	<u>\$ 67,549</u>	<u>\$ 6,221</u>	<u>\$ 73,770</u>	<u>\$ 4,627</u>	<u>\$ 426</u>	<u>\$ 5,053</u>

Year ending September 30,	Component Unit		
	Principal	Interest	Interest
2025	\$ 577	\$ 95	\$ 672
2026	606	65	671
2027	637	34	671
2028	<u>334</u>	<u>5</u>	<u>339</u>
Total	<u>\$ 2,154</u>	<u>\$ 199</u>	<u>\$ 2,353</u>

Subscription Liabilities

A summary of subscriptions payable as of September 30, 2024, is as follows:

	Interest Rates	Initial Year of Lease	Interest Current Year	Amounts Outstanding
Governmental activities				
Right to use:				
Subscriptions	5.00%	2023	\$ 4,213	\$ 64,580
Total			<u>\$ 4,213</u>	<u>\$ 64,580</u>

The future principal and interest subscription payments as of September 30, 2024, are as follows:

Year ending September 30,	Governmental Activities		
	Principal	Interest	Interest
2025	\$ 20,525	\$ 3,235	\$ 23,760
2026	21,551	2,209	23,760
2027	22,504	1,132	23,636
Total	<u>\$ 64,580</u>	<u>\$ 6,576</u>	<u>\$ 71,156</u>

IV. OTHER INFORMATION

A. Retirement Plan

Plan Description. The City of Sachse participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

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

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 payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

Plan provisions for the City were as follows:

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

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	165
Active employees	184
Total	<u>459</u>

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 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.25% and 14.56% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$2,246,667 and were equal to the required contributions.

Net Pension Liability. The city's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. 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 healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013, valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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 weighing 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).

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core fixed income	6.00%	4.90%
Non-core fixed income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	<u>10.00%</u>	11.80%
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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2022	\$ 46,874,378	\$ 39,121,751	\$ 7,752,627
Changes for the year:			
Service cost	2,597,835	-	2,597,835
Interest	3,206,338	-	3,206,338
Difference between expected and actual experience	1,321,737	-	1,321,737
Change in assumptions	(227,863)	-	(227,863)
Contributions - employer	-	2,031,786	(2,031,786)
Contributions - employee	-	998,070	(998,070)
Net investment income	-	4,540,639	(4,540,639)
Benefit payments, including refunds of employee contributions	(1,343,969)	(1,343,969)	-
Administrative expense	-	(28,805)	28,805
Other changes	-	(203)	203
Net changes	<u>5,554,078</u>	<u>6,197,518</u>	<u>(643,440)</u>
Balance at 12/31/2023	<u>\$ 52,428,456</u>	<u>\$ 45,319,269</u>	<u>\$ 7,109,187</u>

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 15,687,307	\$ 7,109,187	\$ 216,497

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

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. For the year ended September 30, 2024, the City recognized pension expense of \$2,380,164. At September 30, 2024, 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	\$ 1,042,946	\$ 27,317
Changes in actuarial assumptions	-	159,022
Difference between projected and actual investment earnings	1,005,315	-
Contributions subsequent to the measurement date	1,712,243	-
Total	<u>\$ 3,760,504</u>	<u>\$ 186,339</u>

The City reported \$1,712,243 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2025	\$ 668,817
2026	692,221
2027	880,867
2028	(379,983)

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

The City's contributions to the TMRS SDBF for the years ended 2023, 2022 and 2021 were \$9,237, \$7,079 and \$5,275, respectively, which equaled the required contributions each year.

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

Membership in the plan at December 31, 2023, the valuation and measurement date, consisted of:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	27
Active employees	184
Total	<u>280</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.22% for 2024 and 0.14% for 2023, of which 0.06% represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the year ended September 30, 2024, were \$15,299 representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and inputs:

Measurement year ended December 31,	2023
Inflation rate	2.50% per annum
Discount rate	3.77%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.60% to 11.85% including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational bases with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality

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 male 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 SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 3.77% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2023.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total SDB OPEB Liability	\$ 494,921	\$ 406,351	\$ 338,064

Changes in the Total OPEB Liability. Total City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2023, the measurement and actuarial valuation date, was calculated as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 370,078
Changes for the year:	
Service cost	21,387
Interest	15,219
Difference between expected and actual experience	(12,004)
Changes of assumptions or other inputs	21,652
Benefit payments, including refunds of employee contributions	<u>(9,981)</u>
Net changes	<u>36,273</u>
Balance at 12/31/2023	<u>\$ 406,351</u>

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB. For the year ended September 30, 2024, the City recognized OPEB expense of \$16,389. Also, as of September 30, 2024, the City reported deferred outflows and inflows of resources related to the TMRS OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 28,711
Changes in actuarial assumptions	65,182	136,055
Contributions subsequent to the measurement date	<u>8,233</u>	<u>-</u>
Total	<u>\$ 73,415</u>	<u>\$ 164,766</u>

\$8,233 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to the TMRS OPEB will be recognized in OPEB expense in future periods as follows:

<u>For the Year Ended September 30,</u>	
2025	\$ (14,926)
2026	(27,264)
2027	(39,179)
2028	(19,092)
2029	877

C. Tax Abatement Disclosures

The City has entered into sales tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the terms of the City's agreements, the City will refund 80% of the City's portion of sales tax paid by the businesses annually. There is currently one existing agreement expiring October 21, 2025. The City abated \$4,418 under this agreement during the current year.

The Sachse EDC has entered into sales tax incentive grant agreements with local businesses under Chapters 501-505 of the Texas Local Government Code. Under the terms of the agreements, Sachse EDC will pay annual reimbursement grants in an amount equal to either 75% or 100% of its sales tax receipts related to sales generated by the business. The Sachse EDC did not grant any tax reimbursement grants related to these agreements in the current year.

D. 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.

E. Commitments and Contingent Liabilities

Construction Commitments

The government has active construction projects as of September 30, 2024. The projects include street construction and improvements and the construction of additional water lines and repairs.

<i>Primary Government:</i>	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
Governmental Activities:			
Bailey-Hooper Road	\$ 10,988,697	\$ -	\$ 10,988,697
Sachse Road Phase 2	1,573,948	435,256	1,138,692
City of Sachse Service Center	937,100	-	937,100
Maxwell Creek Pump Station	5,283,588	4,888,673	394,915
Animal Shelter	4,445,912	4,343,305	102,607
J.K. Sachse Park Pickleball Courts	382,085	306,861	75,224
Bailey-Hooper Road	821,750	795,595	26,155
Total Governmental Commitments	24,433,080	10,769,690	13,663,390
Business-Type Activities:			
Southeast Sewer Expansion: Trunk Line A	\$ 666,904	\$ 284,857	382,047
Public Works Pump Station	252,800	147,728	105,072
Hilltop/Meadow & Natchez Pipe Bursting Irr	2,189,213	2,110,585	78,628
Murphy Road Sewer Main Repair	133,859	-	133,859
Total Business-Type Activities	3,242,775	2,543,170	699,606
Total Estimated Future Commitments	\$ 27,675,855	\$ 13,312,859	\$ 14,362,996

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.

F. Accounting Changes and Error Corrections

In accordance with GASB 100, accounting changes and error corrections for the year are reported as follows:

Changes within the Financial Reporting Entity. For Fiscal Year 2024, the City reported two changes within its financial reporting entity:

- 1) The General VERF fund was previously reported with the Capital Projects fund for financial statement purposes. Upon further evaluation, management chose to report this with general fund in fiscal year 2024, where the information is more relevant and meaningful to the financial statement user. This caused a \$3,133,627 restatement in beginning fund balance between the capital projects fund and general fund.
- 2) The Impact Fee fund was previously reported as a major governmental fund and is now reported as a non-major fund. The change in classification is required based on quantitative factors.

Change in Accounting Principle. During Fiscal Year 2024, the City implemented GASB 101, *Compensated Absences*. The adoption of this standard resulted in the recognition of additional liabilities for compensated absences. The cumulative effect of the accounting change increased liabilities and decreased beginning net position by \$882,764 in the governmental activities, for the year ended September 30, 2024.

Error Corrections. During Fiscal Year 2024, the City identified certain errors related to amounts reported in the prior year. Items reported for error corrections include the following:

- 1) In prior years, the City recognized certain federal cash receipts as revenues, although expenditures had not been incurred related to the grant program. This caused an overstatement of fund balance in the ARPA fund; overstatement of governmental activities net position; and an understatement in unearned revenues in both the ARPA fund and governmental activities. This was corrected in fiscal year 2024, causing a (\$4,110,867) restatement of beginning fund balance in the ARPA fund and beginning governmental activities statement of net position.
- 2) Per GASB Statement No. 84, only certain activity should be reported in a fiduciary fund. Upon further review, the PID fund meets the criteria of a governmental special revenue fund but was misclassified as a fiduciary fund. This error caused an understatement of governmental fund balance; an understatement of governmental activities long-term debt; and an overstatement of governmental activities net position. This was corrected in fiscal year 2024, causing a \$8,112,079 adjustment restatement of beginning governmental fund balance and a \$18,209,921 restatement of beginning governmental activities net position.
- 3) Certain activity in the PID fund was inaccurately reported in prior years, due to reconciliation errors. The City determined that investment earnings were accrued monthly, and again at year-end. This error overstated cash and fund balance by \$339,226. This was corrected in fiscal year 2024, causing a restatement of beginning fund balance and beginning governmental activities net position.

The restatement of beginning fund balance and net position is as follows:

	9/30/2023 As Previously Reported	Change Within Financial Reporting Entity (1)	Change Within Financial Reporting Entity (2)	Change in Accounting Principle	Error Correction (1)	Error Correction (2)	Error Correction (3)	9/30/2023 As Restated
Government-Wide								
Governmental Activities	\$ 124,619,165	\$ -	\$ -	\$ (882,764)	\$ (4,110,867)	\$ (18,209,921)	\$ (339,226)	\$ 101,076,387
Business-Type Activities	53,414,733	-	-	-	-	-	-	53,414,733
Total primary government	<u>\$ 178,033,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (882,764)</u>	<u>\$ (4,110,867)</u>	<u>\$ (18,209,921)</u>	<u>\$ (339,226)</u>	<u>\$ 154,491,120</u>
Governmental Funds								
Major Funds:								
General	\$ 16,236,682	\$ 3,133,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,370,309
Capital Projects Fund	28,833,942	(3,133,627)	-	-	-	-	-	25,700,315
Impact Fee Fund	8,999,460	-	(8,999,460)	-	-	-	-	-
Nonmajor Funds	7,064,173	-	8,999,460	-	(4,110,867)	8,112,079	(339,226)	19,725,619
Total governmental funds	<u>\$ 61,134,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,110,867)</u>	<u>\$ 8,112,079</u>	<u>\$ (339,226)</u>	<u>\$ 64,796,243</u>
Fiduciary Funds								
Major Funds:								
PID Fund	\$ 8,112,079	\$ -	\$ -	\$ -	\$ -	\$ (8,112,079)	\$ -	\$ -
Total fiduciary funds	<u>\$ 8,112,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,112,079)</u>	<u>\$ -</u>	<u>\$ -</u>

G. New Accounting Guidance

Significant new accounting guidance issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

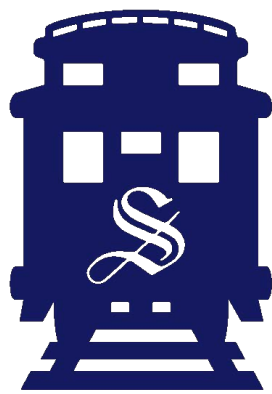
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property Tax	\$ 16,716,996	\$ 16,716,996	\$ 16,545,899	\$ (171,097)
Sales tax	2,875,000	2,875,000	3,106,177	231,177
Franchise and local taxes	2,211,000	2,211,000	2,142,206	(68,794)
Licenses, Permits and fees	2,640,250	2,661,250	2,066,201	(595,049)
Intergovernmental	522,795	522,795	579,254	56,459
Fines and forfeitures	250,000	250,000	283,676	33,676
Investment income	470,000	470,000	1,011,547	541,547
Grants and donations	20,350	167,824	150,167	(17,657)
Other revenue	92,143	92,143	118,085	25,942
Total Revenues	25,798,534	25,967,008	26,003,212	36,204
EXPENDITURES				
General government:				
City manager	860,709	963,828	959,195	4,633
City secretary	268,759	268,759	237,191	31,568
Human resources	588,166	578,457	507,987	70,470
Finances	901,786	901,786	894,819	6,967
Municipal court	296,512	296,512	289,878	6,634
Information technology	979,082	986,582	916,907	69,675
Total General Government	3,895,014	3,995,924	3,805,977	189,947
Public safety:				
Police department	7,347,975	7,437,223	7,469,392	(32,169)
Animal control	290,337	288,808	290,599	(1,791)
Fire department	6,533,133	6,670,902	7,078,013	(407,111)
Total Public Safety	14,171,445	14,396,933	14,838,004	(441,071)
Public works:				
Streets	1,469,867	1,579,287	1,561,235	18,052
Neighborhood services	341,903	341,903	321,542	20,361
Engineering	373,536	366,816	359,948	6,868
Total Public Works	2,185,306	2,288,006	2,242,725	45,281
Leisure services:				
Facilities maintenance	651,306	651,306	681,683	(30,377)
Parks and recreation	2,278,766	2,286,723	2,260,034	26,689
Senior activity center	205,318	205,318	188,193	17,125
Library	862,431	855,420	735,419	120,001
Total Leisure services	3,997,821	3,998,767	3,865,329	133,438
Development services	1,237,555	1,190,277	860,517	329,760
Combined services	137,913	428,778	699,037	(270,259)

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)				
Debt service:				
Principal	\$ -	\$ -	\$ 36,743	\$ (36,743)
Interest	-	-	48,051	(48,051)
Capital outlay	-	-	<u>1,314,303</u>	<u>(1,314,303)</u>
Total Expenditures	<u>25,625,054</u>	<u>26,298,685</u>	<u>27,710,686</u>	<u>(1,412,001)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>173,480</u>	<u>(331,677)</u>	<u>(1,707,474)</u>	<u>(1,375,797)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,420,892	1,420,892	1,420,892	-
Transfers out	(7,570,000)	(7,570,000)	(7,587,604)	(17,604)
Bond issuance	-	-	940,000	940,000
Premium on bonds issued	-	-	70,900	70,900
Sale of general capital assets	100,000	100,000	26,900	(73,100)
Insurance recoveries	<u>75,000</u>	<u>75,000</u>	<u>111,654</u>	<u>36,654</u>
Total Other Financing Sources (Uses)	<u>(5,974,108)</u>	<u>(5,974,108)</u>	<u>(5,017,258)</u>	<u>956,850</u>
NET CHANGE IN FUND BALANCE	<u>(5,800,628)</u>	<u>(6,305,785)</u>	<u>(6,724,732)</u>	<u>(418,947)</u>
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	16,236,682	16,236,682	16,236,682	-
ADJUSTMENTS				
Change within financial reporting entity	<u>-</u>	<u>-</u>	<u>3,133,627</u>	<u>3,133,627</u>
FUND BALANCE - BEGINNING, AS RESTATED	<u>16,236,682</u>	<u>16,236,682</u>	<u>19,370,309</u>	<u>3,133,627</u>
FUND BALANCE - ENDING	<u>\$ 10,436,054</u>	<u>\$ 9,930,897</u>	<u>\$ 12,645,577</u>	<u>\$ 2,714,680</u>



The City of
SACHSE

CITY OF SACHSE, TEXAS

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2024

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, SEDC, special revenue, impact fee, street maintenance, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Supplemental budget appropriations were made during the year, impacting the Impact Fee Fund and the Street Maintenance Fund.

Budgetary preparation and control are exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

For the fiscal year ended September 30, 2024, actual expenditures did not exceed budgeted expenditures at the fund level for any of the City's funds.

Encumbrance accounting, in which appropriations are recorded as budgetary expenditures, is not utilized by the City.

CITY OF SACHSE, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 2,597,835	\$ 2,139,340	\$ 1,965,391	\$ 1,938,134
Interest on total pension liability	3,206,338	2,927,610	2,714,571	2,493,268
Difference between expected and actual experience	1,321,737	299,082	(173,664)	6,987
Change of assumptions	(227,863)	-	-	-
Benefit payments/refunds of contributions	<u>(1,343,969)</u>	<u>(1,587,982)</u>	<u>(1,286,270)</u>	<u>(1,060,648)</u>
Net Change in Total Pension Liability	5,554,078	3,778,050	3,220,028	3,377,741
Total Pension Liability, Beginning	<u>46,874,378</u>	<u>43,096,328</u>	<u>39,876,300</u>	<u>36,498,559</u>
Total Pension Liability, Ending (a)	<u>\$ 52,428,456</u>	<u>\$ 46,874,378</u>	<u>\$ 43,096,328</u>	<u>\$ 39,876,300</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,031,786	\$ 1,707,603	\$ 1,596,061	\$ 1,563,325
Contributions - employee	998,070	828,284	762,624	747,490
Net investment income	4,540,639	(3,012,296)	4,635,489	2,419,834
Benefit payments/refunds of contributions	(1,343,969)	(1,587,982)	(1,286,270)	(1,060,648)
Administrative expenses	(28,805)	(26,013)	(21,410)	(15,639)
Other	<u>(202)</u>	<u>31,042</u>	<u>147</u>	<u>(610)</u>
Net Change in Fiduciary Position	6,197,519	(2,059,362)	5,686,641	3,653,752
Fiduciary Net Position, Beginning	<u>39,121,750</u>	<u>41,181,112</u>	<u>35,494,471</u>	<u>31,840,719</u>
Fiduciary Net Position, Ending (b)	<u>45,319,269</u>	<u>39,121,750</u>	<u>41,181,112</u>	<u>35,494,471</u>
Net pension liability = (a)-(b)	<u>\$ 7,109,187</u>	<u>\$ 7,752,628</u>	<u>\$ 1,915,216</u>	<u>\$ 4,381,829</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	86.44%	83.46%	95.56%	89.01%
Covered Payroll	\$ 14,258,145	\$ 25,497,946	\$ 23,477,118	\$ 21,063,794
Net Pension Liability as a Percentage of Covered Payroll	49.86%	30.40%	8.16%	20.80%

2019	2018	2017	2016	2015	2014
\$ 1,824,297	\$ 1,745,860	\$ 1,626,583	\$ 1,521,822	\$ 1,293,172	\$ 1,042,550
2,301,736	2,093,509	1,869,149	1,663,017	1,563,772	1,430,625
(403,321)	198,661	688,777	596,374	(79,733)	(127,842)
70,676	-	-	-	110,669	-
<u>(964,941)</u>	<u>(1,019,862)</u>	<u>(820,744)</u>	<u>(738,818)</u>	<u>(670,232)</u>	<u>(466,852)</u>
2,828,447	3,018,168	3,363,765	3,042,395	2,217,648	1,878,481
<u>33,670,112</u>	<u>30,651,944</u>	<u>27,288,179</u>	<u>24,245,784</u>	<u>22,028,136</u>	<u>20,149,655</u>
<u>\$ 36,498,559</u>	<u>\$ 33,670,112</u>	<u>\$ 30,651,944</u>	<u>\$ 27,288,179</u>	<u>\$ 24,245,784</u>	<u>\$ 22,028,136</u>
\$ 1,506,494	\$ 1,397,265	\$ 1,258,456	\$ 1,132,714	\$ 982,512	\$ 770,437
713,014	674,077	626,979	590,835	520,242	458,268
4,103,835	(787,492)	3,070,840	1,340,941	28,020	986,994
(964,941)	(1,019,862)	(820,744)	(738,818)	(670,232)	(466,852)
(23,154)	(15,202)	(15,902)	(15,135)	(17,065)	(10,302)
<u>(695)</u>	<u>(793)</u>	<u>(805)</u>	<u>(815)</u>	<u>(843)</u>	<u>(847)</u>
5,334,553	247,993	4,118,824	2,309,722	842,634	1,737,698
<u>26,506,166</u>	<u>26,258,173</u>	<u>22,139,349</u>	<u>19,829,627</u>	<u>18,986,993</u>	<u>17,249,295</u>
<u>31,840,719</u>	<u>26,506,166</u>	<u>26,258,173</u>	<u>22,139,349</u>	<u>19,829,627</u>	<u>18,986,993</u>
<u>\$ 4,657,840</u>	<u>\$ 7,163,946</u>	<u>\$ 4,393,771</u>	<u>\$ 5,148,830</u>	<u>\$ 4,416,157</u>	<u>\$ 3,041,143</u>
87.24%	78.72%	85.67%	81.13%	81.79%	86.19%
\$ 19,722,641	\$ 18,896,766	\$ 17,603,310	\$ 16,478,620	\$ 15,648,114	\$ 15,389,154
23.62%	37.91%	24.96%	31.25%	28.22%	19.76%

CITY OF SACHSE, TEXAS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	2024	2023	2022	2021
Actuarially determined contribution	\$ 2,246,666	\$ 1,949,890	\$ 1,709,420	\$ 1,580,675
Contributions in relation to the actuarially determined contribution	<u>2,246,666</u>	<u>1,949,890</u>	<u>1,709,420</u>	<u>1,580,675</u>
Contribution deficiency (excess)	-	-	-	-
Annual Covered payroll	15,510,247	13,643,827	11,798,996	10,791,639
Contributions as a percentage of covered payroll	14.49%	14.29%	14.49%	14.65%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective on January 1st, 13 months and a day 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	22 Years
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary increases	3.50% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021(with immediate convergence).

2020	2019	2018	2017	2016	2015
\$ 1,564,971	\$ 1,459,900	\$ 1,370,165	\$ 1,225,344	\$ 1,106,275	\$ 893,569
<u>1,564,971</u>	<u>1,459,900</u>	<u>1,370,165</u>	<u>1,225,344</u>	<u>1,106,275</u>	<u>893,569</u>
-	-	-	-	-	-
10,659,160	9,922,284	9,525,614	8,833,157	8,185,274	7,047,207
14.68%	14.71%	14.38%	13.87%	13.52%	12.68%

CITY OF SACHSE, TEXAS

SCHEDULE OF CHANGES IN POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	2023	2022	2021
Total OPEB liability			
Service cost	\$ 21,387	\$ 39,048	\$ 30,505
Interest	15,219	10,541	10,566
Differences between expected and actual experience	(12,004)	(15,506)	(13,603)
Change of assumptions	21,652	(213,803)	19,630
Benefit payments, including refunds of participant contributions	<u>(9,981)</u>	<u>(7,100)</u>	<u>(6,537)</u>
Net change in total OPEB liability	36,273	(186,820)	40,561
Total OPEB liability, beginning	<u>370,078</u>	<u>556,898</u>	<u>516,337</u>
Total OPEB liability, ending (a)	<u>\$ 406,351</u>	<u>\$ 370,078</u>	<u>\$ 556,898</u>
Covered-employee payroll	\$ 14,258,145	\$ 11,832,631	\$ 10,894,626
Total OPEB liability as a percentage of covered-employee payroll	2.85%	3.13%	5.11%

Note: 10 years of data is required to be provided in this schedule. As of year-end, all years are not available. Additional years will be added in the future as the information becomes available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2020	2019	2018	2017
\$ 24,560	\$ 17,316	\$ 23,111	\$ 18,810
11,588	11,835	10,685	10,028
(5,674)	(4,174)	(6,206)	-
77,814	75,889	(26,515)	28,386
<u>(2,136)</u>	<u>(2,037)</u>	<u>(1,926)</u>	<u>(1,791)</u>
106,152	98,829	(851)	55,433
<u>410,185</u>	<u>311,356</u>	<u>312,207</u>	<u>256,774</u>
<u>\$ 516,337</u>	<u>\$ 410,185</u>	<u>\$ 311,356</u>	<u>\$ 312,207</u>
\$ 10,678,426	\$ 10,185,912	\$ 9,629,676	\$ 8,956,953
4.84%	4.03%	3.23%	3.49%



SUPPLEMENTARY INFORMATION

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.

Impact Fee Fund – The impact fee fund accounts for impact fees collected for specific projects related to development within the City.

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

PID Fund - This fund accounts for the activity of the Public Improvement District within the City.

CITY OF SACHSE, TEXAS**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	Street Maintenance	Special Revenue	ARPA	Impact Fee
ASSETS				
Cash and cash equivalents	\$ 306,300	\$ 478,443	\$ 525,929	\$ 3,473,802
Investments	451,072	702,613	381,050	5,115,661
Receivables	<u>122,519</u>	<u>4,814</u>	<u>-</u>	<u>-</u>
Total Assets	<u>879,891</u>	<u>1,185,870</u>	<u>906,979</u>	<u>8,589,463</u>
LIABILITIES				
Accounts payable	<u>87,499</u>	<u>8,482</u>	<u>560,493</u>	<u>-</u>
Total Liabilities	<u>87,499</u>	<u>8,482</u>	<u>560,493</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Capital improvements	-	775,111	-	8,589,463
Street maintenance	792,392	-	-	-
Municipal court	-	402,277	-	-
Hotel occupancy	-	-	-	-
Grants	<u>-</u>	<u>-</u>	<u>346,486</u>	<u>-</u>
Total Fund Balances	<u>792,392</u>	<u>1,177,388</u>	<u>346,486</u>	<u>8,589,463</u>
Total Liabilities and Fund Balances	<u>\$ 879,891</u>	<u>\$ 1,185,870</u>	<u>\$ 906,979</u>	<u>\$ 8,589,463</u>

Hotel Occupancy	PID	Total Nonmajor Governmental Funds
\$ 18,093	\$ 4,671,289	\$ 9,473,856
26,644	-	6,677,040
-	-	127,333
<u>44,737</u>	<u>4,671,289</u>	<u>16,278,229</u>
-	23,166	679,640
<u>-</u>	<u>23,166</u>	<u>679,640</u>
-	4,648,123	14,012,697
-	-	792,392
-	-	402,277
44,737	-	44,737
-	-	346,486
<u>44,737</u>	<u>4,648,123</u>	<u>15,598,589</u>
<u>\$ 44,737</u>	<u>\$ 4,671,289</u>	<u>\$ 16,278,229</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Street Maintenance	Special Revenue	ARPA	Impact Fee*
REVENUES				
Impact and development fees	\$ -	\$ 234,500	\$ -	\$ 1,260,800
Property owner assessments	-	-	-	-
Sales taxes	759,962	-	-	-
Franchise and local taxes	-	20,815	-	-
Fines and forfeitures	-	64,740	-	-
Intergovernmental	-	-	4,110,867	-
Donations	-	7,275	-	-
Investment income	86,108	48,859	155,780	449,203
Total Revenues	<u>846,070</u>	<u>376,189</u>	<u>4,266,647</u>	<u>1,710,003</u>
EXPENDITURES				
Current:				
General government	-	2,877	-	-
Public safety	-	20,257	-	-
Public works	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,904,882	14,295	4,166,587	-
Total Expenditures	<u>1,904,882</u>	<u>37,429</u>	<u>4,166,587</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(1,058,812)</u>	<u>338,760</u>	<u>100,060</u>	<u>1,710,003</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	9,841	-	-
Transfer out	-	-	-	(2,120,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,841</u>	<u>-</u>	<u>(2,120,000)</u>
NET CHANGE IN FUND BALANCES	<u>(1,058,812)</u>	<u>348,601</u>	<u>100,060</u>	<u>(409,997)</u>
FUND BALANCES - BEGINNING, AS PREVIOUSLY REPORTED	1,851,204	828,787	4,357,293	-
ADJUSTMENTS				
Change within financial reporting entity	-	-	-	8,999,460
Error Correction	-	-	(4,110,867)	-
FUND BALANCES - BEGINNING, AS RESTATED	<u>1,851,204</u>	<u>828,787</u>	<u>246,426</u>	<u>8,999,460</u>
FUND BALANCES - ENDING	<u>\$ 792,392</u>	<u>\$ 1,177,388</u>	<u>\$ 346,486</u>	<u>\$ 8,589,463</u>

*Formerly a major fund

Hotel Occupancy	PID*	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,495,300
-	2,360,251	2,360,251
-	-	759,962
15,924	-	36,739
-	-	64,740
-	-	4,110,867
-	-	7,275
<u>1,924</u>	<u>303,328</u>	<u>1,045,202</u>
<u>17,848</u>	<u>2,663,579</u>	<u>9,880,336</u>
-	-	2,877
-	-	20,257
-	3,905,558	3,905,558
-	435,000	435,000
-	1,447,751	1,447,751
-	-	6,085,764
<u>-</u>	<u>5,788,309</u>	<u>11,897,207</u>
<u>17,848</u>	<u>(3,124,730)</u>	<u>(2,016,871)</u>
-	-	9,841
-	-	(2,120,000)
<u>-</u>	<u>-</u>	<u>(2,110,159)</u>
<u>17,848</u>	<u>(3,124,730)</u>	<u>(4,127,030)</u>
26,889	-	7,064,173
-	-	8,999,460
-	7,772,853	3,661,986
<u>26,889</u>	<u>7,772,853</u>	<u>19,725,619</u>
<u>\$ 44,737</u>	<u>\$ 4,648,123</u>	<u>\$ 15,598,589</u>

CITY OF SACHSE, TEXAS
COMBINING BALANCE SHEET
TAX INCREMENT REINVESTMENT ZONES
SEPTEMBER 30, 2024

	PGBT Reinvestment Zone	Station Reinvestment Zone	Highway 78	Total Tax Increment Reinvestment Zones
ASSETS				
Cash and cash equivalents	\$ 78,020	\$ 120,485	\$ 565,884	\$ 764,389
Investments	<u>114,895</u>	<u>177,431</u>	<u>833,344</u>	<u>1,125,670</u>
Total Assets	<u>192,915</u>	<u>297,916</u>	<u>1,399,228</u>	<u>1,890,059</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>80</u>	<u>597,355</u>	<u>-</u>	<u>597,435</u>
Total Liabilities	<u>80</u>	<u>597,355</u>	<u>-</u>	<u>597,435</u>
FUND BALANCES				
Restricted for:				
TIRZ activities	192,835	-	1,399,228	1,592,063
Unassigned	<u>-</u>	<u>(299,439)</u>	<u>-</u>	<u>(299,439)</u>
Total Fund Balances	<u>192,835</u>	<u>(299,439)</u>	<u>1,399,228</u>	<u>1,292,624</u>
Total Liabilities and Fund Balances	<u>\$ 192,915</u>	<u>\$ 297,916</u>	<u>\$ 1,399,228</u>	<u>\$ 1,890,059</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	PGBT Reinvestment Zone	Station Reinvestment Zone	Highway 78	Total Tax Increment Reinvestment Zones
REVENUES				
Property taxes	\$ 601,715	\$ 830,371	\$ 822,240	\$ 2,254,326
Investment income	5,235	26,312	48,956	80,503
Total Revenues	<u>606,950</u>	<u>856,683</u>	<u>871,196</u>	<u>2,334,829</u>
EXPENDITURES				
General government	455	623,951	-	624,406
Capital Outlay	-	1,181,739	-	1,181,739
Total Expenditures	<u>455</u>	<u>1,805,690</u>	<u>-</u>	<u>1,806,145</u>
NET CHANGE IN FUND BALANCES	<u>606,495</u>	<u>(949,007)</u>	<u>871,196</u>	<u>528,684</u>
FUND BALANCES - BEGINNING	<u>(413,660)</u>	<u>649,568</u>	<u>528,032</u>	<u>763,940</u>
FUND BALANCES - ENDING	<u>\$ 192,835</u>	<u>\$ (299,439)</u>	<u>\$ 1,399,228</u>	<u>\$ 1,292,624</u>

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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 7,111,584	\$ 7,111,584	\$ 7,048,201	\$ (63,383)
Investment income	50,000	\$ 50,000	163,094	113,094
Total Revenue	<u>7,161,584</u>	<u>7,161,584</u>	<u>7,211,295</u>	<u>49,711</u>
EXPENDITURES				
Debt service:				
Principal	4,740,000	4,740,000	5,275,000	(535,000)
Interest	<u>1,747,018</u>	<u>1,747,018</u>	<u>1,747,114</u>	<u>(96)</u>
Total Expenditures	<u>6,487,018</u>	<u>6,487,018</u>	<u>7,022,114</u>	<u>(535,096)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>674,566</u>	<u>674,566</u>	<u>189,181</u>	<u>(485,385)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>17,604</u>	<u>17,604</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	674,566	674,566	206,785	(467,781)
FUND BALANCE - BEGINNING	<u>1,415,879</u>	<u>1,415,879</u>	<u>1,415,879</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,090,445</u>	<u>\$ 2,090,445</u>	<u>\$ 1,622,664</u>	<u>\$ (467,781)</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 1,809,833	\$ 1,659,833
Investment income	775,000	775,000	1,459,620	684,620
Other revenue	-	-	76,491	76,491
Total Revenue	<u>925,000</u>	<u>925,000</u>	<u>3,345,944</u>	<u>2,420,944</u>
EXPENDITURES				
Public works	450,000	450,000	313,593	136,407
Debt service:				
Interest and fiscal charges	-	-	318,510	(318,510)
Capital outlay	<u>12,780,000</u>	<u>17,480,000</u>	<u>12,647,838</u>	<u>4,832,162</u>
Total Expenditures	<u>13,230,000</u>	<u>17,930,000</u>	<u>13,279,941</u>	<u>4,650,059</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,305,000)	(17,005,000)	(9,933,997)	7,071,003
OTHER FINANCING SOURCES (USES)				
Transfers in	12,190,000	12,190,000	12,190,000	-
Transfers out	-	-	(9,841)	(9,841)
Bond issuance	-	-	25,585,000	25,585,000
Premium on bonds issued	-	-	2,023,510	2,023,510
Total Other Financing Sources (Uses)	<u>12,190,000</u>	<u>12,190,000</u>	<u>39,788,669</u>	<u>27,598,669</u>
NET CHANGE IN FUND BALANCE	<u>(115,000)</u>	<u>(4,815,000)</u>	<u>29,854,672</u>	<u>34,669,672</u>
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	28,833,942	28,833,942	28,833,942	-
ADJUSTMENTS				
Change within financial reporting entity	-	-	(3,133,627)	(3,133,627)
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	<u>28,833,942</u>	<u>28,833,942</u>	<u>25,700,315</u>	<u>(3,133,627)</u>
FUND BALANCE - ENDING	<u>\$ 28,718,942</u>	<u>\$ 24,018,942</u>	<u>\$ 55,554,987</u>	<u>\$ 31,536,045</u>

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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Sales tax	\$ 725,000	\$ 725,000	\$ 759,962	\$ 34,962
Investment income	<u>25,000</u>	<u>25,000</u>	<u>86,108</u>	<u>61,108</u>
Total Revenue	<u>750,000</u>	<u>750,000</u>	<u>846,070</u>	<u>96,070</u>
EXPENDITURES				
Capital outlay	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,904,882</u>	<u>(454,882)</u>
Total Expenditures	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,904,882</u>	<u>(454,882)</u>
NET CHANGE IN FUND BALANCE	(700,000)	(700,000)	(1,058,812)	(358,812)
FUND BALANCE - BEGINNING	<u>1,851,204</u>	<u>1,851,204</u>	<u>1,851,204</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,151,204</u>	<u>\$ 1,151,204</u>	<u>\$ 792,392</u>	<u>\$ (358,812)</u>

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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Impact and development fees	\$ 125,000	\$ 125,000	\$ 234,500	\$ 109,500
Franchise and local taxes	27,500	27,500	20,815	(6,685)
Donations	4,250	4,250	7,275	3,025
Fines and forfeitures	48,725	48,725	64,740	16,015
Investment income	20,000	20,000	48,859	28,859
Total Revenue	<u>225,475</u>	<u>225,475</u>	<u>376,189</u>	<u>150,714</u>
EXPENDITURES				
General government	1,500	1,500	2,877	(1,377)
Public safety	102,000	102,000	20,257	81,743
Leisure services	500	500	-	500
Capital outlay	70,000	70,000	14,295	55,705
Total Expenditures	<u>174,000</u>	<u>174,000</u>	<u>37,429</u>	<u>136,571</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>51,475</u>	<u>51,475</u>	<u>338,760</u>	<u>287,285</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	9,841	9,841
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,841</u>	<u>9,841</u>
NET CHANGE IN FUND BALANCE	51,475	51,475	348,601	297,126
FUND BALANCE - BEGINNING	<u>828,787</u>	<u>828,787</u>	<u>828,787</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 880,262</u>	<u>\$ 880,262</u>	<u>\$ 1,177,388</u>	<u>\$ 297,126</u>

CITY OF SACHSE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,110,867	\$ 4,110,867
Investment income	<u>180,000</u>	<u>180,000</u>	<u>155,780</u>	<u>(24,220)</u>
Total Revenue	<u>180,000</u>	<u>180,000</u>	<u>4,266,647</u>	<u>4,086,647</u>
EXPENDITURES				
Capital outlay	<u>1,166,587</u>	<u>4,166,587</u>	<u>4,166,587</u>	<u>-</u>
Total Expenditures	<u>1,166,587</u>	<u>4,166,587</u>	<u>4,166,587</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(986,587)</u>	<u>(3,986,587)</u>	<u>100,060</u>	<u>4,086,647</u>
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	<u>4,357,293</u>	<u>4,357,293</u>	<u>4,357,293</u>	<u>-</u>
ADJUSTMENTS				
Error correction	-	-	(4,110,867)	(4,110,867)
FUND BALANCE - BEGINNING, AS RESTATED	<u>4,357,293</u>	<u>4,357,293</u>	<u>246,426</u>	<u>(4,110,867)</u>
FUND BALANCE - ENDING	<u>\$ 3,370,706</u>	<u>\$ 370,706</u>	<u>\$ 346,486</u>	<u>\$ (24,220)</u>

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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Impact and development fees	\$ 1,075,000	\$ 1,075,000	\$ 1,260,800	\$ 185,800
Investment income	<u>150,000</u>	<u>150,000</u>	<u>449,203</u>	<u>299,203</u>
Total Revenues	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,710,003</u>	<u>485,003</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,710,003</u>	<u>485,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,120,000)</u>	<u>(2,120,000)</u>	<u>(2,120,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,120,000)</u>	<u>(2,120,000)</u>	<u>(2,120,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(895,000)	(895,000)	(409,997)	485,003
FUND BALANCE, BEGINNING	<u>8,999,460</u>	<u>8,999,460</u>	<u>8,999,460</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 8,104,460</u>	<u>\$ 8,104,460</u>	<u>\$ 8,589,463</u>	<u>\$ 485,003</u>

CITY OF SACHSE, TEXAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2024

	Sachse EDC	Sachse MDD	Total
ASSETS			
Cash and cash equivalents	\$ 2,554,016	\$ 232,814	\$ 2,786,830
Investments	3,761,146	342,851	4,103,997
Receivables, net	<u>255,038</u>	<u>119,301</u>	<u>374,339</u>
Total assets	<u>6,570,200</u>	<u>694,966</u>	<u>7,265,166</u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>42,597</u>	<u>6,262</u>	<u>48,859</u>
Total liabilities	<u>42,597</u>	<u>6,262</u>	<u>48,859</u>
FUND BALANCES			
Restricted for:			
Economic development	6,527,603	-	6,527,603
Municipal development	<u>-</u>	<u>688,704</u>	<u>688,704</u>
Total fund balances	<u>6,527,603</u>	<u>688,704</u>	<u>7,216,307</u>
Total liabilities and fund balances	<u>\$ 6,570,200</u>	<u>\$ 694,966</u>	<u>\$ 7,265,166</u>

CITY OF SACHSE, TEXAS

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

SEPTEMBER 30, 2024

Total Fund Balances	\$	7,216,307
---------------------	----	-----------

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Capital assets - non-depreciable	1,649,893
Capital assets - net depreciable	2,086

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Compensated absences - Sachse EDC	(14,774)
Non-current liabilities due in one year	(577)
Non-current liabilities due in more than one year	<u>(1,577)</u>

Net Position of Governmental Activities	\$	<u>8,851,358</u>
---	----	------------------

CITY OF SACHSE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Sachse EDC	Sachse MDD	Total
REVENUES			
Sales tax	\$ 1,519,925	\$ 744,854	\$ 2,264,779
Investment income	289,821	20,974	310,795
Other revenue	10,000	-	10,000
Total Revenues	<u>1,819,746</u>	<u>765,828</u>	<u>2,585,574</u>
EXPENDITURES			
Economic development	895,903	-	895,903
Park development	-	11,556	11,556
Debt service:			
Principal	549	-	549
Interest and fiscal charges	123	-	123
Capital outlay	-	335,706	335,706
Total Expenditures	<u>896,575</u>	<u>347,262</u>	<u>1,243,837</u>
NET CHANGE IN FUND BALANCE	923,171	418,566	1,341,737
FUND BALANCES - BEGINNING	<u>5,604,432</u>	<u>270,138</u>	<u>5,874,570</u>
FUND BALANCES - ENDING	<u>\$ 6,527,603</u>	<u>\$ 688,704</u>	<u>\$ 7,216,307</u>

CITY OF SACHSE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Net Changes in Fund Balances	\$ 1,341,737
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.	
Depreciation expense	(596)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(5,600)
Principal payments	549
Change in Net Position of the Discretely Presented Component Units	<u>\$ 1,336,090</u>



STATISTICAL SECTION



**STATISTICAL SECTION
(Unaudited)**

This part of the City of Sachse, Texas 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
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	82 – 91
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	92 – 97
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	98 – 102
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	103 – 106
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	107 – 110

CITY OF SACHSE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 49,395,981	\$ 52,071,872	\$ 50,617,047	\$ 57,841,667
Restricted	11,827,722	8,618,633	13,205,846	5,906,413
Unrestricted	<u>(519,752)</u>	<u>4,049,157</u>	<u>4,306,816</u>	<u>4,229,764</u>
Total Governmental Activities Net Position	<u>\$ 60,703,951</u>	<u>\$ 64,739,662</u>	<u>\$ 68,129,709</u>	<u>\$ 67,977,844</u>
Business-type activities				
Net investment in capital assets	\$ 18,802,635	\$ 20,509,338	\$ 20,802,006	\$ 26,313,666
Unrestricted	<u>4,232,573</u>	<u>7,450,081</u>	<u>9,203,735</u>	<u>9,233,900</u>
Total Business-Type Activities Net Position	<u>\$ 23,035,208</u>	<u>\$ 27,959,419</u>	<u>\$ 30,005,741</u>	<u>\$ 35,547,566</u>
Primary government				
Net investment in capital assets	\$ 68,198,616	\$ 72,581,210	\$ 71,419,053	\$ 84,155,333
Restricted	11,827,722	8,618,633	13,205,846	5,906,413
Unrestricted	<u>3,712,821</u>	<u>11,499,238</u>	<u>13,510,551</u>	<u>13,463,664</u>
Total Primary Government Net Position	<u>\$ 83,739,159</u>	<u>\$ 92,699,081</u>	<u>\$ 98,135,450</u>	<u>\$ 103,525,410</u>

TABLE 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 58,662,282	\$ 64,921,091	\$ 67,797,822	\$ 70,605,922	\$ 79,772,178	\$ 87,318,684
7,403,116	12,971,959	22,321,414	31,086,500	29,423,509	36,617,957
<u>6,219,720</u>	<u>6,027,751</u>	<u>9,024,001</u>	<u>13,828,608</u>	<u>15,423,478</u>	<u>(16,632,221)</u>
<u>\$ 72,285,118</u>	<u>\$ 83,920,801</u>	<u>\$ 99,143,237</u>	<u>\$ 115,521,030</u>	<u>\$ 124,619,165</u>	<u>\$ 107,304,420</u>
\$ 24,199,778	\$ 25,534,424	\$ 26,549,371	\$ 25,142,628	\$ 30,097,903	\$ 35,697,669
<u>13,145,910</u>	<u>15,218,006</u>	<u>16,372,891</u>	<u>22,125,091</u>	<u>23,316,830</u>	<u>23,596,558</u>
<u>\$ 37,345,688</u>	<u>\$ 40,752,430</u>	<u>\$ 42,922,262</u>	<u>\$ 47,267,719</u>	<u>\$ 53,414,733</u>	<u>\$ 59,294,227</u>
\$ 82,862,060	\$ 90,455,515	\$ 94,347,193	\$ 95,748,550	\$ 109,870,081	\$ 123,016,353
7,403,116	12,971,959	22,321,414	31,086,500	29,423,509	36,617,957
<u>19,365,630</u>	<u>21,245,757</u>	<u>25,396,892</u>	<u>35,953,699</u>	<u>38,740,308</u>	<u>6,964,337</u>
<u>\$ 109,630,806</u>	<u>\$ 124,673,231</u>	<u>\$ 142,065,499</u>	<u>\$ 162,788,749</u>	<u>\$ 178,033,898</u>	<u>\$ 166,598,647</u>

CITY OF SACHSE, TEXAS

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 2,330,847	\$ 2,500,102	\$ 2,526,665	\$ 2,878,022
Public safety	6,854,653	8,191,197	9,144,006	9,736,773
Public works	4,415,483	5,056,488	5,639,697	5,489,736
Leisure services	1,557,475	1,739,147	1,903,914	1,969,689
Development services	677,184	900,457	833,629	835,209
Interest and fiscal charges	2,022,071	2,105,723	1,193,484	1,563,657
Total Governmental Activities Expenses	<u>17,857,713</u>	<u>20,493,114</u>	<u>21,241,395</u>	<u>22,473,086</u>
Business-type activities:				
Water	7,238,771	8,128,858	8,946,369	9,342,633
Sewer	-	-	-	-
Stormwater drainage	-	-	-	-
Total Business-Type Activities Expenses	<u>7,238,771</u>	<u>8,128,858</u>	<u>8,946,369</u>	<u>9,342,633</u>
Total Primary Government Expenses	<u>25,096,484</u>	<u>28,621,972</u>	<u>30,187,764</u>	<u>31,815,719</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	10,750	720	-	-
Public safety	871,054	596,562	845,462	1,136,924
Public works	1,216,081	1,315,780	739,151	539,258
Leisure services	-	-	264,852	205,363
Development services	1,804,213	1,169,517	1,189,194	1,223,216
Operating grants and contributions	521,003	744,975	20,832	18,879
Capital grants and contributions	1,745,994	4,913,651	2,754,486	839,290
Total Governmental Activities Program Revenues	<u>6,169,095</u>	<u>8,741,205</u>	<u>5,813,977</u>	<u>3,962,930</u>
Business-type activities:				
Charges for services:				
Water	9,137,569	10,382,099	11,384,202	13,532,977
Sewer	-	-	-	-
Stormwater drainage	-	-	-	-
Capital grants and contributions	1,233,994	2,810,315	1,047,236	82,530
Total Business-Type Activities Program Revenues	<u>10,371,563</u>	<u>13,192,414</u>	<u>12,431,438</u>	<u>13,615,507</u>
Total Primary Government Program Revenues	<u>16,540,658</u>	<u>21,933,619</u>	<u>18,245,415</u>	<u>17,578,437</u>
Net (expense) revenue:				
Governmental activities	(11,688,618)	(11,751,909)	(15,427,418)	(18,510,156)
Business-type activities	3,132,792	5,063,556	3,485,069	4,272,874
Total Primary Government Net Expense	<u>(8,555,826)</u>	<u>(6,688,353)</u>	<u>(11,942,349)</u>	<u>(14,237,282)</u>

TABLE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 3,358,995	\$ 3,342,715	\$ 3,335,835	\$ 3,562,190	\$ 4,363,153	\$ 6,951,144
10,237,626	11,201,666	11,477,436	10,885,495	13,163,847	16,045,835
5,975,519	6,147,260	5,353,283	5,610,919	6,483,557	10,654,043
1,946,985	2,333,491	2,269,214	3,084,547	3,641,473	4,492,124
806,203	715,773	892,271	1,124,278	956,514	902,686
1,418,185	1,347,849	1,315,797	1,620,664	1,809,107	3,441,732
<u>23,743,513</u>	<u>25,088,754</u>	<u>24,643,836</u>	<u>25,888,093</u>	<u>30,417,651</u>	<u>42,487,564</u>
7,087,974	7,586,871	7,813,426	8,566,726	8,853,465	8,620,870
2,976,970	2,282,485	2,786,830	3,173,551	3,720,183	5,137,277
-	38,484	25,950	156,406	41,522	50,036
<u>10,064,944</u>	<u>9,907,840</u>	<u>10,626,206</u>	<u>11,896,683</u>	<u>12,615,170</u>	<u>13,808,183</u>
<u>33,808,457</u>	<u>34,996,594</u>	<u>35,270,042</u>	<u>37,784,776</u>	<u>43,032,821</u>	<u>56,295,747</u>
7,610	9,900	11,320	11,485	12,325	326,645
1,079,089	1,058,301	1,263,222	1,522,293	1,579,109	1,464,390
1,005,214	1,737,126	2,935,326	2,472,726	841,947	-
-	-	-	-	-	184,037
691,080	-	249,256	303,077	268,179	1,125,536
453,212	2,240,037	219,956	11,315	256,220	184,661
<u>2,274,863</u>	<u>7,163,304</u>	<u>9,114,448</u>	<u>11,100,582</u>	<u>4,437,317</u>	<u>7,448,074</u>
<u>5,511,068</u>	<u>12,208,668</u>	<u>13,793,528</u>	<u>15,421,478</u>	<u>7,395,097</u>	<u>10,733,343</u>
7,619,612	8,098,664	7,974,914	9,664,072	10,166,120	10,145,515
4,673,480	4,881,913	5,455,163	6,114,257	6,605,081	6,961,176
209,459	209,636	210,802	220,706	229,246	235,257
<u>564,030</u>	<u>1,385,442</u>	<u>1,427,866</u>	<u>1,356,145</u>	<u>1,378,955</u>	<u>978,189</u>
<u>13,066,581</u>	<u>14,575,655</u>	<u>15,068,745</u>	<u>17,355,180</u>	<u>18,379,402</u>	<u>18,320,137</u>
<u>18,577,649</u>	<u>26,784,323</u>	<u>28,862,273</u>	<u>32,776,658</u>	<u>25,774,499</u>	<u>29,053,480</u>
(18,232,445)	(12,880,086)	(10,850,308)	(10,466,615)	(23,022,554)	(31,754,221)
<u>3,001,637</u>	<u>4,667,815</u>	<u>4,442,539</u>	<u>5,458,497</u>	<u>5,764,232</u>	<u>4,511,954</u>
<u>(15,230,808)</u>	<u>(8,212,271)</u>	<u>(6,407,769)</u>	<u>(5,008,118)</u>	<u>(17,258,322)</u>	<u>(27,242,267)</u>

CITY OF SACHSE, TEXAS

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 10,938,125	\$ 12,296,608	\$ 13,982,042	\$ 15,674,089
Sales and other taxes	2,790,620	3,024,925	3,094,029	3,305,196
Investment earnings	33,900	50,842	117,382	388,860
Other income	51,290	268,740	107,470	168,853
Transfers, net	1,289,279	146,505	1,516,542	(947,605)
Total Governmental Activities	<u>15,103,214</u>	<u>15,787,620</u>	<u>18,817,465</u>	<u>18,589,393</u>
Business-type activities:				
Investment earnings	1,970	7,160	77,795	338,741
Transfers, net	(1,289,279)	(146,505)	(1,516,542)	947,605
Total Business-Type Activities	<u>(1,287,309)</u>	<u>(139,345)</u>	<u>(1,438,747)</u>	<u>1,286,346</u>
Total Primary Government	<u>13,815,905</u>	<u>15,648,275</u>	<u>17,378,718</u>	<u>19,875,739</u>
Change in Net Position				
Governmental activities	3,414,596	4,035,711	3,390,047	79,237
Business-type activities	1,845,483	4,924,211	2,046,322	5,559,220
Total Primary Government	<u>\$ 5,260,079</u>	<u>\$ 8,959,922</u>	<u>\$ 5,436,369</u>	<u>\$ 5,638,457</u>

Source: City financial statements

TABLE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 16,746,511	\$ 17,833,325	\$ 19,000,362	\$ 19,502,913	\$ 22,542,983	\$ 28,198,987
3,400,267	3,705,978	4,142,062	5,551,188	5,847,514	6,045,084
631,556	354,679	131,549	299,111	2,879,990	3,810,272
92,091	741,095	439,208	259,941	358,441	173,606
1,669,294	1,437,917	2,359,563	1,231,255	491,761	(245,695)
<u>22,539,719</u>	<u>24,072,994</u>	<u>26,072,744</u>	<u>26,844,408</u>	<u>32,120,689</u>	<u>37,982,254</u>
465,779	176,844	86,856	118,215	874,543	1,121,845
<u>(1,669,294)</u>	<u>(1,437,917)</u>	<u>(2,359,563)</u>	<u>(1,231,255)</u>	<u>(491,761)</u>	<u>245,695</u>
<u>(1,203,515)</u>	<u>(1,261,073)</u>	<u>(2,272,707)</u>	<u>(1,113,040)</u>	<u>382,782</u>	<u>1,367,540</u>
<u>21,336,204</u>	<u>22,811,921</u>	<u>23,800,037</u>	<u>25,731,368</u>	<u>32,503,471</u>	<u>39,349,794</u>
4,307,274	11,192,908	15,222,436	16,377,793	9,098,135	6,228,033
1,798,122	3,406,742	2,169,832	4,345,457	6,147,014	5,879,494
<u>\$ 6,105,396</u>	<u>\$ 14,599,650</u>	<u>\$ 17,392,268</u>	<u>\$ 20,723,250</u>	<u>\$ 15,245,149</u>	<u>\$ 12,107,527</u>

CITY OF SACHSE, TEXAS**FUND BALANCES OF GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Non-spendable	\$ 101,621	\$ 21,970	\$ 39,463	\$ 22,833
Assigned	54,000	186,340	-	-
Unassigned	<u>6,546,528</u>	<u>7,723,757</u>	<u>8,829,452</u>	<u>8,640,784</u>
Total general fund	<u>\$ 6,702,149</u>	<u>\$ 7,932,067</u>	<u>\$ 8,868,915</u>	<u>\$ 8,663,617</u>
All other governmental funds				
Restricted	\$ 11,827,722	\$ 13,093,851	\$ 12,911,936	\$ 21,735,771
Nonspendable	-	-	-	-
Assigned	-	186,340	293,910	625,976
Unassigned	<u>(472,960)</u>	<u>(1,623,821)</u>	<u>(1,551,439)</u>	<u>(1,477,110)</u>
Total all other governmental funds	<u>\$ 11,354,762</u>	<u>\$ 11,656,370</u>	<u>\$ 11,654,407</u>	<u>\$ 20,884,637</u>

Source: Balance Sheets - Governmental Funds in City's ACFRs.

TABLE 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 77,251	\$ 60,847	\$ 94,036	\$ 56,371	\$ 52,877	\$ 72,001
-	-	-	-	-	3,718,156
<u>10,355,357</u>	<u>10,131,924</u>	<u>12,704,756</u>	<u>15,945,567</u>	<u>16,183,805</u>	<u>8,855,420</u>
<u>\$ 10,432,608</u>	<u>\$ 10,192,771</u>	<u>\$ 12,798,792</u>	<u>\$ 16,001,938</u>	<u>\$ 16,236,682</u>	<u>\$ 12,645,577</u>
\$ 17,130,804	\$ 20,892,477	\$ 26,987,818	\$ 49,255,251	\$ 44,504,488	\$ 74,367,323
-	-	-	1,536,926	885,818	980
788,338	682,802	877,760	1,278,713	2,100,748	-
<u>(1,377,540)</u>	<u>(1,202,037)</u>	<u>(805,509)</u>	<u>(519,961)</u>	<u>(413,660)</u>	<u>(299,439)</u>
<u>\$ 16,541,602</u>	<u>\$ 20,373,242</u>	<u>\$ 27,060,069</u>	<u>\$ 51,550,929</u>	<u>\$ 47,077,394</u>	<u>\$ 74,068,864</u>

CITY OF SACHSE, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Property taxes	\$ 10,928,163	\$ 12,260,047	\$ 14,034,836	\$ 15,676,744
Property owner assessments	-	-	-	-
Sales and other taxes	2,790,620	3,024,925	3,094,029	3,305,196
Licenses, Permits and fees	1,612,769	1,743,628	1,598,993	1,814,494
Intergovernmental	-	-	-	-
Grants and contributions	710,470	974,489	321,583	18,879
Fines and forfeitures	458,477	291,926	252,614	270,817
Impact and development fees	1,657,973	1,022,593	883,250	95,100
Investment income	33,900	50,842	117,228	387,954
Other revenue	51,290	271,595	92,796	968,855
Total Revenues	<u>18,243,662</u>	<u>19,640,045</u>	<u>20,395,329</u>	<u>22,538,039</u>
Expenditures				
Current:				
General government	1,601,990	1,565,175	1,425,250	1,510,028
Public safety	6,274,349	7,466,728	8,293,828	8,963,876
Public works	1,781,872	1,882,251	2,626,166	2,263,665
Leisure services	1,269,794	1,455,952	1,564,719	1,631,189
Development services	673,506	831,719	828,351	827,741
Combined services	493,412	564,368	669,168	769,629
Debt service:				
Principal	1,195,000	1,325,000	2,325,000	2,330,000
Interest and fiscal charges	1,762,998	1,672,947	1,186,303	1,435,602
Bond issue costs	177,355	372,256	-	105,000
Capital outlay	<u>2,129,457</u>	<u>2,445,778</u>	<u>2,072,876</u>	<u>3,722,165</u>
Total Expenditures	<u>17,359,733</u>	<u>19,582,174</u>	<u>20,991,661</u>	<u>23,558,895</u>
Excess of Revenues Over (Under)				
Expenditures	883,929	57,871	(596,332)	(1,020,856)
Other Financing Sources (Uses)				
Transfer in	1,289,279	1,841,302	3,948,013	5,089,835
Transfer out	-	(1,694,797)	(2,431,471)	(6,037,440)
Debt issued	9,470,000	21,225,000	-	10,590,000
Premium on bonds issued	458,338	2,204,516	-	318,393
Insurance recoveries	-	-	-	-
Payment to refund escrow agent	(9,748,373)	(21,733,392)	-	-
Sale of capital assets	-	-	14,675	85,000
Net Other Financing Sources (Uses)	<u>1,469,244</u>	<u>1,842,629</u>	<u>1,531,217</u>	<u>10,045,788</u>
Net Change in Fund Balances	<u>\$ 2,353,173</u>	<u>\$ 1,900,500</u>	<u>\$ 934,885</u>	<u>\$ 9,024,932</u>
Debt Service as a Percentage of				
Noncapital Expenditures	<u>21.3%</u>	<u>20.5%</u>	<u>20.4%</u>	<u>22.2%</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds.

TABLE 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 16,708,542	\$ 17,788,498	\$ 19,032,551	\$ 19,505,419	\$ 22,534,628	\$ 25,848,426
-	-	-	-	-	2,360,251
3,400,267	3,705,978	4,142,062	5,551,188	5,847,514	6,045,084
1,577,873	2,300,683	3,678,567	3,442,197	1,803,024	2,066,201
-	-	-	-	674,443	6,499,954
860,091	2,413,891	4,352,068	3,773,551	86,615	157,442
303,725	246,140	249,589	303,005	319,275	348,416
504,323	2,049,753	3,388,825	3,343,731	951,603	1,495,300
631,556	354,679	131,549	299,111	2,879,990	3,759,966
72,938	70,748	386,419	89,254	196,310	194,576
<u>24,059,315</u>	<u>28,930,370</u>	<u>35,361,630</u>	<u>36,307,456</u>	<u>35,293,402</u>	<u>48,775,616</u>
2,511,481	3,434,072	2,806,360	3,157,022	3,445,629	4,433,260
9,154,685	9,988,757	10,702,217	10,728,655	12,213,038	14,858,261
2,350,290	2,115,492	1,836,357	1,949,985	2,512,189	6,461,876
1,557,954	1,921,627	1,681,738	2,597,672	3,111,467	3,865,329
1,027,065	678,081	886,903	1,156,736	925,731	860,517
376,041	341,900	375,683	383,897	438,371	699,037
3,040,000	3,420,000	3,655,000	4,139,428	4,253,578	5,746,743
1,440,823	1,337,324	1,280,824	1,237,008	2,007,548	3,561,426
-	34,490	49,775	248,793	-	-
<u>6,863,467</u>	<u>6,395,449</u>	<u>7,788,488</u>	<u>4,549,048</u>	<u>13,835,555</u>	<u>21,229,644</u>
<u>28,321,806</u>	<u>29,667,192</u>	<u>31,063,345</u>	<u>30,148,244</u>	<u>42,743,106</u>	<u>61,716,093</u>
(7,320,040)	(736,822)	4,298,285	6,159,212	(7,449,704)	(12,940,477)
3,553,012	9,896,810	8,871,496	4,765,910	5,093,085	13,638,337
(1,883,718)	(8,458,893)	(6,511,933)	(3,534,655)	(2,245,604)	(9,717,445)
-	2,070,000	2,635,000	18,490,000	201,301	26,525,000
59,909	-	-	1,642,852	-	2,094,410
-	-	-	45,954	102,222	111,654
93,289	-	-	-	-	-
<u>19,153</u>	<u>820,708</u>	<u>-</u>	<u>124,733</u>	<u>59,909</u>	<u>26,900</u>
<u>1,841,645</u>	<u>4,328,625</u>	<u>4,994,563</u>	<u>21,534,794</u>	<u>3,210,913</u>	<u>32,678,856</u>
\$ (5,478,395)	\$ 3,591,803	\$ 9,292,848	\$ 27,694,006	\$ (4,238,791)	\$ 19,738,379
<u>17.3%</u>	<u>16.2%</u>	<u>19.9%</u>	<u>17.1%</u>	<u>21.5%</u>	<u>20.3%</u>



CITY OF SACHSE, TEXAS

TABLE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value ⁽¹⁾</u>	<u>Total Direct Tax Rate ⁽²⁾</u>
2015	\$ 1,494,745,899	\$ 37,218,335	\$ 107,372,189	\$ 1,424,592,045	0.770819
2016	1,767,124,588	49,699,237	181,214,076	1,635,609,749	0.747279
2017	2,052,733,263	50,389,046	229,837,342	1,873,284,967	0.747279
2018	2,345,662,930	52,517,764	239,585,005	2,158,595,689	0.747279
2019	2,565,462,875	51,759,380	251,075,714	2,366,146,541	0.720000
2020	2,721,742,711	59,445,888	283,973,515	2,497,215,084	0.720000
2021	2,805,576,476	62,634,351	278,553,446	2,589,657,381	0.720000
2022	3,081,956,406	66,355,726	286,309,066	2,862,003,066	0.700734
2023	4,092,796,420	85,901,079	702,058,583	3,476,638,916	0.650416
2024	4,818,657,853	94,348,755	846,501,413	4,066,505,195	0.650416

Source: Dallas & Collin Central Appraisal Districts

(1) Tax Rate Calculation Worksheet (Form 50-856), line 18

(2) Rate per \$100 of assessed valuation

CITY OF SACHSE, TEXAS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Direct Rates:				
City of Sachse - Operating	0.559034	0.572279	0.562000	0.553072
City of Sachse - Debt Service	<u>0.211785</u>	<u>0.185000</u>	<u>0.195279</u>	<u>0.194207</u>
	<u>0.770819</u>	<u>0.757279</u>	<u>0.757279</u>	<u>0.747279</u>
Overlapping Rates:				
Garland Independent School District	1.253000	1.353300	1.460000	1.460000
Dallas County Schools	0.010000	0.010000	0.009271	0.010000
Parkland Hospital	0.286000	0.286000	0.279400	0.279400
Dallas County Community College	0.124775	0.123650	0.122933	0.124238
Dallas County	<u>0.243100</u>	<u>0.243100</u>	<u>0.243100</u>	<u>0.243100</u>
Total Dallas County Entities	<u>2.687694</u>	<u>2.773329</u>	<u>2.871983</u>	<u>2.864017</u>
Wylie Independent School District	1.640000	1.640000	1.640000	1.640000
Collin County Community College	0.081960	0.081960	0.081222	0.079810
Collin County	<u>0.235000</u>	<u>0.225000</u>	<u>0.208395</u>	<u>0.192246</u>
Total Collin County Entities	<u>2.727779</u>	<u>2.704239</u>	<u>2.686896</u>	<u>2.659335</u>

Tax rates per \$100 of assessed valuation.

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

TABLE 6

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.525793	0.525793	0.525793	0.506527	0.456209	0.456209
<u>0.194207</u>	<u>0.194207</u>	<u>0.194207</u>	<u>0.194207</u>	<u>0.194207</u>	<u>0.194207</u>
<u>0.720000</u>	<u>0.720000</u>	<u>0.720000</u>	<u>0.700734</u>	<u>0.650416</u>	<u>0.650416</u>
1.460000	1.390000	1.346300	1.256300	1.172500	1.053200
0.010000	0.010000	0.010000	0.010000	0.010000	-
0.279400	0.269500	0.266100	0.255000	0.235800	0.219500
0.124000	0.124000	0.124000	0.123510	0.115899	0.110028
<u>0.243100</u>	<u>0.243100</u>	<u>0.239740</u>	<u>0.227946</u>	<u>0.217946</u>	<u>0.215718</u>
<u>2.836500</u>	<u>2.756600</u>	<u>2.706140</u>	<u>2.573490</u>	<u>2.402561</u>	<u>2.248862</u>
1.640000	1.538400	1.520500	1.459800	1.397900	1.212500
0.081222	0.081222	0.081222	0.081222	0.081220	0.081220
<u>0.180785</u>	<u>0.174951</u>	<u>0.172531</u>	<u>0.168087</u>	<u>0.152443</u>	<u>0.149343</u>
<u>2.622007</u>	<u>2.514573</u>	<u>2.494253</u>	<u>2.409843</u>	<u>2.281979</u>	<u>2.093479</u>



CITY OF SACHSE, TEXAS

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Property Tax Payer	Fiscal Year 2024 (Tax Year 2023)			Fiscal Year 2015 (Tax Year 2014)		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Linden Ranch Gardens LP Etal 7700 Cody Lane (TX) Owner LP 5300 The Station TX Owner LP CSL Sachse 2017 LLC Intergerman Woodbridge Villas LP Sachse Station Boulevard Owner	\$ 71,472,040 71,360,333 66,000,000 42,350,000 34,547,432 31,315,290	1 2 3 4 5 6	1.76% 1.75% 1.62% 1.04% 0.85% 0.77%	- - - - - -	n/a n/a n/a n/a n/a n/a	- - - - - -
Miles One 90 Owner LLC PMB Station MFI LP TRHS MOB One LP Wal-Mart Real Estate Business Trust Woodbridge Villas LLC Lipt Oak Grove LLC	23,654,470 21,381,690 15,400,000 14,195,210 - -	7 8 9 10 n/a n/a	0.58% 0.53% 0.38% 0.35% - -	- - - \$ 6,794,112 13,803,533 7,241,940	n/a n/a n/a 3 1 2	- - - 0.48% 0.97% 0.51%
Oncor Electric Delivery Co Western Rim Investors 2013-3 LP Lipt Oak Grove LLC Woodbridge XVII LTD Lipt Oak Grove LLC Kroger Limited Partnership II	- - - - - -	n/a n/a na n/a n/a n/a	- - - - - -	5,610,120 4,890,568 4,749,240 4,571,631 4,292,410 3,896,440	4 5 6 7 8 9	0.39% 0.34% 0.33% 0.32% 0.30% 0.27%
D R Horton - Texas LTD	-	n/a	-	3,893,094	10	0.27%
Total	<u>391,676,465</u>		<u>9.63%</u>	<u>59,743,088</u>		<u>4.19%</u>
Total Taxable Assessed Value	<u>\$4,066,505,195</u>		<u>100%</u>	<u>\$1,424,592,045</u>		<u>100%</u>

Source: Dallas County Tax Office / Collin County 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

Fiscal Year	Tax Levy		Fiscal Year of Levy		% Collected
			Adjustments	Collections	
2015	\$	10,773,241	\$ 48,877	\$ (10,787,094)	99.68%
2016		12,186,446	71,759	(12,215,954)	99.66%
2017		13,926,966	37,151	(13,910,944)	99.62%
2018		15,487,552	126,723	(15,560,495)	99.66%
2019		16,484,049	202,864	(16,604,310)	99.50%
2020		17,401,815	388,367	(17,677,699)	99.37%
2021		17,971,099	843,382	(18,754,316)	99.68%
2022		19,331,922	134,595	(19,401,470)	99.67%
2023		21,858,619	554,315	(22,335,914)	99.66%
2024		25,417,902	398,892	(25,682,803)	99.48%

Source: Dallas and Collin County reports.

TABLE 8

Fiscal Years Subsequent to Levy				%		
Adjustments		Collections		Collected	Uncollected	
\$	(15,170)	\$	(16,724)	99.97%	\$	3,130
	2,761		(40,277)	99.96%		4,735
	27,141		(74,822)	99.96%		5,493
	19,634		(64,314)	99.94%		9,100
	20,251		(90,671)	99.93%		12,183
	12,703		(108,810)	99.91%		16,376
	(30,599)		(12,425)	99.91%		17,141
	(20,445)		(21,956)	99.88%		22,645
	(174,563)		132,317	99.84%		34,773
	-		-	99.48%		133,990

CITY OF SACHSE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:				
General Obligation Bonds	\$ 36,915,000	\$ 35,665,000	\$ 33,500,000	\$ 31,575,000
Premium	434,215	2,614,608	2,848,622	2,666,428
Discounts	(14,354)	(4,829)	(3,720)	(2,611)
Certificates of Obligation	-	-	-	10,350,000
Tax notes	-	1,200,000	1,040,000	875,000
Special assessment bonds	-	-	-	-
Lease/subscription liabilities	-	-	-	-
Business-type activities:				
Certificates of Obligation	-	620,000	12,670,000	12,490,000
Premium	-	66,671	495,643	456,686
General Obligation Bonds	835,000	110,000	620,000	500,000
Lease/subscription liabilities	-	-	-	-
Total primary government	<u>\$38,169,861</u>	<u>\$40,271,450</u>	<u>\$51,170,545</u>	<u>\$58,910,503</u>
Debt as a percentage of personal income (1)	4.50%	4.48%	5.10%	5.92%
Debt per capita (1)	1,553	1,526	1,905	2,237

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 from "Demographics and Economic Statistics" schedule presented in this section.

TABLE 9

	2019	2020	2021	2022	2023	2024
\$	28,970,000	\$ 27,315,000	\$ 26,490,000	\$ 41,360,000	\$ 37,920,000	\$ 59,345,000
	2,467,981	2,269,534	2,071,087	3,488,111	3,211,450	5,033,141
	(2,437)	(1,264)	-	-	-	-
	10,080,000	9,800,000	9,505,000	9,200,000	8,885,000	8,555,000
	710,000	1,295,000	1,395,000	1,215,000	785,000	940,000
	-	15,415,000	15,240,000	26,904,000	26,322,000	25,887,000
	-	-	70,576	36,149	168,872	132,129
	12,265,000	12,035,000	11,795,000	11,545,000	11,140,000	10,725,000
	427,845	399,004	370,164	346,382	327,660	308,933
	380,000	255,000	130,000	-	-	-
	-	-	-	-	5,806	4,627
\$	<u>55,298,389</u>	<u>\$ 68,782,274</u>	<u>\$ 67,066,827</u>	<u>\$ 94,094,642</u>	<u>\$ 88,765,788</u>	<u>\$ 110,930,830</u>
	5.11%	7.27%	7.09%	7.82%	6.52%	6.72%
	2,205	2,737	2,647	3,307	3,028	3,639

CITY OF SACHSE, TEXAS

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
NET TAXABLE ASSESSED VALUE				
All property	\$ 1,424,592,045	\$ 1,635,609,749	\$ 1,873,284,967	\$ 2,158,595,689
NET BONDED DEBT				
Bonded debt ⁽¹⁾	38,169,861	39,071,450	50,130,545	58,035,503
Less: available debt service funds	<u>336,024</u>	<u>319,601</u>	<u>460,734</u>	<u>776,042</u>
Net Bonded Debt	<u>\$ 37,833,837</u>	<u>\$ 38,751,849</u>	<u>\$ 49,669,811</u>	<u>\$ 57,259,461</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	2.66%	2.37%	2.65%	2.65%
POPULATION	23,756	24,554	24,777	24,720
NET BONDED DEBT PER CAPITA	\$ 1,593	\$ 1,578	\$ 2,005	\$ 2,316

Note: Details regarding the City's outstanding 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.

TABLE 10

2019	2020	2021	2022	2023	2024
\$ 2,366,146,541	\$ 2,497,215,084	\$ 2,589,657,381	\$ 2,862,003,066	\$ 3,476,638,916	\$ 4,066,505,195
54,588,389	52,072,274	50,361,251	65,939,493	61,484,110	83,967,074
<u>831,218</u>	<u>890,680</u>	<u>1,089,344</u>	<u>1,165,246</u>	<u>1,415,879</u>	<u>1,672,832</u>
<u>\$ 53,757,171</u>	<u>\$ 51,181,594</u>	<u>\$ 49,271,907</u>	<u>\$ 64,774,247</u>	<u>\$ 60,068,231</u>	<u>\$ 82,294,242</u>
2.27%	2.05%	1.90%	2.26%	1.73%	2.02%
24,910	25,040	25,289	28,453	29,314	30,483
\$ 2,158	\$ 2,044	\$ 1,948	\$ 2,277	\$ 2,049	\$ 2,700

CITY OF SACHSE, TEXAS

TABLE 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2024

<u>Governmental Unit</u>	<u>Gross Bonded Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt (a x b)</u>
Debt repaid with property taxes			
Wylie I.S.D	\$ 645,210,971	12.70%	\$ 81,941,793
Garland I.S.D	1,111,765,000	7.58%	84,271,787
Collin County	841,715,000	0.63%	5,302,805
Dallas County	198,645,000	0.63%	1,251,464
Dallas County Hospital District	527,660,000	0.63%	3,324,258
Collin County Community College District	459,865,000	0.63%	2,897,150
Dallas College	318,675,000	0.63%	<u>2,007,653</u>
Subtotal, overlapping debt			<u>180,996,908</u>
City direct debt			<u>99,892,270</u>
Total direct and overlapping debt			<u>\$ 280,889,178</u>

Source: Municipal Advisory Council (MAC) of Texas

* 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.

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	
2015	23,756	\$ 837,779,096	\$ 35,266	57,436	14,557	3.6%
2016	24,554	839,648,584	34,196	57,418	14,280	3.6%
2017	24,777	937,214,802	37,826	58,059	15,138	3.2%
2018	24,720	942,870,240	38,142	57,517	16,466	3.0%
2019	24,910	1,082,065,490	43,439	56,471	17,252	3.0%
2020	25,040	946,587,120	37,803	55,701	17,230	5.5%
2021	25,289	945,328,109	37,381	53,921	17,482	3.8%
2022	28,453	1,202,822,122	42,274	53,674	18,210	2.9%
2023	29,314	1,360,990,392	46,428	52,767	18,850	3.6%
2024	30,483	1,650,166,722	54,134	51,659	19,231	3.7%

Sources: Estimated population as of January 1 of fiscal year provided by the North Central Texas Council of Governments.
 Per Capita Income as of July 1 of fiscal year provided by HomeTownLocator;
<https://texas.hometownlocator.com/tx/dallas/sachse.cfm>.
 School enrollment per District's Texas Academic Performance Report (TAPR) released annually by the Texas Education Agency (TEA).
 Unemployment information as of September 30 of fiscal year provided by the Texas Workforce Commission's Labor Market Information.



CITY OF SACHSE, TEXAS

TABLE 13

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Garland ISD	471	1	2.72%	486	1	4.41%
Wal-Mart Supercenter	300	2	1.73%	290	2	2.63%
Wal-Mart Neighborhood Market	200	3	1.16%	72	6	0.65%
City of Sachse	188	4	1.09%	150	4	1.36%
Wylie ISD	167	5	0.97%	125	5	1.13%
Trinity Regional Hospital	147	6	0.85%			
Kroger	116	7	0.67%	170	3	1.54%
Ariel Pointe of Sachse	113	8	0.65%			
Northplace Church	66	9	0.38%			
Whataburger	60	10	0.35%	55	7	0.50%
Oxford Glen Memory Care				49	8	0.44%
Barnyard Gate Daycare				36	9	0.33%
Bearfoot Lodge Daycare				30	10	0.27%
Total	1,828		10.57%	1,463		13.28%
Total City Employment	17,292			11,016		

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

CITY OF SACHSE, TEXAS

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government and adminstration	11.0	11.0	11.0	11.0	10.5	14.1
Public safety	85.0	85.0	88.0	89.0	92.0	88.5
Public works	10.0	10.0	11.0	11.0	11.0	10.0
Leisure services	15.0	15.0	16.0	16.0	16.5	17.4
Utility	21.0	21.0	21.0	22.0	22.0	23.5
Development services	11.0	12.0	11.0	11.0	11.0	10.0
Economic development	1.5	1.5	1.5	2.5	2.5	2.5
Total	<u><u>154.5</u></u>	<u><u>155.5</u></u>	<u><u>159.5</u></u>	<u><u>162.5</u></u>	<u><u>165.5</u></u>	<u><u>166.0</u></u>

Source: Adopted Budget

TABLE 14

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
14.1	19.0	24.1	24.0
88.5	90.0	94.5	100.5
9.8	14.0	13.5	15.0
17.4	23.0	19.4	27.0
23.5	15.0	15.5	14.0
10.3	9.0	10.0	11.0
2.5	2.0	2.0	2.0
<u>166.0</u>	<u>172.0</u>	<u>179.0</u>	<u>193.5</u>

CITY OF SACHSE, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018
Public safety				
Police				
Number of employees	50.0	52.0	51.0	51.0
Number of violations (citations)	3,846	1,879	2,155	2,272
Fire				
Number of employees	35	35	36	37
Number of volunteers	0	0	0	0
Number of fire runs	394	600	705	819
Number of EMS runs	909	1,187	1,359	1,359
Community Development				
Building permits issued	275	289	291	219
Cultural and recreational				
Parks and recreation				
Participants in parks programs	5,480	9,600	9,750	10,043
Participants in senior program	20,445	23,455	26,600	39,853
Community Center Memberships	0	0	0	0
Community Center Check-Ins	0	0	0	0
Library				
Volumes in collection	41,203	41,470	41,948	42,750
Utility				
Number of water connections	7,950	8,239	8,472	8,507
Number of sewer connections	7,468	7,384	7,972	8,105
Average daily water consumption ^a	2,412	2,573	2,386	2,458
Maximum storage capacity ^a	6.9	6.9	6.9	6.9

Sources: Various City departments.

^a Millions of gallons

TABLE 15

2019	2020	2021	2022	2023	2024
51.0	51.0	51.0	53.0	55.5	55.5
5,360	1,710	1,618	1,818	2,045	2,327
37	35	36	39	42	42
0	0	0	0	0	0
831	769	847	938	934	921
1,689	1,554	1,832	2,092	2,122	2,018
190	124	451	248	110	101
10,546	7,400	11,400	15,500	17,500	28,200
37,674	17,614	3,600	5,200	10,400	25,180
0	900	578	1,341	1,430	1,600
0	4,700	13,199	22,406	26,537	28,323
44,524	35,869	37,179	37,688	39,980	40,346
9,195	8,795	9,101	9,378	9,508	9,630
8,761	8,207	8,317	8,685	8,931	9,067
2,732	2,944	2,897	3,495	3,740	3,226
8.2	8.2	8.2	8.2	8.2	8.2

CITY OF SACHSE, TEXAS**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Last Ten Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public safety				
Police stations	1	1	1	1
Police patrol units	27	27	27	27
Fire stations	2	2	2	2
Police motorcycle units	2	2	2	2
Public works				
Alleys (miles)	18	18	19	19
Streets-paved (miles)	135	135	137	137
Cultural and recreational				
Parks (acres)	155	155	156	156
Playgrounds (1)	6	6	6	6
Library	1	1	1	1
Senior center	1	1	1	1
Utility				
Fire hydrants	970	935	970	970
Ground storage facilities	4	4	4	4
Elevated storage facilities	2	2	2	2
Lift stations	4	4	4	4

Sources: Various City departments.

(1) Does not include HOA playgrounds.

TABLE 16

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
25	26	27	27	28	26
2	2	2	2	2	2
2	2	2	2	2	0
19	19	20	22	24	24
130	122	129	163	165	165
149	160	160	165	169	179
6	6	7	9	9	11
1	1	1	1	1	1
1	1	1	1	1	1
1,011	996	1,025	1,248	1,256	1,281
4	4	4	4	4	4
3	3	3	3	3	3
5	6	6	6	6	6



CITY OF SACHSE, TEXAS
SINGLE AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

CITY OF SACHSE, TEXAS

TABLE OF CONTENTS

SEPTEMBER 30, 2024

	<u>Page Number</u>
Independent Auditor’s Report on Compliance for Each Major Federal Program, and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	1 – 3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4 – 5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditure of Federal Awards	7
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Audit Findings	9 – 10
Summary Schedule of Prior Audit Findings.....	11





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and
Members of City Council
City of Sachse, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Sachse, Texas' (the "City") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sachse, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 3, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 3, 2025





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

Honorable Mayor and
Members of City Council
City of Sachse, Texas

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 3, 2025.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 3, 2025

CITY OF SACHSE, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant (CDBG)	14.218	EN-24-21	\$ 125,460
Total U.S. Department on Housing and Urban Development			<u>125,460</u>
Total U.S. Department of Housing and Urban Development			<u>125,460</u>
<u>U.S. Department of Transportation</u>			
Passed through the Texas Department of Transportation:			
Highway Planning and Construction	20.205	N/A	<u>1,406,211</u>
Total Texas Department of Transportation			<u>1,406,211</u>
Total U.S. Department of Transportation			<u>1,406,211</u>
<u>U.S. Department of Treasury</u>			
Passed through the Texas Division of Emergency Management:			
Coronavirus State and Local Fiscal Recovery Fund	21.027	TX1914	<u>4,110,867</u>
Total Texas Division of Emergency Management			<u>4,110,867</u>
Total U.S. Department of Treasury			<u>4,110,867</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Texas Division of Emergency Management:			
Hazard Mitigation Grant Program	97.039	24-00144 26APR	<u>22,014</u>
Total Texas Division of Emergency Management			<u>22,014</u>
Total U.S. Department of Homeland Security			<u>22,014</u>
Total Expenditures of Federal Awards			<u>\$ 5,664,552</u>

The accompanying notes are an integral part of this schedule.

CITY OF SACHSE, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of the City of Sachse, Texas. The City's reporting entity is defined in Note I to the City's basic financial statements. Federal awards received directly from federal and state agencies as well as federal awards passed through other government agencies are included in the respective schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using modified accrual basis of accounting, which is described in Note I to the City's basic financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports as of September 30, 2024, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

4. INDIRECT COSTS

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

5. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the City were passed through to subrecipients.

CITY OF SACHSE, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Summary of the Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	2024-001; 2024-002
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major federal programs:	
<u>Assistance Listing Number(s):</u>	<u>Name of Federal Program or Cluster:</u>
21.027	COVID-19 - State and Local Fiscal Recovery Fund (ARP Act)
20.205	Federal Aid Highway Program (FHWA)
The dollar threshold used to distinguish between type A and type B federal programs.	\$750,000
Auditee qualified as low-risk auditee?	No

**Findings Relating to the Financial Statements Which
are Required to be Reported in Accordance With
Generally Accepted Government Auditing Standards**

2024-001; 2024-002

Findings and Questioned Costs for Federal Awards

None reported

CITY OF SACHSE, TEXAS

SUMMARY SCHEDULE OF AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Finding 2024-001 – Material Weakness

Criteria

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This system ensures the accuracy, completeness, and reliability of the financial statements.

Condition

Material revenues were recognized in the financial statements in a prior period. Upon review, these revenues should have been recognized in the current year. This required a restatement of the financial statements to correct the error.

Effect

Beginning governmental activities net position and governmental fund balance were overstated and revenues in the nonmajor governmental funds were understated by \$4,110,867 for the year ended September 30, 2024.

Recommendation

Management should perform a year-end review of the grant conditions and awards to ensure that revenue is recognized in the appropriate reporting period.

Management's Response

This instance of misapplication of revenue recognition principles initially occurred in fiscal year 2021, the fiscal year in which ARPA funds were first received. The following fiscal year, new members of management instituted new procedures to ensure detection of misapplication of revenue recognition principles. These new procedures allowed new management to discover the fiscal year 2021 instance of misapplication of revenue recognition principles, as well as any subsequent instances associated with these ARPA funds.

At the same time, in conjunction with the fiscal year 2022 audit, new management brought all prior instances of misapplication of revenue recognition principles associated with these funds to the attention of the then current auditors. The then current auditors determined that a correction was not necessary, so we did not adjust the general ledger.

Now, current auditors have determined that a correction to the general ledger is necessary, as management had suspected in fiscal year 2022. As a result, the City immediately corrected the general ledger by restating beginning net position and recognizing revenues.

However, no additional changes are needed as the processes instituted in fiscal year 2022 by then new, now current, management are sufficient to detect instances of misapplication of revenue recognition principles.

Finding 2024-002 – Material Weakness

Criteria

Management is responsible for the correct application of GASB standards, including GASB Statement No. 84, *Fiduciary Activities*. This ensures the accuracy, completeness, and reliability of the financial statements as it relates to fiduciary funds and the primary government as a whole.

Condition

In prior years the PID fund was reported as a fiduciary fund in the financial statements. Upon review, it was determined that the fund should have been classified as a governmental fund. This required a material restatement of beginning net position and fund balance in the financial statements.

Effect

Governmental activities long-term debt and governmental fund balance were both materially understated in the financial statements.

Recommendation

Management should conduct periodic reviews of fund classifications to ensure ongoing compliance with GASB standards.

Management's Response

The City immediately corrected the issue on the general ledger by restating beginning net position and moving the fund to the appropriate combining statements in the report. Management will ensure that staff receive the necessary training and that a thorough review process is established to prevent future misclassifications.

CITY OF SACHSE, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

None