

# Agenda

# CITY OF NEVADA

424 E FM 6 NEVADA, TX 75173 | 972-853-0027



## AGENDA COUNCIL MEETING

Tuesday, February 7, 2023  
7:00PM at City Hall

Mayor – Ben Ponce

Council Member Place 1 – Mike Laye  
Council Member Place 2– Donald Deering  
Council Member Place 3– Kerrie Longoria

Council Member Place 4 – Karl Fisher  
Council Member Place 5 – John McBride

### REGULAR MEETING

1. Call to Order and Declaration of Quorum

Time: \_\_\_\_\_

2. Invocation

3. Pledge of Allegiance to the United States of America

*I pledge Allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with Liberty and Justice for all.*

4. Pledge of Allegiance to the Texas Flag

*Honor the Texas flag, I pledge allegiance to thee, Texas, one state under God, one and indivisible.*

5. Public Comment

*Citizens are invited to address the City Council with public comments. Comments regarding items for which notice has not been given will be limited to three minutes, prior to discussion of agenda items, and Council responses shall be in accordance with Sec. 551.042 of the Texas Government Code. Comments regarding an item on the agenda may be given before or during discussion of that item. An intentional act intended to disrupt a Government meeting is prohibited.*

## **REPORTS**

### **6. Reports:**

- a. City Secretary Report
- b. Code Enforcement Report
- c. Financial Report (2<sup>nd</sup> Council Meeting)
- d. Mayor Pro Tem Report
- e. Mayor's Report/Status
- f. NVFD Report (2<sup>nd</sup> Council Meeting)

## **CONSENT AGENDA: ACTION**

### **7. Approval of previous meeting's minutes- January 17, 2023, Minutes**

## **REGULAR AGENDA**

- 8. Discuss and take appropriate action on the audit conducted by Murrey, Paschall & Caperton, P.C.  
Summary: Certified Public Accountant with Murrey, Paschall & Caperton, P.C., Kyle Caperton will speak on this agenda item.
- 9. Discuss and take appropriate action on Resolution No. 020723, a resolution of the city council of the city of Nevada, Collin County, Texas, terminating the positions of City Fire Marshall and Deputy Fire Marshall of the City of Nevada; providing a severability clause; providing a repealing clause and providing for an effective date.  
Summary: City Secretary Waters has been working with City Attorney Shepherd and the General Manager of BCCS, Jennifer Allen on the contract which includes Fire Inspections. BCCS is reading the contract amendments, will sign and send back to him.
- 10. Discuss and take appropriate action on the application/petition for annexation of approximately 91.8 acres of property generally located at the corner of County Road 591 and County Road 592, Nevada, Texas 75173, also known as the "Ranchettes of Nevada".
- 11. Discuss and take appropriate action on the Texas Municipal Retirement System Ordinance No. 020723, an ordinance providing for the participation in the Texas Municipal Retirement System and the supplemental death benefits fund by the city of Nevada Texas; and to make current service and prior service contributions to the city's account in the benefit accumulation fund of the Texas municipal retirement system at the actuarially determined rate of total employee compensation.
- 12. Discuss and take appropriate action the Telecom City Sales Tax.  
Summary: City Attorney Shepherd to speak on this agenda item.

## FUTURE AGENDA ITEMS

### 13. Future Agenda Items

*Future agenda items shall be designated by the Mayor. In addition, a motion and a second from any two Councilpersons shall be sufficient to add an agenda item for a future meeting. Staff and counsel shall have prior consent of the Mayor to add an agenda item for a future meeting.*

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### 14. Executive Session - Time: \_\_\_\_\_

*Texas Government Code 551.074 Personnel---deliberation regarding the City Secretary and City Clerk's positions or other personnel for city staff.*

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

*Texas Govt. Code 551.071 of the Texas Government Code legal advice from the City Attorney, regarding legal process requirements for the **Nevada Economic Development Corporation**.*

### 15. Regular Session: Reconvene from Executive Session - Time: \_\_\_\_\_

### 16. If required, act on items reviewed in Executive Session.

### 17. Adjournment / Closing - Time: \_\_\_\_\_

*NOTE: The City of Nevada, Texas, City Council meets regularly on the first and third Tuesday of each month at 7:00 P.M. The Council adheres to the printed Agenda for official action. Any individuals desiring official action on a matter should submit a request for the item to be considered for inclusion on a future Agenda to the office of the City Secretary no later than fourteen (14) days prior to the Council Meeting.*

## CERTIFICATION

This meeting will be conducted pursuant to the Texas Government Code Section 551.001 et seq. At any time during the meeting, the Council reserves the right to adjourn into executive session on any of the above-posted agenda items in accordance with the sections 551.071 [litigation and certain consultation with attorney], 551.072 [acquisition of an interest in real property], 551.073 [contract for gift to City], 551.074 [certain personnel deliberations] or 551.076 [deployment/ implementation of security personnel or devices] 551.087 [deliberation regarding economic development negotiations]. The

City of Nevada is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. **Please call the City Secretary at (469) 788-7610 Ext: 102 for information.**

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other city boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the other boards, commissions and/or committees shall not deliberate or decide any matters relating to items listed on this agenda and no minutes shall be prepared.

A member or member of the government body holding this meeting may attend via videoconference pursuant to the provisions of Tex. Gov't Code 551.127. In the event that a member or members of the government body holding this meeting attend via videoconference, a quorum of the government body holding this meeting will be physically present at the location identified above.

I certify that the above agenda for this meeting of the City Council of the City of Nevada, Texas, was posted on the bulletin board at City Hall, in Nevada, Texas, on **Friday, February 3, 2023, by 5:00 pm** pursuant to Chapter 551 of the Texas Government Code.

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Douglas "Deuce" Waters II, City Secretary

**Agenda Item #6 a.**  
**City Secretary's**  
**Report**

**Documents will be  
available at the City  
Council meeting.**

**Agenda Item #6 b.**

**Code**

**Enforcement**

**Report**



## Code Enforcement Activity

Nevada

01/01/2023 - 01/31/2023

Date	Violation	Violation Status	Next Inspection Date	Notes	Code Enforcement Officer	Corrections
<b>22NEV-00001 - Center St, Nevada, TX 75173 - Open</b>						
1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>22NEV-00002 - 201 Center, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
1/3/2023	Trees, Shrubs and Other Vegetation	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trees must kept at a minimum height of seven (7) feet above the sidewalk and twelve (12) feet above the street.
<b>22NEV-00004 - 308 Kerens St, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00006 - 409 Kerens, Nevada, TX 75173 - Open</b>						
1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>22NEV-00007 - 324 Collin Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	

22NEV-00008 - 316 Collin Street, Nevada, TX 75173 - Closed

1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	
1/3/2023	Trees, Shrubs and Other Vegetation	Passed Inspection			Stephanie Flores TSBPE I-3516	

22NEV-00009 - Collin Street, Nevada, TX 75173 - Closed

1/3/2023	Trash and Debris	Passed Inspection		Stephanie Flores TSBPE I-3516
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22NEV-00010 - 205 Collin Street, Nevada, TX 75173 - Closed

1/3/2023	Junk Vehicles	Passed Inspection			Stephanie Flores TSBPE I-3516	
1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	

22NEV-00011 - 117 Warren Street, Nevada, TX 75173 - Open

1/3/2023	Junk Vehicles	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.

22NEV-00012 - 202 South Farm To Market 1138, Nevada, TX 75173 - Open

1/3/2023	Junk Vehicles	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.

22NEV-00013 - 116 South Fm 1138, Nevada, TX 75173 - Closed

1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	
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22NEV-00014 - 130 Maple Circle, Nevada, TX 75173 - Closed

1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
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22NEV-00015 - 210 Maple Circle, Nevada, TX 75173 - Closed

1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00016 - 240 Maple Circle, Nevada, TX 75173 - Closed</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00017 - 251 Maple Circle, Nevada, TX 75173 - Closed</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00018 - 263 Maple Circle, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	Vehicles/trailers must be parked on approved hard surface.
1/3/2023	Unsanitary Conditions	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00021 - 216 Farm to Market 6, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface. This includes all vehicles parked on grass.
<b>22NEV-00023 - 509 Water Fall Lane, Nevada, TX 75173 - Closed</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00024 - 505 Water Fall Lane, Nevada, TX 75173 - Closed</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00025 - Farm to Market 6, Nevada, TX 75173 - Closed</b>						
1/3/2023	Weeds	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00027 - 121 Center Street, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.

1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
1/9/2023	Property Maintenance	Complaint Filed	1/3/2023		Stephanie Flores TSBPE I-3516	house in disrepair
1/9/2023	Property Maintenance	Failed Inspection - Violation Notice	2/20/2023		Stephanie Flores TSBPE I-3516	Residence must be maintained and all disrepair fixed. Including but not limited to rotting wood, broken windows, etc.
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash in yard
1/3/2023	Trash and Debris	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>22NEV-00030 - 327 Kerens Street, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	pickup parked in backyard
1/3/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable. Pickup in back of house must be operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
<b>22NEV-00038 - 208 Kerens Street, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.

1/3/2023	Trash and Debris	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>22NEV-00041 - 120 Warren Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00042 - 125 Center Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trash and Debris	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00045 - Collin Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trees, Shrubs and Other Vegetation	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00046 - Collin Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trees, Shrubs and Other Vegetation	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00048 - Collin Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trees, Shrubs and Other Vegetation	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00049 - 200 Warren Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trees, Shrubs and Other Vegetation	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>22NEV-00050 - 638 S 1138, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Failed Inspection - Friendly Reminder	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Friendly Reminder	1/10/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
<b>22NEV-00051 - 410 Water Fall Ln, Nevada, TX 75173 - Closed</b>						
1/9/2023	Grading and Drainage	Passed Inspection			Stephanie Flores TSBPE I-3516	
<b>23NEV-00001 - 170 Maple Cir, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	parking in yard
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.

**23NEV-00002 - 181 Maple Cir, Nevada, TX 75173 - Open**

1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	parking in the yard
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved surface.

**23NEV-00003 - West St, Nevada, TX 75173 - Open**

1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash and tree debris in front of location
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.

**23NEV-00004 - 200 West Street, Nevada, TX 75173 - Open**

1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash and tree debris in front of location
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.

**23NEV-00005 - 111 Center St, Nevada, TX 75173 - Open**

1/3/2023	Junk Vehicles	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	inoperable vehicles
1/9/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash and debris
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.

**23NEV-00006 - Center Street, Nevada, TX 75173 - Open**

1/3/2023	Weeds	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	high weeds
1/3/2023	Weeds	Failed Inspection - Violation Notice	1/17/2023		Stephanie Flores TSBPE I-3516	All grass and weeds must be maintained under 12 inches at all times.
<b>23NEV-00007 - 121 Center Street, Nevada, TX 75173 - Closed</b>						
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash in yard
1/3/2023	Trash and Debris	Passed Inspection		created in	Stephanie Flores TSBPE I-3516	
<b>23NEV-00008 - 306 S FM 1138, Nevada, TX 75173 - Open</b>						
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash and debris in the yard
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>23NEV-00009 - 302 Kerens St, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	inoperable vehicle
1/9/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	parking on grass
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	trash on property
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All trash and debris must be disposed of properly and removed from public view.
<b>23NEV-00010 - 312 Kerens St, Nevada, TX 75173-7116 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	parking on grass

1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00011 - 317 Kerens St, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking on grass
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00012 - 424 Kerens Street, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	inoperable vehicle
1/9/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
1/3/2023	Trash and Debris	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	trash in yard
1/9/2023	Trash and Debris	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All trash and debris must be disposed of properly and removed from public view.
<b>23NEV-00013 - 435 Kerens St, Nevada, TX 75173 - Open</b>						
1/3/2023	Junk Vehicles	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	inoperable vehicle on property
1/9/2023	Junk Vehicles	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must have current registration and operable.
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard



1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00014 - 402 Collin Street, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00015 - 322 Collin St, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00016 - 321 Collin St, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00017 - 312 Collin St, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I- 3516	parking in yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I- 3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00018 - S FM 1138, Nevada, TX 75173 - Open</b>						
1/9/2023	Property Maintenance	Complaint Filed	1/3/2023		Stephanie Flores TSBPE I- 3516	house in disrepair

1/9/2023	Property Maintenance	Failed Inspection - Violation Notice	2/20/2023		Stephanie Flores TSBPE I-3516	Residence must be maintained and all disrepair fixed. Including but not limited to rotting wood, broken windows, etc.
1/3/2023	Weeds	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	grass over 12 inches
<b>23NEV-00019 - 110 S FM 1138, Nevada, TX 75173 - Open</b>						
1/3/2023	OFF-STREET PARKING REQUIREMENTS	Complaint Filed	1/4/2023		Stephanie Flores TSBPE I-3516	boat in the yard
1/9/2023	OFF-STREET PARKING REQUIREMENTS	Failed Inspection - Violation Notice	1/23/2023		Stephanie Flores TSBPE I-3516	All vehicles must be parked on an approved hard surface.
<b>23NEV-00020 - S Warren St, Nevada, TX 75173 - Open</b>						
1/9/2023	Property Maintenance	Complaint Filed	1/3/2023		Stephanie Flores TSBPE I-3516	church in disrepair
1/9/2023	Property Maintenance	Failed Inspection - Violation Notice	2/20/2023		Stephanie Flores TSBPE I-3516	Church must be maintained and all disrepair fixed. Including but not limited to rotting wood, broken windows, etc.

**Agenda Item #6 d.**  
**Mayor Pro Tem**  
**Report**

# **Agenda Item #6 e.**

## **Mayor's Report**

# **Agenda Item # 7**

**Documents will be  
available at the City  
Council meeting.**

# **Agenda Item # 8**

CITY OF NEVADA, TEXAS  
AUDITED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

MURREY PASCHALL & CAPERTON, P.C.  
Certified Public Accountants



CITY OF NEVADA, TEXAS  
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SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Nevada, Texas  
Nevada, Texas

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of the City of Nevada, Texas ("City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of the City of Nevada, Texas, as of September 30, 2022, 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. 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 of Nevada, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 of Nevada, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## 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 generally accepted 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 generally accepted 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 of Nevada, Texas' 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 of Nevada, Texas' 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, and budgetary comparison information on pages 5-11 and 25-28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

*Murrey Paschall & Caperton, PC*

Murrey, Paschall & Caperton, P.C.

*Certified Public Accountants*

Forney, Texas

January 12, 2023

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

Within this section of the City of Nevada, Texas annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government.

#### FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$1,911,751 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$1,607,118.
- Total net assets are comprised of the following:
  - (1) Capital assets of \$534,201.
  - (2) Unrestricted net assets of \$699,279 represent the portion available to maintain the City's obligations to citizens and creditors.
  - (3) Restricted for ARPA grant funds of \$311,775.
  - (4) Restricted for community development of \$366,496.
- The City's governmental funds reported total ending fund balance of \$1,011,054 this year. This compares to the prior year fund balance of \$749,249, which is an increase of \$261,805.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide financial statements is the *Statement of Net Assets*. This is a citywide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, the

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

increases or decreases of net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide financial statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenue and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish the governmental activities of the City that are principally supported by taxes and fees and on occasion grants from state and federal sources. Governmental activities include general government, public safety, public services, and culture. Business-type activities include airports, water utilities, solid waste management, storm water drainage, golf courses, fairgrounds and stadiums, ground transportation, and parking. Fiduciary activities such as employee pension plans are not included in government-wide statements since these assets are not available to fund City programs. The City currently has no business-type or fiduciary activities.

The City's financial reporting entity includes the funds of the City (primary government) and organizations for which the City is accountable (component units). The City has only one component unit, the Nevada Economic Development Corporation. Established August 31, 2005, the Economic Development Corporation operates independently from the City yet the City is accountable for its activities. The Nevada City Council appoints the Board of Directors. More comprehensive information about the City's component unit can be found in Note A on page 18.

The government-wide financial statements are presented on pages 12-13 of this report.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated by specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City taken as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. All of the funds of the City of Nevada, Texas are governmental funds.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with the fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of expendable resources during the year and balances of

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

expendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of expendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide reconciliation to the government-wide statements to assist in understanding the differences between the two perspectives.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Budgetary comparison statements are included in the basic financial statements for the general fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The budgetary comparison statements can be found on page 25-28 of this report.

#### NOTES TO FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements on page 18 of this report.

#### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

Comparative data is accumulated and presented to assist analysis. The City's net assets at fiscal year-end are \$1,911,751. This is a \$304,633 increase from last year's net assets of \$1,607,118.

A portion of the City's net assets (27.94%) reflects its investments in capital assets (e.g. building, streets and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net assets represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$699,279, may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

The following table provides a summary of the City's net assets at September 30:

Summary of Net Assets

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 1,725,861	\$ 1,240,191
Capital assets	<u>534,201</u>	<u>554,298</u>
Total assets	<u>2,260,062</u>	<u>1,794,489</u>
Current liabilities	<u>348,311</u>	<u>187,371</u>
Total liabilities	<u>348,311</u>	<u>187,371</u>
Net assets:		
Invested in capital assets, net of related debt	534,201	554,298
Restricted – ARPA grant	311,775	155,733
Restricted - EDC	366,496	303,571
Unrestricted	<u>699,279</u>	<u>593,516</u>
Total net assets	\$ <u>1,911,751</u>	\$ <u>1,607,118</u>

The City reported positive balances in net assets for its governmental activities. Net assets increased by \$304,633.

Revenue and expenditures exceeded budgeted projections for the 2022 fiscal year.

- *Property tax revenues amounted to 40.56% of the City's total revenue.*
- *Permits and plat fee revenues amounted to 18.66% of the City's total revenue.*
- *The City's revenue relies partly on sales tax revenues. Sales tax revenues comprised 20.96% of the City's total revenue.*
- *The City also benefits from franchise fee revenues. Franchise fee revenues comprised 8.68% of the City's total revenue*

Investment income in the form of interest earned on bank and CD accounts is also a component of the resources funding the City's continuing operations and service levels. Occasionally the City will receive a developer contribution for a land agreement or other development infrastructure. During FY2022, the City received \$100,000 from the Elevon development to annex 22 acres. Earnings performance and market status are carefully monitored and remain stable.



CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net assets for the year ended September 30:

Summary of Changes in Net Assets  
Governmental Activities

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
General Revenues:				
Property taxes	\$ 365,202	40.55	\$ 219,453	37.72
Sales taxes	188,749	20.96	143,503	24.67
Franchise fees	78,144	8.68	59,146	10.17
Permits, fines & plat fees	168,048	18.67	159,416	27.40
Interest & other income	100,355	11.14	217	0.04
Total revenues	900,498	100.00	581,735	100.00
Expenses:				
General government	\$ 143,152	24.02	\$ 134,996	20.21
City council	3,401	0.57	2,685	0.40
Public safety	43,879	7.36	190,695	28.54
Payroll expense	124,543	20.90	126,845	18.99
Planning & development	102,561	17.22	93,112	13.94
Streets & roads	23,200	3.89	58,777	8.80
Inspections	131,213	22.02	38,384	5.75
Municipal court	3,819	0.65	2,480	0.37
Depreciation	20,097	3.37	20,097	3.01
Total expenses	595,865	100.00	668,071	100.00
Increase in net assets before transfers:	304,633		(86,336)	
Transfers in	-		-	
Change in net assets	304,633		(86,336)	
Beginning net assets	1,607,118		1,693,454	
Prior period adjustment	-		-	
Ending net assets	\$ 1,911,751		\$ 1,607,118	

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of expendable resources. Governmental funds reported ending fund balances of \$1,377,550. Of this year-end total, approximately \$699,279 is unassigned indicating availability for continuing City service requirements.

### *Major Governmental Funds*

The general fund is the City's primary operating fund. The fund balance of \$1,011,054 is comprised of the unassigned general funds and restricted ARPA grant funds totaling \$311,775.

Other governmental funds consist of the Economic Development Corporation. The Economic Development Corporation is responsible for collecting the one-half percent sales tax to be used for parks and/or economic development. The Economic Development Corporation fund amounted to \$366,496 of the combined governmental fund balances. The Economic Development Corporation made no contributions to the City during the fiscal year ending September 30, 2022.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget for fiscal year 2022 was \$629,276 for expenditures. The general fund budget complied with financial policies approved by the City Council and maintained core services.

Budgetary comparisons are found on pages 25-28 of this report.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental activities, net of depreciation, as of September 30, 2022 is \$534,201. These include land, buildings, improvements, office furniture and equipment. Depreciation expense for the year ended September 30, 2022 amounted to \$20,097.

Additional information regarding the City of Nevada's capital assets can be found in Note D on page 22.

## ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGETS AND RATES

Management believes the City of Nevada will continue to experience controlled growth with the addition of residential developments and will continue to provide the services necessary to the citizens.

CITY OF NEVADA, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

General Fund expenses for the 2022-2023 fiscal year are budgeted to increase 26% in total because of development growth, legal fees, police service, street and road repairs. Property taxes are estimated to be \$370,536 which will make up about 47% of general fund revenues.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the City's finances, comply with finance related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City office at 424 FM 6, Nevada, TX 75173, (972) 853-0027.

CITY OF NEVADA, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2022

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,646,138
CD Investments	24,696
Sales taxes receivable	53,936
Other current assets	1,091
Total Current Assets	<u>1,725,861</u>
Non-Current Assets	
Capital assets, net of accumulated depreciation	<u>534,201</u>
Total Non-Current Assets	<u>534,201</u>
TOTAL ASSETS	<u>2,260,062</u>
LIABILITIES	
Current Liabilities	
Accounts payable	36,211
Deferred grant income	311,775
Payroll taxes	325
Total Current Liabilities	<u>348,311</u>
TOTAL LIABILITIES	<u>348,311</u>
NET ASSETS	
Invested in capital assets, net of related debt	534,201
Restricted for ARPA grant special fund	311,775
Restricted for community development	366,496
Unrestricted	<u>699,279</u>
TOTAL NET ASSETS	<u>\$ 1,911,751</u>

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

CITY OF NEVADA, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Net (Expense) Revenue
Primary government:			
Governmental activities:			
General government	\$ 143,152	\$ -	\$ (143,152)
City council	3,401	-	(3,401)
Public safety	43,879	-	(43,879)
Payroll expense	124,543	-	(124,543)
Planning & development	102,561	4,668	(97,893)
Streets & roads	23,200	-	(23,200)
Inspections	131,213	163,380	32,167
Municipal court	3,819	-	(3,819)
Depreciation	20,097	-	(20,097)
Total governmental activities	<u>595,865</u>	<u>168,048</u>	<u>(427,817)</u>
Total primary government	<u>\$ 595,865</u>	<u>\$ 168,048</u>	<u>\$ (427,817)</u>
General Revenues:			
Property taxes			365,202
Sales taxes			188,749
Franchise fees			78,144
Interest and other income			<u>100,355</u>
Total general revenues			<u>732,450</u>
Change in net assets			304,633
Net assets-beginning			<u>1,607,118</u>
Net assets-ending			<u><u>\$ 1,911,751</u></u>

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

CITY OF NEVADA, TEXAS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

	General	Economic Development Corporation	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,315,672	\$ 330,466	\$ 1,646,138
CD Investments	12,837	11,859	24,696
Sales taxes receivable	53,936	-	53,936
Other current assets	1,091		1,091
Due to/from other funds	<u>(24,171)</u>	<u>24,171</u>	<u>-</u>
Total Assets	<u>\$ 1,359,365</u>	<u>\$ 366,496</u>	<u>\$ 1,725,861</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 36,211	\$ -	\$ 36,211
Deferred grant income	311,775	-	311,775
Payroll taxes	<u>325</u>	<u>-</u>	<u>325</u>
Total Liabilities	<u>348,311</u>	<u>-</u>	<u>348,311</u>
<b>Fund Balances</b>			
Restricted for:			
ARPA grant special fund	311,775	-	311,775
Community development	-	366,496	366,496
Unassigned	<u>699,279</u>	<u>-</u>	<u>699,279</u>
Total Fund Balances	<u>1,011,054</u>	<u>366,496</u>	<u>1,377,550</u>
Total Liabilities and Fund Balance	<u>\$ 1,359,365</u>	<u>\$ 366,496</u>	<u>\$ 1,725,861</u>

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

CITY OF NEVADA, TEXAS  
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENT FUNDS  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2022

Total fund balance - total governmental funds	\$ 1,377,550
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$803,341 net of depreciation of \$269,140 are not financial resources and, therefore, are not reported in the funds. See note D for detail.	<u>534,201</u>
Net Assets of governmental activities	<u>\$ 1,911,751</u>

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

CITY OF NEVADA, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Fund Types		
	General	Economic Development Corporation	Total Governmental Funds
REVENUES			
Property taxes	\$ 365,202	\$ -	\$ 365,202
Sales taxes	125,833	62,916	188,749
Franchise fees	78,144	-	78,144
Permits, fines and plat fees	168,048	-	168,048
Interest and other income	100,346	9	100,355
	<u>837,573</u>	<u>62,925</u>	<u>900,498</u>
Total Revenues			
EXPENDITURES			
General government	143,152	-	143,152
City council	3,401	-	3,401
Public safety	43,879	-	43,879
Payroll expense	124,543	-	124,543
Planning & development	102,561	-	102,561
Streets & roads	23,200	-	23,200
Inspections	131,213	-	131,213
Municipal court	3,819	-	3,819
Investment in fixed assets	-	-	-
	<u>575,768</u>	<u>-</u>	<u>575,768</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	261,805	62,925	324,730
Fund Balances, beginning	<u>749,249</u>	<u>303,571</u>	<u>1,052,820</u>
Fund Balances, ending	<u>\$ 1,011,054</u>	<u>\$ 366,496</u>	<u>\$ 1,377,550</u>

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



CITY OF NEVADA, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	\$ 324,730
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is	<u>(20,097)</u>
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Changes in net assets of the governmental activities	<u><u>\$ 304,633</u></u>
--	--------------------------

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

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices of the City of Nevada, Texas (City) are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of the City's activities for the fiscal year ended September 30, 2022.

Reporting Entity

The City of Nevada, Texas (the "City") was founded in 1861 and is located two miles east of Lavon Lake in southeastern Collin County. The City is a Type A General-Law city, in which citizens elect the mayor and five members of the City Council. The financial statements of the City of Nevada, Texas have been prepared in conformity with accounting principles applicable to governmental units, which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Component Unit

The accompanying financial statements of the City include the accounts of its operations and present the City's primary government and component unit over which the City exercises significant influence. Significant influence or accountability is based on operational or financial relationships with the City (as distinct from legal relationships). The City adopted a local sales and use tax of 1.5% and designated 0.5% for economic development. The City collects these taxes and remits this portion to the Nevada Economic Development Corporation (the "Corporation"). The Economic Development Corporation has the same fiscal year end as the City.

The City applied the criteria set forth in GASB Statement No. 14 to determine whether any other entities should be included in the comprehensive annual financial report. Criteria set forth in this standard include, but are not limited to, the legal status of the organization, the City's ability to impose its will on the organization, fiscal dependency of the organization and the City's financial accountability for the operations of the component unit.

The component unit's operations are reported in the City's financial statements as blended with the primary government. The Nevada Economic Development Corporation is considered a Type B corporation. Type B corporations may pay for land, buildings, equipment, facilities, targeted infrastructure and improvements for professional and amateur sports and athletic facilities, tourism and entertainment facilities, convention facilities and public parks; related store, restaurant, concession, parking and transportation facilities; related street, water and sewer facilities; and affordable housing.

Separate financial statements of the Nevada Economic Development Corporation are not issued.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

*Government-wide financial statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government units are presented separately in the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and City revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. Major governmental funds are reported in separate columns with composite columns for non-major funds. The City uses a general fund and special revenue funds.

*Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statement uses the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Financial statements of the component unit also report using this same basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within sixty days of the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: property taxes, sales and use taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Allocation of indirect expenses: The City currently has no indirect expenses.

Estimates – The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

*Fund Types and Major Funds*

The City reports a general fund and a component fund, the EDC discussed above.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

*Other Significant Accounting Policies*

Receivables – Sales taxes are collected and paid out by the comptroller typically within two months of collection. As such, the City records payments received within 60 days of year end as accounts receivable.

Capital Assets – The City’s capital assets with useful lives of more than one year are stated at historical cost if purchased or constructed and comprehensively reported in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. The City generally capitalizes assets with cost of \$5,000 or more as purchase outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets held by the City are depreciated using the straight-line method over periods of between 5 and 39 years.

Impairment of Long-lived Assets – The City reviews potential impairments of long-lived assets when there is evidence that events or changes in circumstances have made the recovery of an asset’s carrying value unlikely. An impairment loss is recognized if the sum of the expected, undiscounted future cash flows is less than the net book value of the asset. Generally, the amount of the impairment loss is measured as the excess of the net book value of the assets over the estimated fair value. As of September 30, 2022, no impairment of long-lived assets is necessary.

Fund Equity – Beginning with the fiscal year 2011, the City implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or enabling legislation.

*Unassigned fund balance* – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification as the result of overspending for specific purposes for which amount had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned, in order as needed.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are prepared by the city council and city secretary. The city secretary serves as the primary budget officer. The budget officer prepares each year a budget to cover the proposed expenditures of the municipal government for the succeeding year. In preparing the budget, the budget officer may require any municipal officer or Council member to furnish information necessary for the budget officer to properly prepare the budget. The proposed budget is available for inspection by any taxpayer. A public hearing on the proposed budget is held. Public notice of the hearing is provided for according to Texas statute. After the public hearing, action is taken on the proposed budget. The governing body may make any changes it considers warranted by law or in the best interest of the municipal taxpayers. Upon final approval of the budget by the Council, the Council files the budget with the municipal clerk. The budget of the general fund is prepared on the cash and expenditures/encumbrances basis.

The appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by class as follows: General government, city council, public safety, payroll expense, planning & development, streets & roads, inspections, municipal court and investment in fixed assets.

For the fiscal year ended September 30, 2022, the general fund expenses did exceed budgeted expectations, specifically in the area of legal fees, accounting services, and inspections.

NOTE C – DEPOSITS AND INVESTMENTS

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year-end the City's accounts are at a federally insured institution and the balances amounted to \$1,670,834. This entire amount is covered by federal depository insurance and collateral pledged in the City's name.

Investments – The Texas Public Funds Investment Act and the City's investment policy authorize the City to invest in specific types of investments, including certificates of deposit.

Currently, all investments are held in certificates of deposit. The City's certificates of deposit are not rated.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

NOTE D – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2022:

<u>Asset</u>	<u>Balance—</u> <u>9/30/21</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance—</u> <u>9/30/22</u>
Office Equipment	\$ 2,461	\$ -	\$ -	\$ 2,461
Building	31,534	-	-	31,534
Streets	761,846	-	-	761,846
Land	7,500	-	-	7,500
Accm Depreciation	<u>(249,043)</u>	<u>(20,097)</u>	<u>-</u>	<u>(269,140)</u>
Total Fixed Assets	<u>\$ 554,298</u>	<u>\$ (20,097)</u>	<u>\$ -</u>	<u>\$ 534,201</u>

\*Fair value of existing assets was considered and there were no impairments to record.

\*\* There were no capital asset additions during the current year.

NOTE E – COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

- In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not applicable

Deficit Fund Balance or Fund Net Position of Individual Funds

- Following are funds having deficit fund balances or net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None Reported	Not applicable

Budgets and Budgetary Accounting

- The Texas Uniform Budget Law requires each mayor or city manager to prepare a budget each year to cover all the expenditures of the municipality for the succeeding year. The budget should be prepared at least thirty days prior to the setting of a tax levy by the city. Not less than fifteen days prior to the levying of taxes a public hearing should be held, after being duly advertised. After this the Council should adopt the budget. The City complied with state requirements.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

NOTE F – FEDERAL AND GRANT REVENUE

GRANT - CLFRF

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Under the American Rescue Plan Act (ARPA) of 2021, the Coronavirus Local Fiscal Recovery Fund (CLFRF) provides emergency funding for eligible local governments. The U.S. Treasury manages the distribution of these funds to Texas counties and cities with populations above 50,000. Cities, villages, towns, and townships serving populations of less than 50,000 are classified as non-entitlement units of local government (NEUs) and will receive funding distributed by TDEM.

The City of Nevada was awarded a total of \$311,775. Half of this balance was released to the City in August 2021 and the remaining portion was released in September 2022. The City did not spend any of these funds prior to year end.

The City is currently trying to confirm an approved project for the funds. As such, these remaining funds (\$311,775) were included in the financials as a deferred grant revenue liability and should be released to income in FY2023 when the funds are spent.

NOTE G. PROPERTY TAXES

Property taxes are levied by October 1 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. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those expected to be collected during a 60-day period after the close to the City's fiscal year.

NOTE H – OTHER INFORMATION

1. 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; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims, if any, have not exceeded this commercial coverage in any of the past three fiscal years.

CITY OF NEVADA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

2. Commitments

*Public Safety*

- Fire: The City has an agreement with the Nevada Volunteer Fire Department to provide fire protection services to residents in the Nevada.
- Police: The City had an agreement with the Collin County Sherriff Department in FY2022.
- Emergency: The City has an agreement with Collin County to provide Ambulance Service.

*Infrastructure*

- During FY2022, the City contracted with Streamline Property Maintenance for various road repairs.

*Utilities*

- Sewer is not provided by the City. Septic systems are individually owned and maintained personally by residents.
- Water is provided by Nevada Special Utility District.
- Electric service is deregulated and anyone that services the area may be chosen.
- Gas service is not provided by the City. Residents may privately own propane tanks for their personal use or can utilize the services of Atmos Energy.
- Trash collection is not provided by the City. However, the City has contracted with Barnes Waste Disposal, Inc. for trash pickup for the City residents and businesses.

3. Subsequent Event

- Currently management is unaware of significant pending litigation against the City.
- The City has evaluated all events or transactions that occurred after September 30, 2022 up through January 12, 2023, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.



CITY OF NEVADA, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUE			
City Sales Taxes	125,831	95,000	30,831
Franchise Fees			
Electric Franchise Fee	55,016	66,000	(10,984)
Gas Franchise Fee	4,953	4,000	953
Telephone Franchise Fee	969	1,000	(31)
Trash Service Franchise Fee	17,206	4,000	13,206
Total Franchise Fees	<u>78,144</u>	<u>75,000</u>	<u>3,144</u>
Other Revenue			
Interest Income	40	-	40
Developer Donation	100,000	-	100,000
Miscellaneous Income	308	70	238
Property Taxes			
General Property Taxes	365,202	361,206	3,996
Total Property Taxes	<u>365,202</u>	<u>361,206</u>	<u>3,996</u>
Total Revenue from Administration	<u>669,525</u>	<u>531,276</u>	<u>138,249</u>
Permit Fees			
Building Permit Fees	131,539	33,000	98,539
Health/Food Permit Fees	700	500	200
Subdivision/Development Fees	4,669	55,000	(50,331)
Septic Permit Fees	30,980	7,000	23,980
Permit Fees - Other	160	2,500	(2,340)
Total Permit Fees	<u>168,048</u>	<u>98,000</u>	<u>70,048</u>
TOTAL REVENUE	<u>837,573</u>	<u>629,276</u>	<u>208,297</u>

See Independent Auditor's Report

CITY OF NEVADA, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
EXPENDITURES			
City Council Expenses			
Council Meeting Supplies	21	-	21
Dues and Memberships	630	600	30
Election Fees and Supplies	2,750	2,500	250
Total City Council Expenses	<u>3,401</u>	<u>3,100</u>	<u>301</u>
City Government Expenses			
Accounting Services	29,658	20,000	9,658
Animal Control	3,125	4,000	(875)
Central Appraisal Dist budget	2,550	1,600	950
City Property Maintenance	4,424	7,500	(3,076)
Contingency	-	1,225	(1,225)
Contracted Services	2,750	2,000	750
Electricity	10,492	10,000	492
Equipment and Furniture	1,598	750	848
Financial Audit	18,840	15,000	3,840
Insurance	2,100	2,500	(400)
Internet	439	-	439
Legal Fees	58,675	36,000	22,675
Legal Notices	1,548	1,750	(202)
Miscellaneous Expense	110	-	110
NSF Return Check	-	100	(100)
Office Supplies	2,090	1,000	1,090
Postage	145	250	(105)
Property Tax Collection Fees	614	1,000	(386)
Software/Cloud Services	2,350	5,000	(2,650)
Technical/Legal Books	-	750	(750)
Telephone	1,290	1,500	(210)
Training/Seminars	-	1,000	(1,000)
Water	354	350	4
Website	-	-	-
Total City Government Expenses	<u>143,152</u>	<u>113,275</u>	<u>29,877</u>

See Independent Auditor's Report

CITY OF NEVADA, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Payroll Expenses			
Salaries	106,418	95,760	10,658
Payroll Taxes	7,973	8,000	(27)
Unemployment Taxes	(132)	800	(932)
Employee Health Insurance	9,677	15,600	(5,923)
Payroll Processing Fees	607	1,500	(893)
Total Payroll Expenses	<u>124,543</u>	<u>121,660</u>	<u>2,883</u>
Public Safety			
Ambulance Service	11,879	18,000	(6,121)
Fire Department Service	32,000	32,000	-
Police Services	-	-	-
Total Public Safety	<u>43,879</u>	<u>50,000</u>	<u>(6,121)</u>
Streets and Roads			
Ditch and culvert upkeep	-	2,500	(2,500)
Signs	-	2,000	(2,000)
Street Repairs	23,200	226,291	(203,091)
Trim bushes/trees	-	-	-
Total Streets and Roads	<u>23,200</u>	<u>230,791</u>	<u>(207,591)</u>
Inspections and P&D Expenses			
Buidling Inspections	102,297	22,500	79,797
Septic Inspections	24,500	-	24,500
Health/Food Inspections	2,650	450	2,200
Planning and Development	39,283	30,000	9,283
Engineering Fees	63,279	30,000	33,279
Other Inspections	1,765	10,000	(8,235)
Total Inspections/P&D Expenses	<u>233,774</u>	<u>92,950</u>	<u>140,824</u>

See Independent Auditor's Report

CITY OF NEVADA, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Municipal Court & Code Enforcement			
Clean up of Properties	-	2,000	(2,000)
Code Enforcement - Other	3,820	2,500	1,320
Judge Fees	-	1,000	(1,000)
Contract Fees	-	1,000	(1,000)
Deputy/Police Services	-	3,000	(3,000)
City Attorney Fees	-	8,000	(8,000)
Mileage Reimbursement	-	-	-
Total Municipal Court Code Enf Exp	<u>3,820</u>	<u>17,500</u>	<u>(13,680)</u>
 TOTAL EXPENDITURES	 <u>575,768</u>	 <u>629,276</u>	 <u>(53,508)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>261,805</u>	 <u>-</u>	 <u>261,805</u>

See Independent Auditor's Report

**M** **Murrey Paschall & Caperton PC**  
**Certified Public Accountants**

January 12, 2023

To the Honorable Mayor and Members of the City Council  
City of Nevada, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units and each major fund of the City of Nevada, Texas, for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

#### SIGNIFICANT AUDIT FINDINGS

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Nevada, Texas are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the City of Nevada, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Nevada, Texas's financial statements were:

Management's estimate of the depreciation of the City's fixed assets is based upon management's estimate of the specific asset's useful life and the cost of the assets is depreciated accordingly. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 12, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Nevada, Texas's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Nevada, Texas's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other Matters*

We applied certain limited procedures to the MD&A, Budget and Actual schedules by fund type, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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

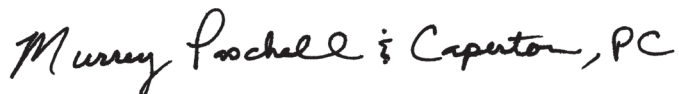
during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

- *Internal Control Procedures for Expenditures – As the Council is aware, the complete changeover in office personnel during 2022 led to certain internal control procedures being compromised. Specifically, we noted that there were no documented approvals for ACH/Debit payments when reviewing selected invoices; whereas for check payments, there is typically a dual signature requirement that can be verified by viewing the cancelled checks in the bank statements (however, this also was inconsistent during 2022). There was no documented proof of the Council's approval of cost overruns in the budget. Simply documenting those approvals in the monthly Council meeting minutes or formally amending the budget will correct this issue. Because there is an outside accounting firm reviewing the full detail of the financial transactions, as well as the Council's monthly review of the financials, we do not believe that this caused a material error in the current year's financial statement balances. However, if this lack of procedures is not addressed, there is a greater risk of unapproved expenditures being made.*

#### RESTRICTION ON USE

This information is intended solely for the use of the Honorable Mayor and City Council and management of the City of Nevada, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Murrey Paschall & Caperton, PC". The signature is written in a cursive, flowing style.

Murrey Paschall & Caperton, P.C.

# **Agenda Item # 9**



**RESOLUTION NO. \_\_\_\_\_**

*(Vacating the positions of City Fire Marshall and Deputy Fire Marshall)*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEVADA, COLLIN COUNTY, TEXAS, TERMINATING THE POSITIONS OF CITY FIRE MARSHALL AND DEPUTY FIRE MARSHALL OF THE CITY OF NEVADA; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Nevada City Council has deliberated the merits of continuing the positions of City Fire Marshall and Deputy Fire Marshall for the City of Nevada; and

**WHEREAS**, the Nevada City Council has determined the best interest of the City is to vacate the City Fire Marshall positions and seek alternatives for fire inspections, investigations, and other services, including the division of the services between private contractors for inspections, and/or contracting with another local government for such services.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEVADA, COLLIN COUNTY, TEXAS, AS FOLLOWS:**

**SECTION 1.** The Nevada City Council finds the recitations above are correct, and in the best interest of the City and its residents.

**SECTION 1.** The Nevada City Council does find and determine the positions of City Fire Marshall and Deputy Fire Marshall are vacated as of the date of passage of this resolution, with the appreciation of the City Council to Shawn Mosley and Eddie Stough for their past services to the City.

**SECTION 2.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be invalid, void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution which shall remain in full force and effect.

**SECTION 3.** All provisions of this Resolution of the City of Nevada, Texas, in conflict with the provisions of this Resolution be, and the same are hereby repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect

**DULY RESOLVED** by the City Council on this, the \_\_\_\_\_ day of February, 2023.

CITY OF NEVADA

\_\_\_\_\_  
Ben Ponce, Mayor

ATTEST:

---

Deuce Waters, City Secretary

APPROVED AS TO FORM:

---

James E. Shepherd, City Attorney

Resolution No. \_\_\_\_\_  
(Vacating Fire Marshall and Deputy Fire Marshall positions)

# **Agenda Item # 10**

**Documents will be  
available at the City  
Council meeting.**

# **Agenda Item # 11**

**TEXAS MUNICIPAL RETIREMENT SYSTEM ORDINANCE No. \_\_\_\_\_**

**AN ORDINANCE PROVIDING FOR THE PARTICIPATION IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM AND THE SUPPLEMENTAL DEATH BENEFITS FUND BY THE CITY OF NEVADA TEXAS; AND TO MAKE CURRENT SERVICE AND PRIOR SERVICE CONTRIBUTIONS TO THE CITY'S ACCOUNT IN THE BENEFIT ACCUMULATION FUND OF THE TEXAS MUNICIPAL RETIREMENT SYSTEM AT THE ACTUARIALLY DETERMINED RATE OF TOTAL EMPLOYEE COMPENSATION.**

**WHEREAS**, Subtitle G of Title 8 of the Government Code, as amended (herein after referred to as the "TMRS Act"), relating to the Texas Municipal Retirement System (the "System"), authorizes the governing body of each city or town to elect, at its option, to have one or more of the city departments participate in such System; and

**WHEREAS**, the City Council of the City of Nevada, Texas, finds that it will be in the public interest for the City to have its employees participate in the System as hereinafter provided; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF NEVADA, TEXAS:**

Nevada, Texas, on behalf of said City, hereby exercises its option and elects to have this City and all of the employees of all departments now existing and those hereafter created participate in the System as provided in the TMRS Act.

**Section 2.** The Mayor is hereby directed to notify the Board of Trustees of the System that this City has elected to participate and have the employees of this City covered in said System.

**Section 3.** Each person who becomes an employee of this City on or after the effective date of participation of this City whose position shall require more than 1,000 hours per year shall become a member of the System as a condition of their employment.

**Section 4.** Each employee of this City who is a member of the System is eligible to retire and receive a service retirement annuity if the member has at least 20 years of credited service in the System performed for one or more municipalities that have adopted a like provision under Section 854.202(g) of the TMRS Act.

**Section 5.** In accordance with the provisions of the TMRS Act, the deposits to be made to the System on account of current service of the employees of the several participating departments are hereby fixed at the rate of \_\_\_\_\_ **percent (5%, 6% or 7%)** of the full earnings of each employee of said departments.

**Section 6.** Each employee who qualifies for such credit shall be allowed "prior service credit" (as defined in Section 853.101 of the TMRS Act) at the rate of \_\_\_\_\_ **percent (50% or 100%)** of the "base credit" of such member, calculated in the manner prescribed in Section 853.105 of said Act.

**Section 7.** For each month of current service rendered to this City by each of its employees who are members of the System, the City elects to provide for each such member at the time of his or her retirement, a sum that is \_\_\_\_\_ **percent (100%, 150%, or 200%)** of such member's accumulated deposits for such month of employment; and said sum shall be a liability of the City's account in the benefit accumulation fund.

**Section 8.** The City Secretary is hereby directed to remit to the Board of Trustees of the System, at its office in Austin, Texas, the city contributions to the System and the amounts which shall be deducted from the compensation or payroll of employees, all as required by said Board under the provisions of the TMRS Act,

and the said official is hereby authorized and directed to ascertain and certify officially on behalf of this City the prior service rendered to the said municipality by each of the employees of the participating departments, and the average prior service compensation received by each of the employees of the participating departments and make and execute all prior service certifications and all other reports and certifications which may be required of the City under the provisions of the TMRS Act, or in compliance with the rules and regulations of the Board of Trustees of the System.

**Section 9.** The City hereby elects to participate in the Supplemental Death Benefits Fund of the System for the purpose of providing in-service death benefits for each of this City's employees who are members of said System, and for the purpose of providing post-retirement death benefits for annuitants whose last covered employment was as an employee of this City, in the amounts and on the terms provided for in Sections 852.004, 854.601 through 854.605, 855.314, 855.408, and 855.502 of Title 8 Subtitle G, of the Texas Government Code, as amended.

**Section 10.** The City is hereby authorized and directed to notify the Director of the System of adoption of this ordinance, and of the participation of this City in said Fund.

**Section 11.** Pursuant to Section 855.407(g) of the TMRS Act, the City hereby elects to make future normal and prior service contributions to its account in the benefit accumulation fund of the System at such combined rate of the total compensation paid by this City to employees who are members of the System, as the System's actuary shall annually determine as the rate necessary to fund, within the amortization period determined as applicable to this City under the TMRS Act, the costs of all benefits which are or may become chargeable to or are to be paid out of this City's account in said accumulation fund, regardless of other provisions of the TMRS Act limiting the combined rate of City contributions.

**Section 12.** The provisions of this ordinance shall become effective on the 1st day of \_\_\_\_\_, \_\_\_\_\_.

Passed and approved on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Deuce Waters, City Secretary

\_\_\_\_\_  
Ben Ponce, Mayor

# **Agenda Item # 12**



# **Executive Session**