

City of Celina, Texas

**Water and
Wastewater Rate Study
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Submitted By:

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**CITY OF CELINA
WATER AND WASTEWATER RATE STUDY
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completion of the expanded wastewater treatment facilities; timing and actual purchase of surface water from Upper Trinity; and changes to the budgetary line items including proposed debt service payments. These decisions will directly impact the rates required to maintain the financial integrity of the system. RS&Y would recommend that the proposed water and wastewater rates for FY 2002/03 shown on Schedule 3 be implemented by October 1, 2002.

In addition, RS&Y recommends that the City closely monitor rate performance, i.e. revenue generation, and revisit the cost of service determination annually for the next three to five years. This is due to the fact that variations in actual customer growth rate from the growth rate employed in this analysis would have a material affect upon the City's utility financial performance.

Furthermore, RS&Y encourages the City to move ahead immediately on the development and implementation of impact fees in accordance with state statutes.

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Separation of the Budget into Water and Wastewater Components

The City provided the FY 2001/02 budget in which the costs were already separated into water and wastewater costs. The only budgetary item that needed to be allocated between the water and wastewater system was the outstanding debt service payments. The project team contacted the City's Auditor, who provided a breakout of each bond issue with a percentage breakdown of water costs versus wastewater costs. The proposed debt service payments are allocated 100% to the water utility based on the use of those funds.

Current Water and Wastewater Rates

The water and wastewater rates provided in Ordinance No. 01-07 were effective on October 1st, 2001. The water and wastewater rates consist of both a minimum monthly bill, that includes 2,000 gallons, and a volumetric rate. The following table outlines the water rate structure for both residential and commercial customers. Customers outside the corporate city limits of the City of Celina are charged the base fee plus 50% additional charge.

WATER RATES		
RESIDENTIAL		
First 2,000 gallons	\$12.60	
2,001-3,000 gallons	\$16.35	
3,001-4,000 gallons	\$21.97	
4,001-5,000 gallons	\$26.85	
5,001-15,000 gallons	\$4.75	Per 1,000 gallons
15,001 and up	\$2.00	Additional Per 1,000 gallons
COMMERCIAL		
First 2,000 gallons	\$14.60	
2,001-3,000 gallons	\$18.35	
3,001-4,000 gallons	\$23.97	
4,001-5,000 gallons	\$28.85	
5,001-240,000 gallons	\$4.75	Per 1,000 gallons
240,001 and up	\$2.00	Additional Per 1,000 gallons

III. WATER AND WASTEWATER FIVE-YEAR RATE STUDY FORECAST

A. Introduction

The five-year study performed by the RS&Y project team is designed to take into account all foreseeable changes within the five-year planning horizon. The goal is to construct a planning tool with which the City can gain an understanding of the issues that need to be addressed within the five-year time frame and the rates necessary to recover the costs associated with the utility's plans. A critical benefit of such a study is the ability to quantify the long-range impact of the decisions being made today. As with any projection, assumptions have been used and the City should be aware that the actual rates ultimately required may differ from the projected rates detailed within this section of the report, due to changes unforeseen at this time (e.g. changes in construction schedule, increased water quality regulations, delays in water or wastewater connections, lower growth than projected, etc.).

As the study progressed, certain issues identified as "critical" needed to be addressed. At the top of this list is the timing associated with construction, customer hook-up, and costs and timing for the purchase of surface water from Upper Trinity. Additional issues addressed in the five-year forecast were the customer projections of the City, the inflationary trends of the budget, and the long-term protection of the financial integrity of the system. RS&Y relied on information received from various sources; however, due to the nature of this project, these assumptions are subject to change. The City will have the electronic model of the rate study and can make any necessary changes to determine the impact on the water and wastewater rates.

As a planning tool, the five-year forecast outlines the cause and effect relationships of the issues described above and, most importantly, the resulting rate structure required to keep the water and wastewater utility on solid financial ground. The analysis is divided into three main sections: Customer and Volume Projections; Revenue Requirement Projections; and Rate Design.

B. Water and Wastewater Customer and Volume Projections

Water Consumption

In order to estimate future operating characteristics of a system, historical customer data is selected that reflects the normal operation of the system. Due to changes and constraints of the Celina billing

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not what is actually occurring. The Project Team also recommends that the City implement a meter change out program, which may help to alleviate this lost and unaccounted for water issue (see Recommendations Section).

Wastewater

Celina is currently in the process of expanding their wastewater treatment capacity in order to handle the additional flows from the growth in Celina. Wastewater customer class counts and volume information from the City of Celina had the same restrictions as the water information. The project team analyzed the wastewater treatment production numbers and the wastewater billing units and found a large discrepancy in the numbers.⁴ For the months provided, the wastewater influent is 102,450,000 gallons. The corresponding monthly wastewater billing units are 60,021,300 gallons. This discrepancy could be the result of various issues; a large amount of the wastewater flow is not being captured in the billing units correctly; incorrect data capture, or there is a significant amount of inflow/infiltration into the wastewater collection system.

For the model projections, the project team used the same billing information as the water system for the residential and commercial wastewater customers with one exception. The project team capped the residential wastewater billing units at 15,000 gallons per the rate ordinance. In addition, the project team added the wastewater billing units and customer counts for the wastewater only customers.

Current connections were increased by a 8.0% annual connection growth rate.

C. Water and Wastewater Revenue Requirements

Projecting the water and wastewater revenue requirements for five years requires a line item by line item analysis of the budgeted expenses. Certain expenses may vary directly with inflation while others are determined by system growth and still others are determined by City policy.

estimates in order to ensure the continued financial stability of the system.

⁴ The project team again stresses the importance of monitoring usage information due to the unknown variables involved in this project.

City of Celina Current Well Production Capacity	
Well No. 1	115,200 GPD
Well No. 2	72,000 GPD
Well No. 3	259,000 GPD
Well No. 4	<u>345,600 GPD</u>
Total Well Capacity	791,800 GPD
Annual Production Capacity	298 Million Gallons

Once construction on the line is complete, the line will have to be filled, but the costs for this fill should be immaterial. In the event that one of Celina's wells does go down, then Celina should be ready to add a pass through rate for surface water in order to recover costs of purchasing water from Upper Trinity. The project team has calculated this pass through rate to be:

Summer	\$0.27 per thousand gallons
Winter	\$0.15 per thousand gallons

D. Five-Year Rate Design

There are many different rate methodologies employed in the water and wastewater industry today. The goal is to provide a fair and equitable rate for all customers. Under certain situations, such as limited water supply or long-term drought conditions, some cities have turned to conservation rates or inclining block rates to control the demand of the system users. The methodology used and recommended by RS&Y for the water rates incorporates an increased minimum bill charge, a reduction in the number of rate blocks and an increase in the volumetric rates. The recommended rate structure does not promote an extreme use of water and is therefore in accordance with the water conservation goals promoted by the Texas Water Development Board (TWDB) and the Texas Natural Resource Conservation Commission (TNRCC).

Given projected volumes and expenses, the remaining step is to develop the five-year rate forecast. The project team has proposed that the City consolidate their rate blocks for the water rates and change the wastewater rates to a flat volumetric rate with a minimum bill charge. There is no change to the gallons included in the minimum bill. However, if the City wishes to lessen their volumetric rate increases in the future, one option would be to eliminate any gallons included in the minimum bill. Based on these

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IV. OTHER ISSUES

Assumptions

The RS&Y project team had to use industry standards and previous experience throughout the conduct of this rate study due to the number of unknowns regarding the water and wastewater system. RS&Y would highly recommend that the City of Celina review their rates annually either in-house or by an outside consultant.

Meter Change Out Program

Celina is expected to experience high growth in the next few years. This growth plus the addition of Danville customers, deems it necessary to add another meter reader salary to the water and wastewater budget. The cost of this meter reader is estimated to be approximately \$21,000 plus benefits annually. The project team recommends that the City consider an alternative to this scenario. Due to the “calculated” high lost and unaccounted for water percentage, the project team feels that a meter change out program is necessary, because some of these meters may be underreading usage. The City could implement a radio read meter change out program which means that the City will not need the additional meter reader. Therefore, the City will save that cost and will have a more efficient water system. Please refer to Appendix B for information regarding the City of Plano’s radio read program.

Upper Trinity Financing

The City of Celina has another option of financing the surface water related capital improvement programs with Upper Trinity. This option has been previously discussed with former City staff, and the results of those discussions were that the financing costs would be similar and that Upper Trinity would add an administrative fee. Based on this information, the project team did not investigate this option any further. However, if the City feels that this is a better option, then the model will need to be rerun with the bond schedules and budget updated to reflect this change. With either method, the costs will have to be recovered through the impact fees and the water rates.

Impact Fee and Tap Fee Revenues

The project team projected the impact fee and tap fee revenues for FY 02/03 based on the projected new customers and the fees currently in place. For the remaining four fiscal years, the project team included the

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V. RECOMMENDATIONS

Throughout the course of this engagement the RS&Y project team has spent considerable time analyzing the water and wastewater system. The following list of recommendations represents specific actions that the City of Celina may wish to consider. Many of the recommendations have been detailed in the body of this report, while others are offered for the first time in this section.

1. RS&Y recommends that the City implement the proposed water and wastewater rates, as shown below and on Schedule 3. Additional rate scenario options are provided in Appendix D.

Water Rates

- ◆ RS&Y recommends that the volumetric water and minimum bill charge be changed as provided in the tables below. In addition, the project team has consolidated the rate blocks from a six rate block structure to a four rate block structure.
- ◆ RS&Y recommends that the City abandon its practice of charging outside city limits customer the base fee plus 50% additional charge, as stated in the rate ordinance.
- ◆ Based on the five-year forecast and the proposed rate schedule, the City will need to implement the proposed rates for FY 02/03 and FY 03/04.
- ◆ For comparison of the average monthly residential and commercial customer bills, please refer to the table below.

Monthly Residential Water Bill Comparison			
Water Usage	Current Residential	Proposed FY 02/03 Residential	Proposed FY 03/04 Residential
3,000	\$16.35	\$20.50	\$22.85
6,000	\$31.60	\$33.15	\$36.64
10,000	\$50.60	\$52.55	\$57.80
20,000	\$108.10	\$111.05	\$121.60

Monthly Residential and Commercial Wastewater Bill Comparison				
Water Usage	Current Residential	Current Commercial	Proposed Residential	Proposed Commercial
3,000	\$15.81	\$15.81	\$17.55	\$17.55
6,000	\$24.10	\$29.00	\$27.45	\$27.45
10,000	\$36.10	\$41.00	\$40.65	\$40.65
20,000	\$51.10	\$71.00	\$57.15	\$73.65

Proposed Wastewater Rates			
	Residential		Commercial
Volumetric Rate (per thousand gallons) Above 2,000 gallons	\$3.30 (capped at 15,000 gallons)	Volumetric Rate (per thousand gallons) Above 2,000 gallons	\$3.30
Minimum Bill (includes 2,000 gallons)	\$14.25	Minimum Bill (includes 2,000 gallons)	\$14.25

2. RS&Y recommends that the City conduct an impact fee study that will provide the information required to update the City's impact fee ordinance. Any delay in receiving impact fee revenues could result in an underrecovery for the water and wastewater utility.
3. Per the rates listed and the projected revenues, the City is above the debt service coverage requirements. Please note that the City may potentially fall below their debt coverage requirement, if any of the assumptions used in this model do not occur. Due to unknown growth parameters and unknown financial costs, RS&Y recommends that at this time the City only monitor the situation.
4. RS&Y recommends that the City review this study on an annual basis, to ensure that the utility's rates are adequately recovering the cost of providing water and wastewater service and are in compliance with outstanding bond covenants. It is critical to review and modify the revenue requirement annually.
5. RS&Y recommends that the City begin a meter change out program. The lost and unaccounted for percentage, based on information provided from the City, is above industry standards.

ESTIMATED ANNUAL INFLATION		3.00%		<<< BACK		NEXT >>>	
	Rate Year 2003	Rate Year 2004	Rate Year 2005	Rate Year 2006	Rate Year 2007		
PURCHASED TREATED WATER	\$210,738	\$210,738	\$210,738	\$210,738	\$210,738		
GROUND WATER PRODUCTION							
Salaries & Related	\$213,358	\$219,759	\$226,352	\$233,142	\$240,137		
Supplies	61,755	64,156	66,690	69,369	72,204		
Maintenance	39,964	41,163	42,398	43,670	44,980		
Services	145,096	156,041	168,055	181,254	195,766		
Cash Capital Outlay	90,000	103,417	105,665	113,617	123,110		
TOTAL GROUND WATER PRODUCTION	\$550,173	\$584,536	\$609,160	\$641,052	\$676,196		
RAW WATER PRODUCTION							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Cash Capital Outlay	0	0	0	0	0		
TOTAL RAW WATER PRODUCTION	\$0	\$0	\$0	\$0	\$0		
WATER TREATMENT PLANT							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Cash Capital Outlay	0	0	0	0	0		
TOTAL WATER TREATMENT PLANT	\$0	\$0	\$0	\$0	\$0		
TREATED WATER TRANSMISSION/DISTRIBUTION							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Cash Capital Outlay	0	0	0	0	0		
TOTAL TREATED WATER TRANSMISSION/DISTRIBUTION	\$0	\$0	\$0	\$0	\$0		
UTILITY ADMINISTRATION							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Capital Outlay	0	0	0	0	0		
TOTAL UTILITY ADMINISTRATION	\$0	\$0	\$0	\$0	\$0		
CUSTOMER SERVICE							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	3,045	3,136	3,230	3,327	3,427		
Maintenance	0	0	0	0	0		
Services	597	615	634	653	672		
Capital Outlay	0	0	0	0	0		
TOTAL CUSTOMER SERVICE	\$3,642	\$3,752	\$3,864	\$3,980	\$4,100		
ENGINEERING							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Capital Outlay	0	0	0	0	0		
TOTAL ENGINEERING	\$0	\$0	\$0	\$0	\$0		
LABORATORY							
Salaries & Related	\$0	\$0	\$0	\$0	\$0		
Supplies	0	0	0	0	0		
Maintenance	0	0	0	0	0		
Services	0	0	0	0	0		
Capital Outlay	0	0	0	0	0		

ESTIMATED ANNUAL INFLATION

2.00%

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	Rate Year 2003	Rate Year 2004	Rate Year 2005	Rate Year 2006	Rate Year 2007
PURCHASED WASTEWATER TREATMENT	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL WASTE/PRE-TREATMENT					
Salaries & Related	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Maintenance	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
TOTAL INDUSTRIAL WASTE/PRE-TREATMENT	\$0	\$0	\$0	\$0	\$0
WASTEWATER TREATMENT PLANT					
Salaries & Related	\$107,715	\$110,947	\$114,275	\$117,704	\$121,235
Supplies	20,343	21,462	22,672	23,983	25,403
Maintenance	24,720	25,462	26,225	27,012	27,823
Services	62,418	66,625	71,220	76,244	81,744
Capital Outlay	27,000	28,068	28,782	29,697	30,786
TOTAL WASTEWATER TREATMENT PLANT	\$242,196	\$252,563	\$263,175	\$274,640	\$286,991
WASTEWATER COLLECTION					
Salaries & Related	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Maintenance	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
TOTAL WASTEWATER COLLECTION	\$0	\$0	\$0	\$0	\$0
UTILITY ADMINISTRATION					
Salaries & Related	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Maintenance	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
TOTAL UTILITY ADMINISTRATION	\$0	\$0	\$0	\$0	\$0
CUSTOMER SERVICE					
Salaries & Related	\$0	\$0	\$0	\$0	\$0
Supplies	2,205	2,271	2,339	2,409	2,482
Maintenance	0	0	0	0	0
Services	433	445	459	473	487
Capital Outlay	0	0	0	0	0

USER-DEFINED WATER RATE PROJECTIONS

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		Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase
		PERCENT	PERCENT	PERCENT	PERCENT
		DOLLAR	DOLLAR	DOLLAR	DOLLAR
		0.00%	0.00%	0.00%	0.00%
		\$ 2.00	\$ -	\$ -	\$ -
Customer Class	Rate Year 2003 Minimum Bill	Rate Year 2004 Minimum Bill	Rate Year 2005 Minimum Bill	Rate Year 2006 Minimum Bill	Rate Year 2007 Minimum Bill
Residential	\$16.60	\$18.60	\$18.60	\$18.60	\$18.60
Commercial	18.60	20.60	20.60	20.60	20.60
Residential Water Only	16.60	18.60	18.60	18.60	18.60
Commercial Water Only	18.60	20.60	20.60	20.60	20.60
Danville Residential	16.60	18.60	18.60	18.60	18.60
Danville Commercial	18.60	20.60	20.60	20.60	20.60
Final	18.60	20.60	20.60	20.60	20.60
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00

Estimated Annual Percentage Growth in Water Consumption 8%

			Volumetric Rate Increase	Volumetric Rate Increase	Volumetric Rate Increase	Volumetric Rate Increase
			9.00%	0.00%	0.00%	0.00%
			\$ -	\$ -	\$ -	\$ -
			PERCENT			
			DOLLAR			
Customer	Water Sold	Rate Year	Rate Year	Rate Year	Rate Year	Rate Year
Class	(Gallons)	2003	2004	2005	2006	2007
	Rate Blocks	Volumetric Rate	Volumetric Rate	Volumetric Rate	Volumetric Rate	Volumetric Rate
Residential						
	0 - 2,000	14,845,060				
	2,001 - 3,000	6,224,903	\$3.90	\$4.25	\$4.25	\$4.25
	3,001 - 4,000	5,187,340	3.90	4.25	4.25	4.25
	4,001 - 5,000	4,185,122	3.90	4.25	4.25	4.25
	5,001 - 15,000	12,875,646	4.85	5.29	5.29	5.29
	15,001 - 0	3,177,047	6.85	7.47	7.47	7.47
	0 - & above	0	0.00	0.00	0.00	0.00
Commercial						
	0 - 2,000	1,364,910				
	2,001 - 3,000	455,961	\$3.90	\$4.25	\$4.25	\$4.25
	3,001 - 4,000	389,363	3.90	4.25	4.25	4.25
	4,001 - 5,000	331,579	3.90	4.25	4.25	4.25
	5,001 - 240,000	11,430,730	4.85	5.29	5.29	5.29
	240,001 - 0	854,866	6.85	7.47	7.47	7.47
	0 - & above	0	0.00	0.00	0.00	0.00
Residential Water Only						
	0 - 2,000	1,223,695				
	2,001 - 3,000	574,312	\$3.90	\$4.25	\$4.25	\$4.25
	3,001 - 4,000	552,684	3.90	4.25	4.25	4.25
	4,001 - 5,000	515,096	3.90	4.25	4.25	4.25
	5,001 - 15,000	3,205,913	4.85	5.29	5.29	5.29
	15,001 - 0	4,973,525	6.85	7.47	7.47	7.47
	0 - & above	0	0.00	0.00	0.00	0.00

USER-DEFINED WASTEWATER RATE PROJECTIONS

		Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase
PERCENT		0.00%	0.00%	0.00%	0.00%
DOLLAR		\$ -	\$ -	\$ -	\$ -
Customer Class	Rate Year 2003 Minimum Bill	Rate Year 2004 Minimum Bill	Rate Year 2005 Minimum Bill	Rate Year 2006 Minimum Bill	Rate Year 2007 Minimum Bill
Residential	\$14.25	\$14.25	\$14.25	\$14.25	\$14.25
Commercial	14.25	14.25	14.25	14.25	14.25
Sewer Only	14.25	14.25	14.25	14.25	14.25
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00
-	0.00	0.00	0.00	0.00	0.00

Estimated Annual Percentage Growth in Wastewater Gallons Billed 8%

			Volumetric Rate Increase	Volumetric Rate Increase	Volumetric Rate Increase	Volumetric Rate Increase	
			0.00%	0.00%	0.00%	0.00%	
			\$ -	\$ -	\$ -	\$ -	
			PERCENT				
			DOLLAR				
Customer Class	Rate Blocks	Gallons Billed	Rate Year 2003 Volumetric Rate	Rate Year 2004 Volumetric Rate	Rate Year 2005 Volumetric Rate	Rate Year 2006 Volumetric Rate	Rate Year 2007 Volumetric Rate
Residential							
	0 - 2,000	14,831,738					
	2,001 - 3,000	6,219,316	\$3.30	\$3.30	\$3.30	\$3.30	\$3.30
	3,001 - 4,000	5,182,685	3.30	3.30	3.30	3.30	3.30
	4,001 - 5,000	4,181,366	3.30	3.30	3.30	3.30	3.30
	5,001 - 15,000	12,865,090	3.30	3.30	3.30	3.30	3.30
	15,001 - 0	0	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00
Commercial							
	0 - 2,000	1,364,910					
	2,001 - 3,000	455,961	\$3.30	\$3.30	\$3.30	\$3.30	\$3.30
	3,001 - 4,000	389,363	3.30	3.30	3.30	3.30	3.30
	4,001 - 5,000	331,579	3.30	3.30	3.30	3.30	3.30
	5,001 - 50,000	5,665,795	3.30	3.30	3.30	3.30	3.30
	50,001 - 0	6,619,803	3.30	3.30	3.30	3.30	3.30
	0 - & above	0	0.00	0.00	0.00	0.00	0.00
Sewer Only							
	0 - 2,000	85,241					
	2,001 - 3,000	40,199	\$3.30	\$3.30	\$3.30	\$3.30	\$3.30
	3,001 - 4,000	38,637	3.30	3.30	3.30	3.30	3.30
	4,001 - 5,000	37,492	3.30	3.30	3.30	3.30	3.30
	5,001 - 50,000	830,230	3.30	3.30	3.30	3.30	3.30
	50,001 - 0	3,527,955	3.30	3.30	3.30	3.30	3.30
	0 - & above	0	0.00	0.00	0.00	0.00	0.00
0							
	0 - 0	0					
	0 - 0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00

COMBINED OVER/(UNDER) RECOVERY

Water Revenue	\$871,658	\$1,033,510	\$1,116,191	\$1,205,486	\$1,301,925
Wastewater Revenue	\$297,514	\$321,315	\$347,020	\$374,781	\$404,764
Total Revenue	\$1,169,171	\$1,354,825	\$1,463,211	\$1,580,268	\$1,706,689
Revenue Requirement	\$988,853	\$1,174,955	\$1,237,193	\$1,322,597	\$1,454,751
Over/(Under) Recovery	\$180,319	\$179,870	\$226,018	\$257,671	\$251,938

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PROPOSED \$2,745,000 - INSURED (ASSET GUARANTY)

CITY OF CELINA, TEXAS

WATER AND SEWER REVENUE BONDS, SERIES 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 4			74,115.00	74,115.00	
9/ 1/ 4			74,115.00	74,115.00	148,230.00
3/ 1/ 5			74,115.00	74,115.00	
9/ 1/ 5			74,115.00	74,115.00	148,230.00
3/ 1/ 6			74,115.00	74,115.00	
9/ 1/ 6			74,115.00	74,115.00	148,230.00
3/ 1/ 7			74,115.00	74,115.00	
9/ 1/ 7	80,000.00	5.400000	74,115.00	154,115.00	228,230.00
3/ 1/ 8			71,955.00	71,955.00	
9/ 1/ 8	85,000.00	5.400000	71,955.00	156,955.00	228,910.00
3/ 1/ 9			69,660.00	69,660.00	
9/ 1/ 9	90,000.00	5.400000	69,660.00	159,660.00	229,120.00
3/ 1/10			67,330.00	67,330.00	
9/ 1/10	95,000.00	5.400000	67,330.00	162,230.00	229,460.00
3/ 1/11			64,665.00	64,665.00	
9/ 1/11	100,000.00	5.400000	64,665.00	164,665.00	229,120.00
3/ 1/12			61,965.00	61,965.00	
9/ 1/12	105,000.00	5.400000	61,965.00	166,965.00	228,930.00
3/ 1/13			59,130.00	59,130.00	
9/ 1/13	110,000.00	5.400000	59,130.00	169,130.00	228,260.00
3/ 1/14			56,160.00	56,160.00	
9/ 1/14	140,000.00	5.400000	56,160.00	196,160.00	252,320.00
3/ 1/15			52,380.00	52,380.00	
9/ 1/15	150,000.00	5.400000	52,380.00	202,380.00	254,760.00
3/ 1/16			48,330.00	48,330.00	
9/ 1/16	155,000.00	5.400000	48,330.00	203,330.00	251,660.00
3/ 1/17			44,145.00	44,145.00	
9/ 1/17	165,000.00	5.400000	44,145.00	209,145.00	253,290.00
3/ 1/18			39,690.00	39,690.00	
9/ 1/18	175,000.00	5.400000	39,690.00	214,690.00	254,380.00
3/ 1/19			34,965.00	34,965.00	
9/ 1/19	235,000.00	5.400000	34,965.00	269,965.00	304,930.00
3/ 1/20			28,620.00	28,620.00	
9/ 1/20	245,000.00	5.400000	28,620.00	273,620.00	302,240.00
3/ 1/21			22,005.00	22,005.00	
9/ 1/21	260,000.00	5.400000	22,005.00	282,005.00	304,010.00
3/ 1/22			14,985.00	14,985.00	
9/ 1/22	270,000.00	5.400000	14,985.00	284,985.00	299,970.00
3/ 1/23			7,695.00	7,695.00	
9/ 1/23	285,000.00	5.400000	7,695.00	292,695.00	300,390.00
2,745,000.00			2,080,080.00	4,825,080.00	
ACCRUED					
2,745,000.00			2,080,080.00	4,825,080.00	

Dated 9/ 1/ 3 with Delivery of 9/ 1/ 3

Bond Years 38 520.000

Average Coupon 5.400000

Average Life 14.032787

N I C % 5.400000 % Using 100.0000000

T I C % 5.400000 % From Dated Date

Micro-Muni Debt Date: 07-10-2002 @ 14:31:09 Filename: CELINA Key: 03REVB1

Plastic Meter Box Lids:

In addition to the Datamatic provided equipment, an option that will improve the performance of the system is plastic meter box lids as opposed to the cast iron lids. All new meter boxes are now equipped with plastic lids. The cost is born by the builder. We absorb the cost of replacing lids on existing boxes. We contract with Datamatic for the warehousing and installation of these lids.

Small plastic meter box lid (residential and small commercial meters) or	1 per meter	\$12 or
Large plastic meter box lid (large commercial meters)		\$20 - \$33
Installation by Datamatic	Per meter	\$2.25
Warehousing cost by Datamatic		\$19,500

Water Meters:

Where funds allow, we are replacing meter boxes older than 4 years with a new water meter prior to attaching the Firefly®. We will then leave this meter in place for the life of the Firefly® (anticipated to be 12 years) and replace both the meter and the Firefly® at the same time at the end of the period. We are not including meter replacement as a part of the cost of this project, as the cost will ultimately be the same as our normal water meter replacement program.

Conversion Costs:

There are no additional conversion costs specifically related to AMR to interface meter reading with the billing system. The interface was already in place. The only thing that changed was the manner in which the meter reading is collected. This is transparent to the billing system.

Additional Equipment:

Our cost does not include all items we have received. We beta test products for Datamatic, and in return, we receive some products at a lower cost, and in some cases, at no cost. We have a second RoadRunner® mobile system which was a prototype and now sells for \$19,955. The system requires only one, but this second unit enables us to have more than one person collecting meter readings at a time, and provides us with a back-up

PROPOSED \$2,605,000 - RATED BBB
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2002

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 3			87,376.04	87,376.04	
9/ 1/ 3			74,893.75	74,893.75	162,269.79
3/ 1/ 4			74,893.75	74,893.75	
9/ 1/ 4			74,893.75	74,893.75	149,787.50
3/ 1/ 5			74,893.75	74,893.75	
9/ 1/ 5			74,893.75	74,893.75	149,787.50
3/ 1/ 6			74,893.75	74,893.75	
9/ 1/ 6	95,000.00	5.750000	74,893.75	169,893.75	244,787.50
3/ 1/ 7			72,162.50	72,162.50	
9/ 1/ 7	100,000.00	5.750000	72,162.50	172,162.50	244,325.00
3/ 1/ 8			69,287.50	69,287.50	
9/ 1/ 8	105,000.00	5.750000	69,287.50	174,287.50	243,575.00
3/ 1/ 9			66,268.75	66,268.75	
9/ 1/ 9	110,000.00	5.750000	66,268.75	176,268.75	242,537.50
3/ 1/10			63,106.25	63,106.25	
9/ 1/10	120,000.00	5.750000	63,106.25	183,106.25	246,212.50
3/ 1/11			59,656.25	59,656.25	
9/ 1/11	125,000.00	5.750000	59,656.25	184,656.25	244,312.50
3/ 1/12			56,062.50	56,062.50	
9/ 1/12	130,000.00	5.750000	56,062.50	186,062.50	242,125.00
3/ 1/13			52,325.00	52,325.00	
9/ 1/13	140,000.00	5.750000	52,325.00	192,325.00	244,650.00
3/ 1/14			48,300.00	48,300.00	
9/ 1/14	150,000.00	5.750000	48,300.00	198,300.00	246,600.00
3/ 1/15			43,987.50	43,987.50	
9/ 1/15	155,000.00	5.750000	43,987.50	198,987.50	242,975.00
3/ 1/16			39,531.25	39,531.25	
9/ 1/16	165,000.00	5.750000	39,531.25	204,531.25	244,062.50
3/ 1/17			34,787.50	34,787.50	
9/ 1/17	175,000.00	5.750000	34,787.50	209,787.50	244,575.00
3/ 1/18			29,756.25	29,756.25	
9/ 1/18	185,000.00	5.750000	29,756.25	214,756.25	244,512.50
3/ 1/19			24,437.50	24,437.50	
9/ 1/19	195,000.00	5.750000	24,437.50	219,437.50	243,875.00
3/ 1/20			18,831.25	18,831.25	
9/ 1/20	205,000.00	5.750000	18,831.25	223,831.25	242,662.50
3/ 1/21			12,937.50	12,937.50	
9/ 1/21	220,000.00	5.750000	12,937.50	232,937.50	245,875.00
3/ 1/22			6,612.50	6,612.50	
9/ 1/22	230,000.00	5.750000	6,612.50	236,612.50	243,225.00

	2,605,000.00		2,007,732.29	4,612,732.29	
ACCRUED					
	2,605,000.00		2,007,732.29	4,612,732.29	

Dated 8/ 1/ 2 with Delivery of 8/ 1/ 2

Bond Years 34,917.083

Average Coupon 5.750000

Average Life 13.403871

N I C % 5.750000 % Using 100.0000000

T I C % 5.749138 % From Dated Date

Micro-Muni Debt Date: 07-10-2002 @ 14:15:16 Filename: CELINA Key: 02REVA

PROPOSED \$2,605,000 - INSYRED (ASSET GUARANTY)

CITY OF CELINA, TEXAS

WATER AND SEWER REVENUE BONDS, SERIES 2002

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 3			82,057.50	82,057.50	
9/ 1/ 3			70,335.00	70,335.00	152,392.50
3/ 1/ 4			70,335.00	70,335.00	
9/ 1/ 4			70,335.00	70,335.00	140,670.00
3/ 1/ 5			70,335.00	70,335.00	
9/ 1/ 5			70,335.00	70,335.00	140,670.00
3/ 1/ 6			70,335.00	70,335.00	
9/ 1/ 6	95,000.00	5.400000	70,335.00	165,335.00	235,670.00
3/ 1/ 7			67,770.00	67,770.00	
9/ 1/ 7	100,000.00	5.400000	67,770.00	167,770.00	235,540.00
3/ 1/ 8			65,070.00	65,070.00	
9/ 1/ 8	110,000.00	5.400000	65,070.00	175,070.00	240,140.00
3/ 1/ 9			62,100.00	62,100.00	
9/ 1/ 9	115,000.00	5.400000	62,100.00	177,100.00	239,200.00
3/ 1/10			58,995.00	58,995.00	
9/ 1/10	120,000.00	5.400000	58,995.00	178,995.00	237,990.00
3/ 1/11			55,755.00	55,755.00	
9/ 1/11	125,000.00	5.400000	55,755.00	180,755.00	236,510.00
3/ 1/12			52,380.00	52,380.00	
9/ 1/12	135,000.00	5.400000	52,380.00	187,380.00	239,760.00
3/ 1/13			48,735.00	48,735.00	
9/ 1/13	140,000.00	5.400000	48,735.00	188,735.00	237,470.00
3/ 1/14			44,955.00	44,955.00	
9/ 1/14	150,000.00	5.400000	44,955.00	194,955.00	239,010.00
3/ 1/15			40,905.00	40,905.00	
9/ 1/15	155,000.00	5.400000	40,905.00	195,905.00	236,810.00
3/ 1/16			36,720.00	36,720.00	
9/ 1/16	165,000.00	5.400000	36,720.00	201,720.00	238,440.00
3/ 1/17			32,265.00	32,265.00	
9/ 1/17	175,000.00	5.400000	32,265.00	207,265.00	239,530.00
3/ 1/18			27,540.00	27,540.00	
9/ 1/18	185,000.00	5.400000	27,540.00	212,540.00	240,080.00
3/ 1/19			22,545.00	22,545.00	
9/ 1/19	190,000.00	5.400000	22,545.00	212,545.00	235,090.00
3/ 1/20			17,415.00	17,415.00	
9/ 1/20	205,000.00	5.400000	17,415.00	222,415.00	239,830.00
3/ 1/21			11,880.00	11,880.00	
9/ 1/21	215,000.00	5.400000	11,880.00	226,880.00	238,760.00
3/ 1/22			6,075.00	6,075.00	
9/ 1/22	225,000.00	5.400000	6,075.00	231,075.00	237,150.00
	2,605,000.00		1,876,612.50	4,481,612.50	
ACCRUED	2,605,000.00		1,876,612.50	4,481,612.50	

Dated 8/ 1/ 2 with Delivery of 8/ 1/ 2

Bond Years 34,752.081

Average Coupon 6.400000

Average Life 13.340531

N I C 1 5.400000 % Using 100.0000000

T I C 1 5.399252 % From Dated Date

Micro-Muni Debt Date: 07-10-2002 @ 14:16:22 Filename: CELINA Key: 02REVB

PROPOSED \$2,745,000 - RATED BBB
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 4			78,918.75	78,918.75	
9/ 1/ 4			78,918.75	78,918.75	157,837.50
3/ 1/ 5			78,918.75	78,918.75	
9/ 1/ 5			78,918.75	78,918.75	157,837.50
3/ 1/ 6			78,918.75	78,918.75	
9/ 1/ 6			78,918.75	78,918.75	157,837.50
3/ 1/ 7			78,918.75	78,918.75	
9/ 1/ 7	100,000.00	5.750000	78,918.75	178,918.75	257,837.50
3/ 1/ 8			76,043.75	76,043.75	
9/ 1/ 8	105,000.00	5.750000	76,043.75	181,043.75	257,087.50
3/ 1/ 9			73,025.00	73,025.00	
9/ 1/ 9	110,000.00	5.750000	73,025.00	183,025.00	256,050.00
3/ 1/10			69,862.50	69,862.50	
9/ 1/10	120,000.00	5.750000	69,862.50	189,862.50	259,725.00
3/ 1/11			66,412.50	66,412.50	
9/ 1/11	125,000.00	5.750000	66,412.50	191,412.50	257,825.00
3/ 1/12			62,818.75	62,818.75	
9/ 1/12	130,000.00	5.750000	62,818.75	192,818.75	255,637.50
3/ 1/13			59,081.25	59,081.25	
9/ 1/13	140,000.00	5.750000	59,081.25	199,081.25	258,162.50
3/ 1/14			55,056.25	55,056.25	
9/ 1/14	145,000.00	5.750000	55,056.25	200,056.25	255,112.50
3/ 1/15			50,887.50	50,887.50	
9/ 1/15	155,000.00	5.750000	50,887.50	205,887.50	256,775.00
3/ 1/16			46,431.25	46,431.25	
9/ 1/16	165,000.00	5.750000	46,431.25	211,431.25	257,862.50
3/ 1/17			41,687.50	41,687.50	
9/ 1/17	175,000.00	5.750000	41,687.50	216,687.50	258,375.00
3/ 1/18			36,656.25	36,656.25	
9/ 1/18	185,000.00	5.750000	36,656.25	221,656.25	258,312.50
3/ 1/19			31,337.50	31,337.50	
9/ 1/19	195,000.00	5.750000	31,337.50	226,337.50	257,675.00
3/ 1/20			25,731.25	25,731.25	
9/ 1/20	205,000.00	5.750000	25,731.25	230,731.25	256,462.50
3/ 1/21			19,837.50	19,837.50	
9/ 1/21	215,000.00	5.750000	19,837.50	234,837.50	254,675.00
3/ 1/22			13,656.25	13,656.25	
9/ 1/22	230,000.00	5.750000	13,656.25	243,656.25	257,312.50
3/ 1/23			7,043.75	7,043.75	
9/ 1/23	245,000.00	5.750000	7,043.75	252,043.75	259,087.50
2,745,000.00			2,102,487.50	4,847,487.50	
ACCRUED					
2,745,000.00			2,102,487.50	4,847,487.50	

Dated 9/ 1/ 3 with Delivery of 9/ 1/ 3
Bond Years 36,565.000
Average Coupon 5.750000
Average Life 13.320583
N I C % 5.750000 % Using 100,000,000
T I C % 5.750000 % From Dated Date

MICRO-MUNI Debt Date: 07-10-2002 @ 11:26:33 Filename: CELINA Key: 01REVA

PROPOSED \$2,745,000 - INSURED (ASSET GUARANTY)
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2003
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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 4			74,115.00	74,115.00	
9/ 1/ 4			74,115.00	74,115.00	148,230.00
3/ 1/ 5			74,115.00	74,115.00	
9/ 1/ 5			74,115.00	74,115.00	148,230.00
3/ 1/ 6			74,115.00	74,115.00	
9/ 1/ 6			74,115.00	74,115.00	148,230.00
3/ 1/ 7			74,115.00	74,115.00	
9/ 1/ 7	100,000.00	5.400000	74,115.00	174,115.00	248,230.00
3/ 1/ 8			71,415.00	71,415.00	
9/ 1/ 8	110,000.00	5.400000	71,415.00	181,415.00	252,830.00
3/ 1/ 9			68,445.00	68,445.00	
9/ 1/ 9	115,000.00	5.400000	68,445.00	183,445.00	251,890.00
3/ 1/10			65,340.00	65,340.00	
9/ 1/10	120,000.00	5.400000	65,340.00	185,340.00	250,690.00
3/ 1/11			62,100.00	62,100.00	
9/ 1/11	125,000.00	5.400000	62,100.00	187,100.00	249,200.00
3/ 1/12			58,725.00	58,725.00	
9/ 1/12	135,000.00	5.400000	58,725.00	191,725.00	252,450.00
3/ 1/13			55,080.00	55,080.00	
9/ 1/13	140,000.00	5.400000	55,080.00	195,080.00	250,160.00
3/ 1/14			51,300.00	51,300.00	
9/ 1/14	150,000.00	5.400000	51,300.00	201,300.00	252,600.00
3/ 1/15			47,250.00	47,250.00	
9/ 1/15	155,000.00	5.400000	47,250.00	202,250.00	249,500.00
3/ 1/16			43,065.00	43,065.00	
9/ 1/16	165,000.00	5.400000	43,065.00	208,065.00	251,130.00
3/ 1/17			38,610.00	38,610.00	
9/ 1/17	175,000.00	5.400000	38,610.00	213,610.00	252,220.00
3/ 1/18			33,885.00	33,885.00	
9/ 1/18	180,000.00	5.400000	33,885.00	213,885.00	247,770.00
3/ 1/19			29,025.00	29,025.00	
9/ 1/19	190,000.00	5.400000	29,025.00	219,025.00	248,050.00
3/ 1/20			23,895.00	23,895.00	
9/ 1/20	205,000.00	5.400000	23,895.00	228,895.00	252,790.00
3/ 1/21			18,360.00	18,360.00	
9/ 1/21	215,000.00	5.400000	18,360.00	233,360.00	251,720.00
3/ 1/22			12,555.00	12,555.00	
9/ 1/22	225,000.00	5.400000	12,555.00	237,555.00	250,110.00
3/ 1/23			6,480.00	6,480.00	
9/ 1/23	240,000.00	5.400000	6,480.00	246,480.00	252,960.00
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	2,745,000.00		1,963,980.00	4,708,980.00	
ACCRUED					
	2,745,000.00		1,963,980.00	4,708,980.00	
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Dated 9/ 1/ 3 with Delivery of 9/ 1/ 3
Bond Years 36.370.000
Average Coupon 5.400000
Average Life 13.249545
N I C % 5.400000 % Using 100.0000000
T I C % 5.400000 % From Dated Date

Micro-Muni Debt Date: 07-10-2002 @ 14.30.03 Filename: CELINA Key: 03REVB

PROPOSED \$2,605,000 - RATED BBB
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2002

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 3			87,376.04	87,376.04	
9/ 1/ 3	60,000.00	5.750000	74,893.75	134,893.75	222,269.79
3/ 1/ 4			73,168.75	73,168.75	
9/ 1/ 4	80,000.00	5.750000	73,168.75	153,168.75	226,337.50
3/ 1/ 5			70,868.75	70,868.75	
9/ 1/ 5	80,000.00	5.750000	70,868.75	150,868.75	221,737.50
3/ 1/ 6			68,568.75	68,568.75	
9/ 1/ 6	85,000.00	5.750000	68,568.75	153,568.75	222,137.50
3/ 1/ 7			66,125.00	66,125.00	
9/ 1/ 7	90,000.00	5.750000	66,125.00	156,125.00	222,250.00
3/ 1/ 8			63,537.50	63,537.50	
9/ 1/ 8	95,000.00	5.750000	63,537.50	158,537.50	222,075.00
3/ 1/ 9			60,806.25	60,806.25	
9/ 1/ 9	100,000.00	5.750000	60,806.25	160,806.25	221,612.50
3/ 1/10			57,931.25	57,931.25	
9/ 1/10	110,000.00	5.750000	57,931.25	167,931.25	225,862.50
3/ 1/11			54,768.75	54,768.75	
9/ 1/11	115,000.00	5.750000	54,768.75	169,768.75	224,537.50
3/ 1/12			51,462.50	51,462.50	
9/ 1/12	120,000.00	5.750000	51,462.50	171,462.50	222,925.00
3/ 1/13			48,012.50	48,012.50	
9/ 1/13	130,000.00	5.750000	48,012.50	178,012.50	226,025.00
3/ 1/14			44,275.00	44,275.00	
9/ 1/14	135,000.00	5.750000	44,275.00	179,275.00	223,250.00
3/ 1/15			40,393.75	40,393.75	
9/ 1/15	145,000.00	5.750000	40,393.75	185,393.75	225,787.50
3/ 1/16			36,225.00	36,225.00	
9/ 1/16	150,000.00	5.750000	36,225.00	186,225.00	222,450.00
3/ 1/17			31,912.50	31,912.50	
9/ 1/17	160,000.00	5.750000	31,912.50	191,912.50	223,825.00
3/ 1/18			27,312.50	27,312.50	
9/ 1/18	170,000.00	5.750000	27,312.50	197,312.50	224,625.00
3/ 1/19			22,425.00	22,425.00	
9/ 1/19	180,000.00	5.750000	22,425.00	202,425.00	224,850.00
3/ 1/20			17,250.00	17,250.00	
9/ 1/20	190,000.00	5.750000	17,250.00	207,250.00	224,500.00
3/ 1/21			11,787.50	11,787.50	
9/ 1/21	200,000.00	5.750000	11,787.50	211,787.50	223,575.00
3/ 1/22			6,037.50	6,037.50	
9/ 1/22	210,000.00	5.750000	6,037.50	216,037.50	222,075.00
-----	2,605,000.00		1,868,007.29	4,473,007.29	
ACCRUED	2,605,000.00		1,868,007.29	4,473,007.29	
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Dated 8/ 1/ 2 with Delivery of 8/ 1/ 2
Bond Years 32,487.083
Average Coupon 5.750000
Average Life 12.471049
N I C % 5.750000 % Using 100.0000000
T I C % 5.749078 % From Dated Date

Micro-Mun Debt Date: 07-12-2002 @ 07-22-14 Filename: CELINA Key: 02REVA

PROPOSED \$2,605,000 - INSTYRED (ASSET GUARANTY)
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2002

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 3			82,057.50	82,057.50	
9/ 1/ 3	65,000.00	5.400000	70,335.00	135,335.00	217,392.50
3/ 1/ 4			68,580.00	68,580.00	
9/ 1/ 4	80,000.00	5.400000	68,580.00	148,580.00	217,160.00
3/ 1/ 5			66,420.00	66,420.00	
9/ 1/ 5	85,000.00	5.400000	66,420.00	151,420.00	217,840.00
3/ 1/ 6			64,125.00	64,125.00	
9/ 1/ 6	90,000.00	5.400000	64,125.00	154,125.00	218,250.00
3/ 1/ 7			61,695.00	61,695.00	
9/ 1/ 7	95,000.00	5.400000	61,695.00	156,695.00	218,390.00
3/ 1/ 8			59,130.00	59,130.00	
9/ 1/ 8	100,000.00	5.400000	59,130.00	159,130.00	218,260.00
3/ 1/ 9			56,430.00	56,430.00	
9/ 1/ 9	105,000.00	5.400000	56,430.00	161,430.00	217,860.00
3/ 1/10			53,595.00	53,595.00	
9/ 1/10	110,000.00	5.400000	53,595.00	163,595.00	217,190.00
3/ 1/11			50,625.00	50,625.00	
9/ 1/11	115,000.00	5.400000	50,625.00	165,625.00	216,250.00
3/ 1/12			47,520.00	47,520.00	
9/ 1/12	120,000.00	5.400000	47,520.00	167,520.00	215,040.00
3/ 1/13			44,280.00	44,280.00	
9/ 1/13	130,000.00	5.400000	44,280.00	174,280.00	218,560.00
3/ 1/14			40,770.00	40,770.00	
9/ 1/14	135,000.00	5.400000	40,770.00	175,770.00	216,540.00
3/ 1/15			37,125.00	37,125.00	
9/ 1/15	140,000.00	5.400000	37,125.00	177,125.00	214,250.00
3/ 1/16			33,345.00	33,345.00	
9/ 1/16	150,000.00	5.400000	33,345.00	183,345.00	216,690.00
3/ 1/17			29,295.00	29,295.00	
9/ 1/17	160,000.00	5.400000	29,295.00	189,295.00	218,590.00
3/ 1/18			24,975.00	24,975.00	
9/ 1/18	165,000.00	5.400000	24,975.00	189,975.00	214,950.00
3/ 1/19			20,520.00	20,520.00	
9/ 1/19	175,000.00	5.400000	20,520.00	195,520.00	216,040.00
3/ 1/20			15,795.00	15,795.00	
9/ 1/20	185,000.00	5.400000	15,795.00	200,795.00	216,590.00
3/ 1/21			10,800.00	10,800.00	
9/ 1/21	195,000.00	5.400000	10,800.00	205,800.00	216,600.00
3/ 1/22			5,535.00	5,535.00	
9/ 1/22	205,000.00	5.400000	5,535.00	210,535.00	216,070.00
	2,605,000.00		1,733,512.50	4,338,512.50	
ACCRUED	2,605,000.00		1,733,512.50	4,338,512.50	

Dated 8/ 1/ 2 with Delivery of 8/ 1/ 2
Bond Years 32,102.083
Average Coupon 5.400000
Average Life 12.323257
N I C 5.400000 % Using 100.000000
T I C 5.399195 % From Dated Date

Micro-Muni Debt Date: 07-12-2003 @ 07:24:54 Filename: CELINA Key: 02REVB

PROPOSED \$2,745,000 - RATED BBB
CITY OF CELINA, TEXAS
WATER AND SEWER REVENUE BONDS, SERIES 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 4			78,918.75	78,918.75	
9/ 1/ 4	75,000.00	5.750000	78,918.75	153,918.75	232,837.50
3/ 1/ 5			76,762.50	76,762.50	
9/ 1/ 5	80,000.00	5.750000	76,762.50	156,762.50	233,525.00
3/ 1/ 6			74,462.50	74,462.50	
9/ 1/ 6	85,000.00	5.750000	74,462.50	159,462.50	233,925.00
3/ 1/ 7			72,018.75	72,018.75	
9/ 1/ 7	90,000.00	5.750000	72,018.75	162,018.75	234,037.50
3/ 1/ 8			69,431.25	69,431.25	
9/ 1/ 8	95,000.00	5.750000	69,431.25	164,431.25	233,862.50
3/ 1/ 9			66,700.00	66,700.00	
9/ 1/ 9	100,000.00	5.750000	66,700.00	166,700.00	233,400.00
3/ 1/10			63,825.00	63,825.00	
9/ 1/10	105,000.00	5.750000	63,825.00	168,825.00	232,650.00
3/ 1/11			60,806.25	60,806.25	
9/ 1/11	115,000.00	5.750000	60,806.25	175,806.25	236,612.50
3/ 1/12			57,500.00	57,500.00	
9/ 1/12	120,000.00	5.750000	57,500.00	177,500.00	235,000.00
3/ 1/13			54,050.00	54,050.00	
9/ 1/13	125,000.00	5.750000	54,050.00	179,050.00	233,100.00
3/ 1/14			50,456.25	50,456.25	
9/ 1/14	135,000.00	5.750000	50,456.25	185,456.25	235,912.50
3/ 1/15			46,575.00	46,575.00	
9/ 1/15	140,000.00	5.750000	46,575.00	186,575.00	233,150.00
3/ 1/16			42,550.00	42,550.00	
9/ 1/16	150,000.00	5.750000	42,550.00	192,550.00	235,100.00
3/ 1/17			38,237.50	38,237.50	
9/ 1/17	160,000.00	5.750000	38,237.50	198,237.50	236,475.00
3/ 1/18			33,637.50	33,637.50	
9/ 1/18	170,000.00	5.750000	33,637.50	203,637.50	237,275.00
3/ 1/19			28,750.00	28,750.00	
9/ 1/19	180,000.00	5.750000	28,750.00	208,750.00	237,500.00
3/ 1/20			23,575.00	23,575.00	
9/ 1/20	190,000.00	5.750000	23,575.00	213,575.00	237,150.00
3/ 1/21			18,112.50	18,112.50	
9/ 1/21	200,000.00	5.750000	18,112.50	218,112.50	236,225.00
3/ 1/22			12,362.50	12,362.50	
9/ 1/22	210,000.00	5.750000	12,362.50	222,362.50	234,725.00
3/ 1/23			6,325.00	6,325.00	
9/ 1/23	220,000.00	5.750000	6,325.00	226,325.00	232,650.00
	2,745,000.00		1,950,112.50	4,695,112.50	
ACCRUED	2,745,000.00		1,950,112.50	4,695,112.50	
	=====		=====	=====	

Dated 9/ 1/ 3 With Delivery of 9/ 1/ 3
Bond Years 33,915.000
Average Coupon 5.750000
Average Life 12.355191
N I C % 5.750000 % Using 100.0000000
T I C % 5.750000 % From Dated Date

Micro-Muni Debt Date: 07-12-2002 07:37:01 Filename: CELINA Key: 03REVA

PROPOSED \$2,745,000 - INSURED (ASSET GUARANTY)
 CITY OF CELINA, TEXAS
 WATER AND SEWER REVENUE BONDS, SERIES 2003
 =====
 Debt Service Schedule
 =====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
3/ 1/ 4			74,115.00	74,115.00	
9/ 1/ 4	80,000.00	5.400000	74,115.00	154,115.00	228,230.00
3/ 1/ 5			71,955.00	71,955.00	
9/ 1/ 5	85,000.00	5.400000	71,955.00	156,955.00	228,910.00
1/ 1/ 6			69,660.00	69,660.00	
9/ 1/ 6	90,000.00	5.400000	69,660.00	159,660.00	229,320.00
3/ 1/ 7			67,230.00	67,230.00	
9/ 1/ 7	95,000.00	5.400000	67,230.00	162,230.00	229,460.00
3/ 1/ 8			64,665.00	64,665.00	
9/ 1/ 8	100,000.00	5.400000	64,665.00	164,665.00	229,330.00
1/ 1/ 9			61,965.00	61,965.00	
9/ 1/ 9	105,000.00	5.400000	61,965.00	166,965.00	228,930.00
3/ 1/10			59,130.00	59,130.00	
9/ 1/10	110,000.00	5.400000	59,130.00	169,130.00	228,260.00
1/ 1/11			56,160.00	56,160.00	
9/ 1/11	115,000.00	5.400000	56,160.00	171,160.00	227,320.00
3/ 1/12			53,055.00	53,055.00	
9/ 1/12	120,000.00	5.400000	53,055.00	173,055.00	226,110.00
3/ 1/13			49,815.00	49,815.00	
9/ 1/13	125,000.00	5.400000	49,815.00	174,815.00	224,630.00
1/ 1/14			46,440.00	46,440.00	
9/ 1/14	135,000.00	5.400000	46,440.00	181,440.00	227,880.00
3/ 1/15			42,795.00	42,795.00	
9/ 1/15	140,000.00	5.400000	42,795.00	182,795.00	225,590.00
1/ 1/16			39,015.00	39,015.00	
9/ 1/16	150,000.00	5.400000	39,015.00	189,015.00	228,030.00
3/ 1/17			34,965.00	34,965.00	
9/ 1/17	155,000.00	5.400000	34,965.00	189,965.00	224,930.00
3/ 1/18			30,780.00	30,780.00	
9/ 1/18	165,000.00	5.400000	30,780.00	195,780.00	226,560.00
3/ 1/19			26,325.00	26,325.00	
9/ 1/19	175,000.00	5.400000	26,325.00	201,325.00	227,650.00
3/ 1/20			21,600.00	21,600.00	
9/ 1/20	185,000.00	5.400000	21,600.00	206,600.00	228,200.00
1/ 1/21			16,605.00	16,605.00	
9/ 1/21	195,000.00	5.400000	16,605.00	211,605.00	228,210.00
3/ 1/22			11,340.00	11,340.00	
9/ 1/22	205,000.00	5.400000	11,340.00	216,340.00	227,680.00
3/ 1/23			5,805.00	5,805.00	
9/ 1/23	215,000.00	5.400000	5,805.00	220,805.00	226,610.00
	2,745,000.00		1,806,340.00	4,551,340.00	
ACCRUED	2,745,000.00		1,806,340.00	4,551,340.00	
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Dated 9/ 1/ 3 with Delivery of 9/ 1/ 3
 Bond Years 33.460.000
 Average Coupon 5.400000
 Average Life 12.189435
 N I C % 5.400000 % Using 100.0000000
 T I C % 5.400000 % From Dated Date

Micro-Muni Debt Date: 07-12-2002 @ 07:38:10 Filename: CELINA Key: 03REVB

ADDITIONAL RATE SCENARIOS

USER-DEFINED WASTEWATER RATE PROJECTIONS

		Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase	Minimum Bill Increase
	PERCENT	0.00%	0.00%	0.00%	0.00%
	DOLLAR	\$ -	\$ -	\$ -	\$ -
	Rate Year 2003	Rate Year 2004	Rate Year 2005	Rate Year 2006	Rate Year 2007
Customer Class	Minimum Bill	Minimum Bill	Minimum Bill	Minimum Bill	Minimum Bill
Residential	\$ 13.75	\$ 13.75	\$ 13.75	\$ 13.75	\$ 13.75
Commercial	13.75	13.75	13.75	13.75	13.75
Sewer Only	13.75	13.75	13.75	13.75	13.75
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Customer Class	Volumetric Rate	Volumetric Rate	Volumetric Rate	Volumetric Rate	Volumetric Rate
Residential	\$ (1.36)	\$ (1.32)	\$ (1.38)	\$ (1.39)	\$ (1.37)
Commercial	1.20	1.22	1.19	1.18	1.19
Sewer Only	1.83	1.85	1.82	1.81	1.82
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Minimum Bill Revenue	\$139,373	\$150,523	\$162,565	\$175,570	\$189,616
Volumetric Revenue	(\$11,296)	(\$10,652)	(\$13,876)	(\$15,547)	(\$16,094)
Total Rate Revenue	\$128,077	\$139,871	\$148,689	\$160,023	\$173,522
Revenue Requirement	\$128,077	\$139,871	\$148,689	\$160,023	\$173,522
Over/(Under) Recovery	\$0	\$0	\$0	\$0	\$0

COMBINED OVER/(UNDER) RECOVERY

Water Revenue	\$860,776	\$1,035,084	\$1,088,503	\$1,162,573	\$1,281,229
Wastewater Revenue	\$128,077	\$139,871	\$148,689	\$160,023	\$173,522
Total Rate Revenue	\$988,853	\$1,174,955	\$1,237,193	\$1,322,597	\$1,454,751
Revenue Requirement	\$988,853	\$1,174,955	\$1,237,193	\$1,322,597	\$1,454,751
Over/(Under) Recovery	\$0	\$0	\$0	\$0	\$0

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Commercial Water Only

0 - 2,000	179,406							
2,001 - 3,000	67,139	\$3.75	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
3,001 - 4,000	56,632	5.62	6.29	6.29	6.29	6.29	6.29	6.29
4,001 - 5,000	48,017	4.88	5.47	5.47	5.47	5.47	5.47	5.47
5,001 - 240,000	1,342,259	4.75	5.32	5.32	5.32	5.32	5.32	5.32
240,001 - 0	232,203	6.75	7.56	7.56	7.56	7.56	7.56	7.56
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Domestic Residential

0 - 2,000	5,321,200							
2,001 - 3,000	2,559,136	\$3.75	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
3,001 - 4,000	2,431,032	5.62	6.29	6.29	6.29	6.29	6.29	6.29
4,001 - 5,000	2,226,423	4.88	5.47	5.47	5.47	5.47	5.47	5.47
5,001 - 15,000	13,230,332	4.75	5.32	5.32	5.32	5.32	5.32	5.32
15,001 - 0	18,159,969	6.75	7.56	7.56	7.56	7.56	7.56	7.56
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Domestic Commercial

0 - 2,000	73,817							
2,001 - 3,000	33,354	\$3.75	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
3,001 - 4,000	32,413	5.62	6.29	6.29	6.29	6.29	6.29	6.29
4,001 - 5,000	31,681	4.88	5.47	5.47	5.47	5.47	5.47	5.47
5,001 - 240,000	388,535	4.75	5.32	5.32	5.32	5.32	5.32	5.32
240,001 - 0	0	6.75	7.56	7.56	7.56	7.56	7.56	7.56
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Farm

0 - 2,000	25,094							
2,001 - 3,000	12,547	\$3.75	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
3,001 - 4,000	12,547	5.62	6.29	6.29	6.29	6.29	6.29	6.29
4,001 - 5,000	12,547	4.88	5.47	5.47	5.47	5.47	5.47	5.47
5,001 - 240,000	2,948,500	4.75	5.32	5.32	5.32	5.32	5.32	5.32
240,001 - 0	18,600,641	6.75	7.56	7.56	7.56	7.56	7.56	7.56
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0 - 0	0							
0 - 0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0 - 0	0							
0 - 0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0 - 0	0							
0 - 0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0 - 0	0							
0 - 0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Water Minimum Bill Revenue	\$179,066	\$253,885	\$274,195	\$296,131	\$319,822
Water Volumetric Revenue	\$648,025	\$783,852	\$846,560	\$914,284	\$987,427
Total Revenue	\$827,092	\$1,037,736	\$1,120,755	\$1,210,415	\$1,307,249
Water Revenue Requirement	\$860,776	\$1,035,084	\$1,088,503	\$1,162,573	\$1,281,229
Water Over/(Under) Recovery	(\$33,684)	\$2,652	\$32,252	\$47,842	\$26,020

0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00
0	0 - 0	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - 0	0	0.00	0.00	0.00	0.00	0.00	0.00
	0 - & above	0	0.00	0.00	0.00	0.00	0.00	0.00

Wastewater Minimum Bill Revenue	\$139,373	\$150,523	\$162,565	\$175,570	\$189,616
Wastewater Volumetric Revenue	\$166,271	\$179,572	\$193,938	\$209,453	\$226,209
Total Revenue	\$305,644	\$330,096	\$356,503	\$385,024	\$415,825
Wastewater Revenue Requirement	\$128,077	\$139,871	\$148,689	\$160,023	\$173,522
Wastewater Over/(Under) Recovery	\$177,567	\$190,225	\$207,814	\$225,000	\$242,304

DRAFT

DETAILED MODEL INPUT FINANCIAL SCHEDULES

Cash Capital Outlay	
Base Capital Costs	\$90,000
Machinery & Equipment	0
Furniture & Fixtures	0
Motor Vehicles	0
-	0
SUBTOTAL:	\$90,000
TOTAL GROUND WATER PRODUCTION	\$550,173

RAW WATER PRODUCTION	Total Annual Expense
Salaries & Related	
Supervision Salaries	\$0
Operational Salaries	0
Overtime	0
Longevity	0
Retirement	0
FICA	0
Unemployment Benefits	0
Life Insurance	0
Health Insurance	0
Worker Compensation	0
Other Payroll Expense	0
Accrued Payroll Expense	0
-	0
-	0
SUBTOTAL	\$0
Supplies	
Chemical Supplies	\$0
Small Tools & Instruments	0
Cleaning Supplies	0
Fuels, Oils, Lubricants	0
Safety Supplies	0
Miscellaneous Supplies	0
-	0
-	0
SUBTOTAL:	\$0
Maintenance	
Building Maintenance	\$0
Machinery & Equipment Maintenance	0
Vehicle Maintenance	0
Instrument Maintenance	0
Water Plant Maintenance	0
Meter Maintenance	0
Miscellaneous Maintenance	0
-	0
-	0
SUBTOTAL:	\$0
Services	
Electric Utility Service	\$0
Dues & Subscriptions	0
General Insurance	0
Professional Fees	0
Travel, Training & Seminars	0
Communications	0
Contractual Services	0
Machinery & Equipment Rental	0
Inspection & Permit Fees	0
Uniform Purchase/Rental	0
Miscellaneous Services	0
-	0
-	0
SUBTOTAL	\$0
Cash Capital Outlay	
Machinery & Equipment	\$0
Furniture & Fixtures	0
Motor Vehicles	0
-	0
-	0
SUBTOTAL:	\$0
TOTAL RAW WATER PRODUCTION	\$0

TREATED WATER TRANSMISSION/DISTRIBUTION

Total Annual Expense

Salaries & Related

Supervision Salaries	\$0
Operational Salaries	0
Overtime	0
Longevity	0
Retirement	0
FICA	0
Unemployment Benefits	0
Life Insurance	0
Health Insurance	0
Worker Compensation	0
Other Payroll Expense	0
Accrued Payroll Expense	0
-	0
-	0
SUBTOTAL	\$0

Supplies

Chemical Supplies	\$0
Small Tools & Instruments	0
Cleaning Supplies	0
Fuels, Oils, Lubricants	0
Safety Supplies	0
Miscellaneous Supplies	0
-	0
-	0
SUBTOTAL	\$0

Maintenance

Building Maintenance	\$0
Machinery & Equipment Maintenance	0
Vehicle Maintenance	0
Instrument Maintenance	0
Water Mains Maintenance	0
Streets, Road and Bridge Maintenance	0
Meter Maintenance	0
Miscellaneous Maintenance	0
-	0
-	0
SUBTOTAL:	\$0

Services

Electric Utility Service	\$0
Communications	0
Dues & Subscriptions	0
General Insurance	0
Professional Fees	0
Contractual Services	0
Machinery & Equipment Rental	0
Inspection & Permit Fees	0
Uniform Purchase/Rental	0
Miscellaneous Services	0
-	0
-	0
SUBTOTAL	\$0

Cash Capital Outlay

Furniture & Fixtures	\$0
Machinery & Equipment	0
Motor Vehicles	0
Meters	0
Hydrants	0
-	0
-	0
SUBTOTAL	\$0

TOTAL TREATED WATER TRANSMISSION/DISTRIBUTION**\$0**

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Capital Outlay

Machinery & Equipment	\$0
Motor Vehicles	0
-	0
-	0
SUBTOTAL:	<u>\$0</u>

TOTAL INDUSTRIAL WASTE/PRE-TREATMENT**\$0****WASTEWATER TREATMENT PLANT**

Total Annual Expense

Salaries & Related

Salaries	\$80,240
Unemployment Benefits	0
Overtime Salaries	3,090
P/R Tax Expense	6,514
SUTA Tax	366
Group Health Insurance	11,973
Employee Retirement	3,321
Workman's Compensation	1,742
Christmas Bonus	469
-	0
-	0
-	0
-	0
-	0
SUBTOTAL	<u>\$107,715</u>

Supplies

Chemical Supplies	\$6,180
Materials and Supplies	12,875
Uniforms	1,288
Fuels, Oils, Lubricants	0
Safety Supplies	0
Miscellaneous Supplies	0
-	0
-	0
SUBTOTAL	<u>\$20,343</u>

Maintenance

Facility Maintenance	\$20,600
Maintenance Agreements	1,545
Repairs	0
Cleaning	0
Vehicle Expense	2,575
Miscellaneous Maintenance	0
-	0
-	0
SUBTOTAL:	<u>\$24,720</u>

Services

Electric Utility Service	\$28,325
Sludge Handling	3,605
Memberships and Dues	1,391
General Insurance	2,678
Professional Fees	2,575
School and Travel Expense	1,288
Telephone	2,575
Contract Labor	1,030
Equipment Rental	10,300
Licenses/Permits/Filing Fee	2,472
Maps and Printing	1,236
Testing	3,605
Dispatch Service	515
Rent	824
SUBTOTAL	<u>\$62,418</u>

Capital Outlay

Capital Outlay

Machinery & Equipment

\$0

Motor Vehicles

0

Mains & Services

0

-

0

-

0

SUBTOTAL:

\$0

TOTAL WASTEWATER COLLECTION

\$0

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CUSTOMER SERVICE	Total Annual Expense	Model's Water Allocation	Model's Wastewater Allocation	User's Water Allocation	User's Wastewater Allocation
Salaries & Related					
Supervision Salaries	\$0	58%	42%	58%	42%
Clerical Salaries	0	58%	42%	58%	42%
Overtime	0	58%	42%	58%	42%
Longevity	0	58%	42%	58%	42%
Retirement	0	58%	42%	58%	42%
FICA	0	58%	42%	58%	42%
Unemployment Benefits	0	58%	42%	58%	42%
Life Insurance	0	58%	42%	58%	42%
Health Insurance	0	58%	42%	58%	42%
Worker Compensation	0	58%	42%	58%	42%
Other Payroll Expense	0	58%	42%	58%	42%
Accrued Payroll Expense	0	58%	42%	58%	42%
-	0	58%	42%	58%	42%
SUBTOTAL	\$0				
Supplies					
Office Supplies	\$0	58%	42%	58%	42%
Postage	5,250	58%	42%	58%	42%
Data Processing Supplies	0	58%	42%	58%	42%
Minor Office Equipment	0	58%	42%	58%	42%
Books and Periodicals	0	58%	42%	58%	42%
Safety Supplies	0	58%	42%	58%	42%
Miscellaneous Supplies	0	58%	42%	58%	42%
-	0	58%	42%	58%	42%
SUBTOTAL	\$5,250				
Maintenance					
Building Maintenance	\$0	58%	42%	58%	42%
Office Equipment Maintenance	0	58%	42%	58%	42%
-	0	58%	42%	58%	42%
SUBTOTAL	\$0				
Services					
Electric Utility Service	\$0	58%	42%	58%	42%
Dues & Subscriptions	0	58%	42%	58%	42%
General Insurance	0	58%	42%	58%	42%
Professional Fees	0	58%	42%	58%	42%
Advertising	1,030	58%	42%	58%	42%
Travel, Training & Seminars	0	58%	42%	58%	42%
Communications	0	58%	42%	58%	42%
Bank Charges	0	58%	42%	58%	42%
Auto Allowance	0	58%	42%	58%	42%
Natural Gas Utility Service	0	58%	42%	58%	42%
Solid Waste Utility Service	0	58%	42%	58%	42%
Storm Water Utility Fees	0	58%	42%	58%	42%
Uniform Purchase/Rental	0	58%	42%	58%	42%
Copy Machine Usage	0	58%	42%	58%	42%
-	0	58%	42%	58%	42%
SUBTOTAL	\$1,030				
Capital Outlay					
Machinery & Equipment	\$0	58%	42%	58%	42%
Office Machinery & Equipment	0	58%	42%	58%	42%
-	0	58%	42%	58%	42%
SUBTOTAL	\$0				
TOTAL CUSTOMER SERVICE	\$6,280				

	Total Annual Expense	Model's Water Allocation	Model's Wastewater Allocation	User's Water Allocation	User's Wastewater Allocation
LABORATORY					
Salaries & Related					
Supervision Salaries	\$0	63%	37%	63%	37%
Clerical Salaries	0	63%	37%	63%	37%
Overtime	0	63%	37%	63%	37%
Longevity	0	63%	37%	63%	37%
Retirement	0	63%	37%	63%	37%
FICA	0	63%	37%	63%	37%
Unemployment Benefits	0	63%	37%	63%	37%
Life Insurance	0	63%	37%	63%	37%
Health Insurance	0	63%	37%	63%	37%
Worker Compensation	0	63%	37%	63%	37%
Other Payroll Expense	0	63%	37%	63%	37%
Accrued Payroll Expense	0	63%	37%	63%	37%
-	0	63%	37%	63%	37%
SUBTOTAL	\$0				
Supplies					
Chemical Supplies	\$0	63%	37%	63%	37%
Office Supplies	0	63%	37%	63%	37%
Data Processing Supplies	0	63%	37%	63%	37%
Minor Office Equipment	0	63%	37%	63%	37%
Books and Periodicals	0	63%	37%	63%	37%
Safety Supplies	0	63%	37%	63%	37%
Miscellaneous Supplies	0	63%	37%	63%	37%
-	0	63%	37%	63%	37%
SUBTOTAL	\$0				
Maintenance					
Building Maintenance	\$0	63%	37%	63%	37%
Office Equipment Maintenance	0	63%	37%	63%	37%
-	0	63%	37%	63%	37%
SUBTOTAL	\$0				
Services					
Electric Utility Service	\$0	63%	37%	63%	37%
Dues & Subscriptions	0	63%	37%	63%	37%
General Insurance	0	63%	37%	63%	37%
Professional Fees	0	63%	37%	63%	37%
Advertising	0	63%	37%	63%	37%
Travel, Training & Seminars	0	63%	37%	63%	37%
Communications	0	63%	37%	63%	37%
Bank Charges	0	63%	37%	63%	37%
Auto Allowance	0	63%	37%	63%	37%
Natural Gas Utility Service	0	63%	37%	63%	37%
Solid Waste Utility Service	0	63%	37%	63%	37%
Storm Water Utility Fees	0	63%	37%	63%	37%
Uniform Purchase/Rental	0	63%	37%	63%	37%
Copy Machine Usage	0	63%	37%	63%	37%
-	0	63%	37%	63%	37%
SUBTOTAL	\$0				
Capital Outlay					
Machinery & Equipment	\$0	63%	37%	63%	37%
Office Machinery & Equipment	0	63%	37%	63%	37%
-	0	63%	37%	63%	37%
SUBTOTAL	\$0				
TOTAL LABORATORY	\$0				

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Fiscal Year
2003

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NON-RETAIL RATE REVENUE	Total Annual Revenue	Allocated to Water	Allocated to Wastewater
Water Tap Fees	\$108,000	100%	0%
Sewer Tap Fees	78,000	0%	100%
Wholesale Water Revenue	0	100%	0%
Wholesale Sewer Revenue	0	0%	100%
Wastewater Surcharges	0	0%	100%
Bulk Water Sales	0	100%	0%
Reconnect Fees	1,500	50%	50%
Interest Revenue	50,000	50%	50%
Meter Installation Fees	0	0%	0%
Penalties	15,000	50%	50%
Transfer Fees	200	50%	50%
Account Initiation Fees	0	0%	0%
Water Impact Fee	116,280	100%	0%
Sewer Impact Fee	96,915	0%	100%
-	0	0%	0%
-	0	0%	0%
SUBTOTAL:	<u>\$465,895</u>		
TOTAL NON-RATE REVENUE	\$465,895		

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**CITY OF CELINA
WATER/WASTEWATER COST OF SERVICE MODEL**

Forecast Summary – Inside City and Outside City Cost of Service
Scenario: 2019 05 16 Scenario 2 -- WW Inverted Block

1 **ADOPTED RATE PLAN**

INSIDE CITY

WC1 2019 05 16 Scenario 2 -- WW Inverted Block
Monthly Minimum Charge – 1st 2,000 Gallons

3/4"	\$	23 15	\$	23 84	\$	24 56	\$	25 30
Volume Rate/1,000 Gal								
2,001 10,000		5 06		5 21		5 37		5 53
10,001 20,000		7 66		7 89		8 13		8 37
20,001 30,000		9 02		9 29		9 57		9 86
30,001 Above		13 02		13 41		13 81		14 23

WC2 2019 05 16 Scenario 2 -- WW Inverted Block
Monthly Minimum Charge – 1st 2,000 Gallons

3/4"	\$	27 81	\$	28 64	\$	29 50	\$	30 39
1"		48 67		50 13		51 63		53 18
1 1/2"		97 34		100 26		103 27		106 37
2"		155 74		160 41		165 22		170 18

Volume Rate/1,000 Gal

2,001 10,000		5 06		5 21		5 37		5 53
10,001 20,000		7 66		7 89		8 13		8 37
20,001 30,000		9 02		9 29		9 57		9 86
30,001 Above		13 02		13 41		13 81		14 23

OUTSIDE CITY

WC1 2019 05 16 Scenario 2 -- WW Inverted Block
Monthly Minimum Charge – 1st 2,000 Gallons

3/4"	\$	34 72	\$	35 77	\$	36 84	\$	37 95
Volume Rate/1,000 Gal								
2,001 10,000		7 59		7 82		8 05		8 29
10,001 20,000		11 49		11 84		12 19		12 56
20,001 30,000		13 53		13 94		14 35		14 78
30,001 Above		19 53		20 12		20 72		21 34

Percent Greater than Inside

50.0% 50.0% 50.0% 50.0%

WC2 2019 05 16 Scenario 2 -- WW Inverted Block
Monthly Minimum Charge – 1st 2,000 Gallons

3/4"	\$	41 72	\$	42 97	\$	44 26	\$	45 58
1"		73 01		75 20		77 45		79 77
1 1/2"		146 01		150 39		154 90		159 55
2"		233 61		240 62		247 84		255 27

Volume Rate/1,000 Gal

2,001 10,000	\$	7 59	\$	7 82	\$	8 05	\$	8 29
10,001 20,000		11 49		11 84		12 19		12 56
20,001 30,000		13 53		13 94		14 35		14 78
30,001 Above		19 53		20 12		20 72		21 34

Percent Greater than Inside

50.0% 50.0% 50.0% 50.0%

18 Year Forecast 2018-2027		CITY OF CELINA WATER/WASTEWATER COST OF SERVICE MODEL	
Scenario	Rate Plan Period	Year	Year

Forecast Summary -- Inside City and Outside City Cost of Service
Scenario: 2019 05 16 Scenario 2 -- WW Inverted Block

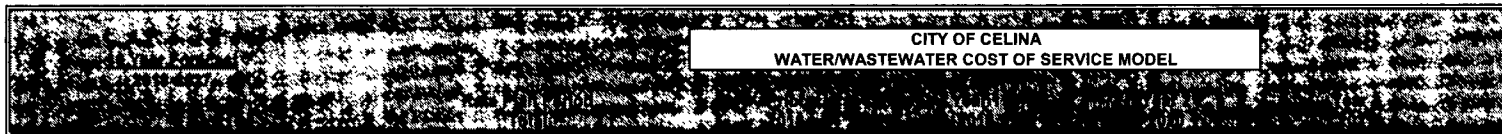
2 TOTAL COST OF SERVICE AND REVENUE REQUIREMENT

CASH Basis - Inside City

Operating Expenses	\$ 20,558,937	\$ 4,139,331	\$ 4,944,336	\$ 5,514,769	\$ 5,960,500
Capital Outlays	727,292	181,823	181,823	181,823	181,823
Transfers	1,503,659	359,415	370,198	381,304	392,743
Current Debt Service	5,016,320	1,278,633	1,285,388	1,248,679	1,203,620
Future Debt Service	5,542,668	-	1,187,714	1,187,714	3,167,239
Depreciation	-	-	-	-	-
Return	-	-	-	-	-
Total Cost of Service	33,348,875	5,959,203	7,969,459	8,514,289	10,905,925
Less Non-Rate Revenues	6,510,249	1,675,083	1,675,083	1,793,548	1,366,535
Net Revenue Requirement	26,838,627	4,284,120	6,294,377	6,720,740	9,539,390

UTILITY Basis - Outside City

Operating Expenses	\$ 20,558,937	\$ 4,139,331	\$ 4,944,336	\$ 5,514,769	\$ 5,960,500
Capital Outlays	-	-	-	-	-
Transfers	1,503,659	359,415	370,198	381,304	392,743
Current Debt Service	1,852,974	498,183	477,747	451,538	425,506
Future Debt Service	3,458,649	-	752,760	734,927	1,970,963
Depreciation	6,359,161	1,119,406	1,300,713	1,668,076	2,070,966
Return	19,591,578	3,389,815	3,983,301	5,799,674	6,418,787
Total Cost of Service	53,324,958	9,506,152	11,829,054	14,750,288	17,239,464
Percent Greater than Cash Basis	59.8%	59.8%	48.4%	73.2%	58.1%
Less Non-Rate Revenues	6,510,249	1,675,083	1,675,083	1,793,548	1,366,535
Net Revenue Requirement	46,814,709	7,831,069	10,153,972	12,956,739	15,872,930
Percent Greater than Cash Basis	74.4%	82.8%	61.3%	92.8%	66.4%



Forecast Summary – Inside City and Outside City Cost of Service
Scenario: 2019 05 16 Scenario 2 -- WW Inverted Block

3 NET REVENUE REQUIREMENT BY CUSTOMER CLASS

W11	Residential										
	Net Revenue Requirement before Coverage	\$	13,312,932	\$	2,075,099	\$	3,241,904	\$	3,155,938	\$	4,839,991
	Average Accounts		<u>4,812</u>		<u>3,611</u>		<u>4,420</u>		<u>5,311</u>		<u>5,906</u>
	Revenue Requirement/Account Per Month	\$	57.64	\$	47.89	\$	61.12	\$	49.52	\$	68.30
W12	Commercial										
	Net Revenue Requirement before Coverage	\$	4,387,346	\$	679,385	\$	1,069,604	\$	1,036,001	\$	1,602,357
	Average Accounts		<u>321</u>		<u>241</u>		<u>295</u>		<u>354</u>		<u>394</u>
	Revenue Requirement/Account Per Month	\$	284.61	\$	234.92	\$	302.16	\$	243.57	\$	338.78
	Total Inside City										
	Net Revenue Requirement before Coverage	\$	17,700,278	\$	2,754,484	\$	4,311,508	\$	4,191,939	\$	6,442,348
	Average Accounts		<u>5,133</u>		<u>3,852</u>		<u>4,715</u>		<u>5,665</u>		<u>6,300</u>
	Revenue Requirement/Account Per Month	\$	71.84	\$	59.59	\$	76.20	\$	61.66	\$	85.22
WO1	Residential Outside										
	Net Revenue Requirement before Coverage	\$	8,531,621	\$	1,428,408	\$	1,851,481	\$	2,360,777	\$	2,890,955
	Average Accounts		<u>1,613</u>		<u>1,211</u>		<u>1,482</u>		<u>1,780</u>		<u>1,980</u>
	Revenue Requirement/Account Per Month	\$	110.19	\$	98.33	\$	104.13	\$	110.50	\$	121.69
	Percent Greater than Residential Inside		91.2%		105.3%		70.4%		123.1%		78.2%
WO2	Commercial Outside										
	Net Revenue Requirement before Coverage	\$	606,728	\$	101,228	\$	131,388	\$	168,025	\$	206,087
	Average Accounts		<u>37</u>		<u>28</u>		<u>34</u>		<u>40</u>		<u>45</u>
	Revenue Requirement/Account Per Month	\$	344.93	\$	306.75	\$	325.28	\$	346.19	\$	381.85
	Percent Greater than Commercial Inside		21.2%		30.6%		7.7%		42.1%		12.7%
	Total Outside City										
	Net Revenue Requirement before Coverage	\$	9,138,349	\$	1,529,636	\$	1,982,869	\$	2,528,801	\$	3,097,042
	Average Accounts		<u>1,650</u>		<u>1,238</u>		<u>1,515</u>		<u>1,821</u>		<u>2,025</u>
	Revenue Requirement/Account Per Month	\$	115.40	\$	102.96	\$	109.05	\$	115.74	\$	127.47
	Percent Greater than Inside City		60.6%		72.8%		43.1%		87.7%		49.6%

CITY OF CELINA WATER/WASTEWATER COST OF SERVICE MODEL					
10 Year Forecast 2018-2027	Rate Plan Period Total	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021

Forecast Summary -- Inside City and Outside City Cost of Service
Scenario: 2019 05 16 Scenario 2 -- WW Inverted Block

4 REVENUES AND REVENUE REQUIREMENT BY CUSTOMER CLASS

WI1 Residential					
Revenues under Proposed Rates	\$ 15,010,930	\$ 2,679,839	\$ 3,373,574	\$ 4,175,298	\$ 4,782,219
Net Revenue Requirement before Coverage	13,312,932	2,075,099	3,241,904	3,155,938	4,839,991
Net Revenues Required to Fund Coverage	1,697,998	604,740	131,670	1,019,360	(57,772)
WI2 Commercial					
Revenues under Proposed Rates	\$ 7,892,397	\$ 1,404,313	\$ 1,775,028	\$ 2,196,860	\$ 2,516,196
Net Revenue Requirement before Coverage	4,387,346	679,385	1,069,604	1,036,001	1,602,357
Net Revenues Required to Fund Coverage	3,505,050	724,928	705,425	1,160,859	913,839
Total Inside City					
Revenues under Proposed Rates	\$ 22,903,327	\$ 4,084,152	\$ 5,148,603	\$ 6,372,158	\$ 7,298,415
Net Revenue Requirement before Coverage	17,700,278	2,754,484	4,311,508	4,191,939	6,442,348
Net Revenues Required to Fund Coverage	5,203,049	1,329,668	837,095	2,180,219	856,067
Percent Contributed to Coverage	22.7%	32.6%	16.3%	34.2%	11.7%
WO1 Residential Outside					
Revenues under Proposed Rates	\$ 7,572,768	\$ 1,355,180	\$ 1,701,054	\$ 2,105,269	\$ 2,411,265
Net Revenue Requirement before Coverage	8,531,621	1,428,408	1,851,481	2,360,777	2,890,955
Net Revenues Required to Fund Coverage	(958,853)	(73,228)	(150,427)	(255,507)	(479,690)
WO2 Commercial Outside					
Revenues under Proposed Rates	\$ 2,437,993	\$ 433,474	\$ 548,405	\$ 678,729	\$ 777,386
Net Revenue Requirement before Coverage	606,728	101,228	131,388	168,025	206,087
Net Revenues Required to Fund Coverage	1,831,266	332,246	417,017	510,704	571,299
Total Outside City					
Revenues under Proposed Rates	\$ 10,010,761	\$ 1,788,654	\$ 2,249,458	\$ 2,783,998	\$ 3,188,651
Net Revenue Requirement before Coverage	9,138,349	1,529,636	1,982,869	2,528,801	3,097,042
Net Revenues Required to Fund Coverage	872,413	259,016	266,590	255,197	91,609
Percent Contributed to Coverage	8.7%	14.8%	11.9%	9.2%	2.9%
Total Water Utility					
Revenues under Proposed Rates	\$ 32,914,088	\$ 5,872,806	\$ 7,398,061	\$ 9,156,156	\$ 10,487,066
Net Revenue Requirement before Coverage	26,838,627	4,284,120	6,294,377	6,720,740	9,539,390
Net Revenues Required to Fund Coverage	6,075,462	1,588,686	1,103,684	2,435,415	947,676
Debt Coverage	1.80	2.24	1.46	2.00	1.22

City of Celina, Texas
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2017

Comprehensive Annual Financial Report
City of Celina, Texas
Fiscal Year Ended September 30, 2017



As Prepared By
Finance Department

City of Celina, Texas
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2017
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INTRODUCTORY SECTION



March 23, 2018

Honorable Mayor and City Council,
City Manager,
Citizens of Celina:

The Comprehensive Annual Financial Report (CAFR) of the City of Celina, Texas (the City), for the fiscal year ended September 30, 2017, is submitted herewith. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls 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. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City.

Scott, Singleton, Fincher and Company, P.C., a firm of licensed certified public accountants, has issued unmodified ("clean") opinions on the City of Celina financial statements for the year ended September 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

OUR HISTORY

Celina, in the northwest corner of Collin County, was not established until 1876, but settlers came into the area at a much earlier date. These settlers lived the lives of typical pioneers building their homes from logs, or hauling lumber from Jefferson. They traveled by foot, horseback or in wagons, making their clothes at home and raising what they had to eat. These early families, as well as later ones, mainly came from Tennessee or Kentucky.

In October, 1879 a little settlement began to form a few miles southwest of the present day Celina. John T. Mulkey, Celina's first postmaster, named the town after Celina, Tennessee. The Methodist Church was built in 1880, and also doubled as the school for a while. By 1885, a general store, mill, and a drug store has been opened in "Old Celina."

About 20 years later, considerable excitement was caused by the news that the Frisco railway was soon to extend its line through this part of the country. However, the right of way was to miss the little town. Shortly thereafter, the merchants of the town made plans to move the town to the railroad. When the time came to move, the businesses and houses were each placed on rollers and pulled to the new site by traction engines. This was done in February, 1902, and the ground was muddy. Some of the buildings became bogged down and had to be left until dry weather. A town site company had secured the land for the new "Celina," which was part of a pasture belonging to the late William Willock. The company had taken the fences down, marked off the streets, and placed the lots for sale. It was intended that the current Main Street would be the primary street of town so it was made wider than the other streets and the price of the lots were higher. Because of the higher price, the merchants began locating north of main Street and west of the railroad. A row of wooden buildings was formed facing the railroad. In 1907, the town was officially incorporated with Will Newsom serving as the first mayor.

The businesses looked about the same until 1910, when Fred Smith (who later became the first mayor of University Park in Dallas) began getting ready to lay the square and erect buildings around it. On July 6, 1911, several of the buildings were ready for use and there was a general moving day. Gravel was put on the streets and Celina took on the appearance of a wide awake, growing little city.

Celina has had a variety of businesses since that time, including an opera house in 1917. A partial listing of businesses and professional services in 1937 included a dry goods store, 7 gas stations, 2 drug stores, an ice cream factory, 2 grain elevators, 1 flour mill, 2 ice houses, 3 cotton gins, laundry, lumber yard, shoe and harness shop, jewelry store, blacksmith, bank, movie theatre, 3 tailor shops, funeral home, 2 dairies, 3 cafés, 2 chicken hatcheries, 3 doctors, a dentist, 10 churches, and a modern brick school building.

As in all communities, the establishment of a school is of utmost importance. The first school in the "new" Celina was a small wooden structure that was in the neighborhood of the Jeff Malone residence. In 1906, a 2 story brick school building was completed on the campus where the Celina Independent School District Administrative offices are now. In 1915, this school was destroyed by fire. In 1916, another 2 story brick building with a basement was finished and school began in it. This school was torn down and a new one completed and dedicated in April of 1943. This is the building presently being used for the CISD Administrative Offices. A new high school was built in 1976, and a new elementary school was completed in 1987. Bonds were passed in the spring of 1996 for a new high school and an addition to the elementary. After completion of the new high school, the middle school students will occupy the current Junior High school. In September 2001, bonds were passed for a new elementary school, additions to the high school, new vocational facilities, and renovations to the track. A new state of the art elementary school opened in fall of 2003.

An excerpt from the Celina Record of 1937 states: "If you are casting about for a good place to make you home you should visit Celina and see for yourself what it has to offer. Some here occasionally say the grass is greener elsewhere and move away, but most of them decide there is no use trying find a better place in which to live and rear their families, come back and settle down firmly fixed in their belief that trying is a waste of time."

PRESENT DAY CELINA

CELINA

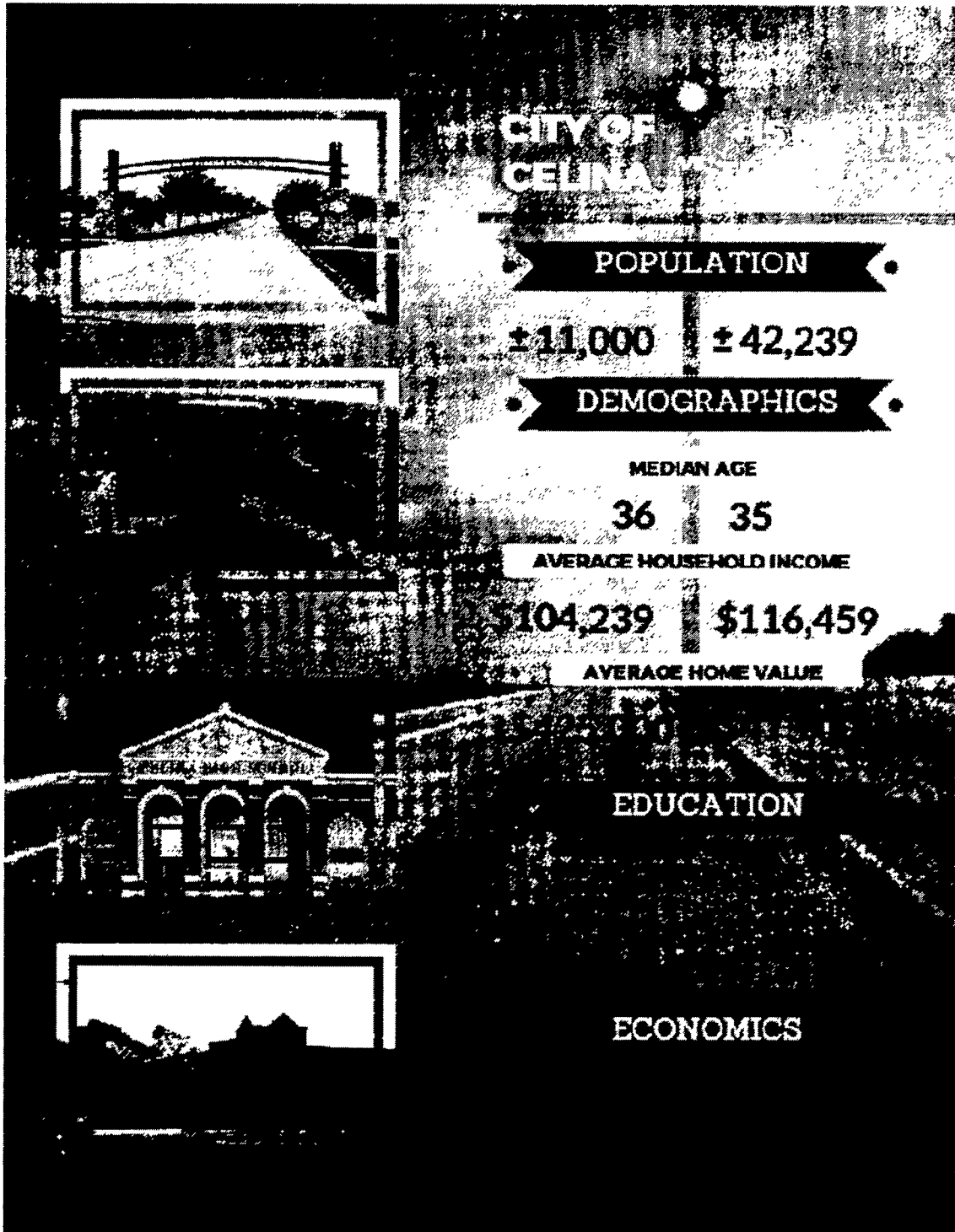
CELINA
TEXAS

Downtown Celina

UNIQUE HERITAGE
Outstanding communities to raise a family with top rated school districts and an array of settings in which to live.

PRIME LOCATION
Situated in high-growth Collin County and nestled between the major arteries of Preston Rd and Dallas North Tollway.

HOMETOWN ATMOSPHERE
Centralized downtown for residents to gather and experience a friendly environment.



PROFILE OF THE GOVERNMENT

The City of Celina is empowered to levy property tax on both real and personal properties located within its boundaries and to extend its corporate limits by annexation when deemed appropriate by the City Council. The City of Celina is a home-rule city, and operates on a Mayor-Council form of government. The governing body includes the Mayor and six City Council members. All governing body members serve three-year terms. The governing body, being the elected representative of the people, adopts all ordinances and resolutions and determines the general goals and policies. 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 directors or department heads, and the performance of City functions.

The City of Celina provides a full range of services to its citizens. These services include: fire and police services, ambulance and emergency services, the public library, parks and recreation, water, sewer, trash pickup, traffic engineering, streets and infrastructure, community development including planning and zoning, public improvements, economic development and other administrative services.

The financial reporting entity includes all funds of the primary government as well as its component units. The component units are legally separate entities for which the primary government is financially accountable, but they are not part of the primary government's operations. The Celina Community Development Corporation (Type B) and Celina Economic Development Corporation (Type A) are included in the City's financial statements as discreetly presented component units.

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Control

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer and other proprietary activities are maintained on the accrual basis. The financial structure of the City budget is such that line items roll into categories, which in turn roll into departments then into the fund level. The budget ordinance that is presented to Council requests appropriation at the fund level.

The budgetary process begins in March of each year with the preparation of both current and proposed year revenue estimates by the City's finance department and expenditure estimates provided by each department within the City. Budgets are reviewed and subsequently modified and approved by Council. The City Council is required to hold public hearings on the proposed budget and to approve the final budget no later than September 30th at the close of the fiscal year.

LOCAL ECONOMY

During the past year, Celina has experienced tremendous growth. The growth is primarily as a result of new residential developments coming into the City. These new developments will bring approximately 7,200 homes into Celina over the next five years. The number of single-family construction permits has risen to 903 during the past year and another significant increase is expected in 2018 to 1,100 housing permits. This rate of growth will have a significant impact on the City, the two school systems that serve Celina and its quality of life.

New commercial development is underway with the completion of the Tractor Supply store and construction of Ace Hardware. Construction of two office/retail complexes has begun. Preston Plaza, is a 17,000 square foot building and Celina Professional Village will be a two office/retail building complex with approximately 20,000 square feet each. Along with new retail development comes the expectation that sales tax revenue will increase. The City saw a 30.59% increase in sales tax during FY 2017 as compared to FY 2016 and is optimistic that there will be an increase in sales tax revenue during FY 2018.

A new elementary school in the Bluewood subdivision opened in Fall 2017 which provided a much needed addition to the Celina ISD and its own increasing demand for schools.

Another significant impact on the City's economy is the relocation of major corporations to the Metroplex. Toyota and Liberty Mutual have added demand for more housing and municipal services as they relocate their staff to the surrounding areas. The Celina Economic Development Corporation staff continues to seek out potential employment prospects, along with the crucial retail, restaurants, and services needed for a growing city. An ongoing goal is to create an environment which attracts businesses that will provide new employment opportunities to sustain economic growth.

MAJOR INITIATIVES

- * The City is currently conducting a rate study that will better forecast utility revenues for the next 5 years.
- * A classification and compensation study was completed. This study helped the City in determining the appropriate pay ranges and job description of all City positions.
- * Construction of water and sewer lines completed in the Southeast sector that provides water and sewer services to residents of that development all through the southern border of the City.
- * The downtown water rehabilitation project started. This project is being funded partially by the Texas Community Development Grant with matching funds from the City.
- * Several street improvements either were started or completed. These include CR 83, downtown overlay, Preston Hills, High Point and the Falcon/Ascot street areas.
- * Renovation of the police department building and partial renovation of the City Hall Annex was completed during FY 2017.
- * Major renovations for the City Hall Annex are scheduled to begin in FY 2018.

ACKNOWLEDGMENTS

The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Departments who assisted and contributed to its presentation. Acknowledgement is also given to Scott, Singleton, Fincher and Company, P.C. for their valuable assistance in production of the report. We would like to thank the Mayor and Council members for their commitment in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,


Jay Toutounchian
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Celina
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

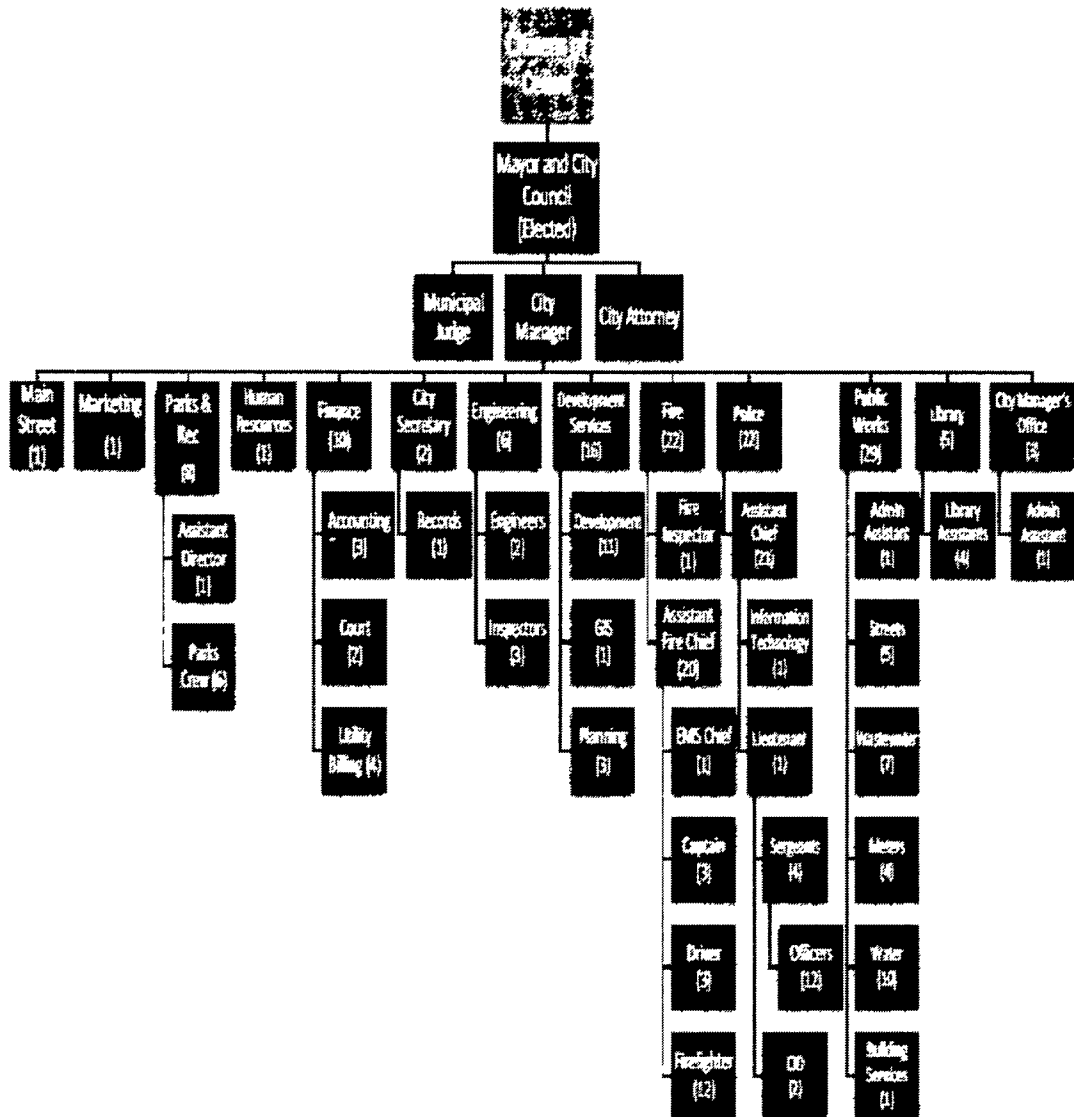
September 30, 2016

Christopher P. Morrell

Executive Director/CEO

City of Celina

ORGANIZATION CHART





City of Celina, Texas
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2017

ELECTED OFFICIALS

Sean Terry, Mayor
Chad Anderson Mayor Pro-Tem (Place # 6)
Bill Webber (Place # 1)
Wayne Nabors (Place # 2)
Andy Hopkins (Place # 3)
Carmen Roberts (Place # 4)
Mindy Koehne (Place # 5)

MANAGEMENT STAFF

Jason Laumer
City Manager

OFFICIAL ISSUING REPORT

Jay Toutounchian
Director of Finance

FINANCIAL SECTION

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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TELEPHONE 903-455-4765
FAX 903-455-5312
GREENVILLE, TEXAS 75401

Tommy L. Nelson, CPA
Hannah C. Nelson-Rix, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

Independent Auditor's Report

To the City Council
City of Celina, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Celina, Texas ("City") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Celina, Texas as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 4 through 18, and pages 64 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Celina, Texas basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate 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 non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Respectfully submitted,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
March 23, 2018

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The City of Celina presents the City's comprehensive annual financial report. This overview is an analysis of the financial activities of the City for the fiscal year ended September 30, 2017. This discussion should be read in conjunction with the financial statements and related notes. Comparative data is also presented for government-wide and fund financial statements at the end of this section.

FINANCIAL HIGHLIGHTS:

- Government-wide net position reported in the Statement of Net Position is \$46,859,066. Of this amount \$32,112,542 is invested in capital assets or restricted for debt service and capital projects, and the balance of \$14,746,524 is available as unrestricted net position.
- Government-wide net position increased by \$6,674,149 during 2017.
- The City's fund financial statements reported changes in equity as follows:

General Fund – \$566,380 decrease
Water & Sewer Fund - \$2,438,847 increase
Debt Service Fund - \$467,819 increase

USING THIS ANNUAL REPORT:

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the City as a whole and present a long-term view of the City's financial condition. They reflect the *flow of total economic resources* in a manner similar to the financial reports of a business enterprise.

The fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Governmental fund statements tell how services were financed in the short-term, as well as what resources remain for future spending. Governmental funds reflect the *flow of current financial resources*. Proprietary fund statements offer short and long -term financial information about the activities the government operates like businesses, such as the water and sewer system. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosures for the government-wide statements and the fund financial statements.

REPORTING THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The Statement of Net Position and the Statement of Activities

Government-wide financial statements provide an analysis of the City's overall financial condition and operations. The primary objective of these statements is to show whether the City's financial condition has improved or deteriorated as a result of the year's activities.

The Statement of Net Position includes all the City's assets and liabilities while the Statement of Activities includes all the revenue and expenses generated by the City's operations during the year. Government-wide statements utilize the *accrual basis of accounting*, which is the same method used by most private sector companies.

All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. The City's revenue is divided into the following categories: 1) charges for services, 2) operating grants and contributions, 3) capital grants and contributions and 4) general revenues not associated with any specific program function. All of the City's assets are reported whether they serve the current year or future years. Liabilities are also reported regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and the changes in it. The City's net position (the difference between assets and liabilities) provides one measure of the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, you should consider non-financial factors as well, such as changes in the City's request for services from citizens and the condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, the City has two kinds of activities:

Governmental Activities – Most of the City's services are reported here, including, administration, judicial, fire and emergency services, public works, police, parks and recreation, infrastructure and the main street project. Property taxes and state and federal grants finance most of these activities.

Business-type Activities – The City charges fees to customers to help it cover the cost of certain services it provides. The City's water and sewer system operations and sanitation services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS:

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds. The City's administration establishes funds to help it control and manage money for particular purposes. The City's two kinds of funds – governmental funds and proprietary funds use different accounting approaches.

Governmental Funds – The City reports most of its basic services in governmental funds. Governmental funds use the *modified accrual basis of accounting* (a method that measures the receipt and disbursement of cash and other financial assets that can be readily converted to cash) and they report balances that are available for future spending. Governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the accounting differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules found at the bottom of each of the governmental fund financial statements.

Proprietary Funds – The Proprietary/Enterprise fund is used to account for operations that are financed in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water and sewer services to the general public on a continuing basis are financed through user charges.

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets – the City's investment in capital assets reported in governmental activities and business-type activities was \$35,568,437 and \$37,693,768, respectively. This investment in capital assets includes land, buildings and improvements, equipment and vehicles. The change in the City's investment in capital assets for the current fiscal year was \$1,834,935 and \$7,264,944 in each of the respective activities. Additional information on capital asset activity can be found in note 5 to the financial statements.

Long-term Debt – at year-end the City had \$62,919,803 in bonds and capital leases outstanding – an increase of \$7,427,988. Additional information on long-term liabilities can be found in note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES:

The City of Celina continues to see strong population and economic growth. From 2010 to the projected population for 2018, the City of Celina has experienced a population growth of almost 17% over the past nine years. The leading driver of the City's population growth is a strong local housing market. The City issued 903 building permits, compared to 573 permits last year that represent an increase of 330 permits or 57.59%. Accordingly, permit fee collections have increased by \$1,597,410 or 68.42% for the same period. For the fiscal year 2016-2017, the City collected \$3,932,234 in permit fees compared with \$2,334,824 for the same period last year. The increase in building permits and fees is a result of a strategic plan that was put in place in 2011. Although cities have various tools at their disposal to generate growth, the City of Celina, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), has used this tool with greater frequency and entered into a negotiation with several developers that were interested in developing large housing developments in the southern border of the City. The PID strategy necessitates a continual partnership between the City, the developer and subsequent home owners. Celina uses the PID to fund and maintain public infrastructure through assessments levied against each individual lot or parcel ultimately making the developer or home owner responsible for payment. In 2014, the City created the first PID and issued its first Special Assessment Bonds for the district. As of September 30, 2017 the City of Celina has created seven PIDs with a total bond principal outstanding of \$99,130,000. In addition to the PID strategy, the City has developed a Tax Increment Reinvestment Zone ("TIRZ"), that will assist with funding of infrastructure that is situated outside of PID boundaries and is a responsibility of the city.

The City is not obligated in any manner for this special assessment debt, but merely acts as the developer's agent in handling the debt service transactions by collecting any special assessment collections and forwarding them to the Trustee for payment to the bond holders.

The City understands that diversification of Celina's economy is a key to financial stability. The City of Celina's portion of sales tax collection increased from \$733,881 in FY 2016 to \$958,350 in FY 2017. This amounts to an increase of \$224,469 or 30.59%. The increase follows the trend through the state. The reduction in unemployment in conjunction with the sales tax collection from internet purchases has contributed to the increase. The opening of new retail shops and restaurants played a role in the increase of sales tax revenue as well. Management anticipates a moderate increase through FY 2018.

Total assessed property value for the City of Celina increased from \$660,868,270 in FY 2016 to \$872,961,920 in FY 2017. With the exception of FY 2011, the City of Celina has enjoyed an increase in its property values since FY 2001. This increase is a result of new construction in housing developments and annexation of new parcels of land. Reviewing the history of the City's assessed property values provides evidence of the City's measurable growth in the last decade. By introducing progressive strategies and policies such as PIDs and TIRZ, the City of Celina will expedite and sustain this growth for a foreseeable future.

Fiscal Year	Assessed Value	% Change
2008	\$ 418,824,688	
2009	\$ 463,326,983	10.63%
2010	\$ 464,198,797	0.19%
2011	\$ 454,064,487	-2.18%
2012	\$ 461,631,888	1.67%
2013	\$ 482,230,390	4.46%
2014	\$ 508,695,836	5.49%
2015	\$ 554,892,312	9.08%
2016	\$ 660,868,270	19.10%
2017	\$ 872,961,920	32.09%

Water

The City of Celina is currently experiencing a tremendous growth in its housing market. During FY 2017 the city has issued an average of 75 new water meters per month. This increase, coupled with climate changes, resulted in a water sales revenue increase of \$1,082,572 or 26.73% over FY 2016.

A review of the history of the City's water sales over the past several years indicates a healthy trend. Although the challenge at hand is complex, the city adopted several policies to ensure both the availability and affordability of water for its residents. The City uses a combination of well water and purchased water from Upper Trinity Regional Water District. The governing body is negotiating with a second provider in the region to increase its water source in response to future growth.

Fiscal Year	Water Sales	% Change
2007	\$ 1,298,932	
2008	\$ 1,598,567	23.07%
2009	\$ 1,602,364	0.24%
2010	\$ 1,944,348	21.34%
2011	\$ 2,549,933	31.15%
2012	\$ 2,548,942	-0.04%
2013	\$ 2,772,632	8.78%
2014	\$ 2,780,983	0.30%
2015	\$ 3,489,083	25.46%
2016	\$ 4,049,673	16.07%
2017	\$ 5,132,245	26.73%

Wastewater

Since the use of wastewater is parallel to water usage, increases in sewer sales revenue will follow water sales revenue trends. Total sewer revenue for FY 2017 increased by \$529,892 or 29.45% over FY 2016. Based on the number of new water meters installed monthly, sewer sales revenues will continue to increase. Unprecedented growth puts enormous pressure on the City's infrastructures in general and wastewater in particular. Despite increases in revenue, a number of challenges remain to fund projects necessary to service population growth. The City of Celina currently owns and operates its water reclamation system and is a member of a regional facility. The City has invested in the construction of phase I of this regional plant that will allow it to use an assigned capacity. Celina needs to expand its owned and operated plant and participate in a phase II expansion of the regional plant. The City has completed its Capital Improvement Plan (CIP) for the next five years and is working to secure funding for these projects for FY 2018.

Fiscal Year	Sewer Sales	% Change
2007	\$ 485,948	
2008	\$ 546,556	12.47%
2009	\$ 572,299	4.71%
2010	\$ 774,022	35.25%
2011	\$ 946,269	22.25%
2012	\$ 994,332	5.08%
2013	\$ 1,060,773	6.68%
2014	\$ 1,160,403	9.39%
2015	\$ 1,409,070	21.43%
2016	\$ 1,799,254	27.69%
2017	\$ 2,329,146	29.45%

The property tax rate for fiscal year 2017 remains unchanged at \$0.645 per \$100 of assessed value. Water and sewer rates remain unchanged. The City is currently conducting a rate study which will take into account the City's water and wastewater rates and if they are sufficient to cover necessary upgrades and additions to the City's water and sewer infrastructure.

Budget Highlights for FY 2018 Include:

- A balanced budget that provides for a financially sound city while maintaining high quality of services
- Property tax that remains unchanged at the current rate of \$0.645 per \$100 taxable value
- Water and sewer rates will experience a modest increase as the City concludes a water and wastewater rate study by the end of FY 2018
- Increase in the number of FTEs to 125 which includes 3 new police officers, 1 new firefighter and 8 new employees in Public Works, with the rest of the City's departments adding or eliminating positions to better serve the public and increase efficiency
- Upgrading the City's accounting system to improve accounting controls and provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within the above framework
- The City of Celina commissioned a compensation rate and classification study for the FY 2018 and is planning to implement the recommendations that have been provided by the study
- The creation of three new departments: Information Technology (IT), Geographic Information System (GIS) and Facilities Maintenance
- Increased and sustained funding for equipment, facilities and infrastructure improvements

Awards and Acknowledgements

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 Celina, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the first year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report 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.

In addition, the City of Celina also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2016. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning this report or need for additional information, including financial information for the City's two component units, should be addressed to Jason Laumer, City Manager, or Jay Toutounchian, Director of Finance, by phone at (972) 382-2682 or by e-mail at jlaumer@celina-tx.gov or jtoutounchian@celina-tx.gov.

CITY OF CELINA, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 26,496,615	\$ 20,375,508	\$ 22,276,646	\$ 20,881,007	\$ 48,773,261	\$ 41,256,515
Capital assets, net	35,568,437	33,733,502	37,693,768	30,428,824	73,262,205	64,162,326
Total Assets	62,065,052	54,109,010	59,970,414	51,309,831	122,035,466	105,418,841
Deferred Outflows of Resources						
Deferred outflows of resources	480,335	488,575	68,329	69,438	548,664	558,013
Total Deferred Outflows of Resources	480,335	488,575	68,329	69,438	548,664	558,013
Liabilities						
Other liabilities	5,598,924	5,371,246	6,967,266	4,604,645	12,566,190	9,975,891
Long-term debt	26,284,924	22,828,040	36,813,467	32,959,219	63,098,391	55,787,259
Total Liabilities	31,883,848	28,199,286	43,780,733	37,563,864	75,664,581	65,763,150
Deferred Inflows of Resources						
Deferred inflows of resources	53,135	25,197	7,348	3,590	60,483	28,787
Total Deferred Inflows of Resources	53,135	25,197	7,348	3,590	60,483	28,787
Net Position						
Net investment in capital assets	13,184,763	13,138,978	13,079,265	12,078,113	26,264,028	25,217,091
Restricted for debt service	1,374,295	901,524			1,374,295	901,524
Restricted for capital projects	4,474,219	4,438,649			4,474,219	4,438,649
Unrestricted	11,575,127	7,893,951	3,171,397	1,733,702	14,746,524	9,627,653
Total Net Position	\$ 30,608,404	\$ 26,373,102	\$ 16,250,662	\$ 13,811,815	\$ 46,859,066	\$ 40,184,917

**CITY OF CELINA, TEXAS
COMPARATIVE STATEMENTS OF ACTIVITIES**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 6,391,343	\$ 4,265,112	\$ 13,590,654	\$ 10,057,113	\$ 19,981,997	\$ 14,322,225
Operating grants/contributions	356,258	368,784			356,258	368,784
Capital grants/contributions	1,011,625	2,578,809	-	800,100	1,011,625	3,378,909
General revenues:						
Ad valorem taxes	5,362,919	4,458,401			5,362,919	4,458,401
Sales taxes	958,350	733,881			958,350	733,881
Franchise Taxes	370,949	429,102			370,949	429,102
Other	985,322	671,241	151,666	114,067	1,136,988	785,308
Total revenues	15,436,766	13,505,330	13,742,320	10,971,280	29,179,086	24,476,610
Expenses:						
Administration	2,550,349	1,592,794			2,550,349	1,592,794
Judicial	155,521	102,803			155,521	102,803
Fire and emergency services	2,414,778	1,957,077			2,414,778	1,957,077
Development services	887,990	683,599			887,990	683,599
Public works	1,104,523	1,080,661			1,104,523	1,080,661
Police department	1,877,574	1,532,829			1,877,574	1,532,829
Parks and recreation	1,263,538	1,084,077			1,263,538	1,084,077
Library	169,326	152,664			169,326	152,664
Infrastructure	353,119	211,300			353,119	211,300
Main street project	55,176	65,279			55,176	65,279
Bond issuance costs	74,569		89,126	514,633	163,695	514,633
Interest and fiscal charges	787,001	710,249			787,001	710,249
Water, Sewer and Sanitation Services			10,722,347	7,993,863	10,722,347	7,993,863
Total Expenses	11,693,464	9,173,332	10,811,473	8,508,496	22,504,937	17,681,828
Excess (deficiency) before transfers	3,743,302	4,331,998	2,930,847	2,462,784	6,674,149	6,794,782
Transfers	492,000	2,346,769	(492,000)	(2,346,769)	-	-
Change in Net Position	4,235,302	6,678,767	2,438,847	116,015	6,674,149	6,794,782
Net Position - October 1	26,373,102	19,694,335	13,811,815	13,695,800	40,184,917	33,390,135
Net Position - September 30	\$ 30,608,404	\$ 26,373,102	\$ 16,250,662	\$ 13,811,815	\$ 46,859,066	\$ 40,184,917

CITY OF CELINA, TEXAS
COMPARATIVE BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017 and 2016

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds	
							2017	2016
Assets								
Cash and cash equivalents	\$ 7,531,454	\$ 1,369,496	\$ -	\$ -	\$ -	\$ 170,856	\$ 9,071,806	\$ 9,136,808
Investment in Texpool	2,397						2,397	2,382
Cash and cash equivalents - restricted			6,189,975	4,449,577	808,594	5,402,155	16,850,301	10,615,734
Sales taxes receivable	166,159						166,159	146,963
Property taxes receivable, net	25,999	4,952					30,951	38,721
EMS receivable	30,586						30,586	97,300
Other receivables	120,429						120,429	179,085
Prepaid items	3,013						3,013	2,230
Due from component units	159,354						159,354	49,994
Due from other funds	879						879	-
Total Assets	\$ 8,040,270	\$ 1,374,448	\$ 6,189,975	\$ 4,449,577	\$ 808,594	\$ 5,573,011	\$ 26,435,875	\$ 20,269,217
Liabilities								
Accounts payable	324,401		57,345	18,000		83,455	483,201	442,819
Accrued salaries and benefits	309,092	153					309,245	227,873
Due to other funds						879	879	-
Escrowed funds	763,970						763,970	997,028
Unearned revenue	51,003		235,133	3,424,052			3,710,188	3,440,880
Total Liabilities	1,448,466	153	292,478	3,442,052	-	84,334	5,267,483	5,108,600
Deferred Inflows of Resources								
Unavailable property taxes receivable	25,949	4,952					30,901	42,870
Total Deferred Inflows of Resources	25,949	4,952	-	-	-	-	30,901	42,870
Fund Balances								
Nonspendable:								
Prepays	3,013						3,013	2,230
Restricted for:								
Capital improvements			5,897,497	1,007,525	808,594	5,320,335	13,033,951	7,083,988
Debt service		1,369,343					1,369,343	901,524
Assigned for use in specific funds						168,342	168,342	-
Unassigned	6,562,842						6,562,842	7,130,005
Total Fund Balances	6,565,855	1,369,343	5,897,497	1,007,525	808,594	5,488,677	21,137,491	15,117,747
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,040,270	\$ 1,374,448	\$ 6,189,975	\$ 4,449,577	\$ 808,594	\$ 5,573,011	\$ 26,435,875	\$ 20,269,217

CITY OF CELINA, TEXAS
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Years Ending September 30, 2017 and 2016

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds	
							2017	2016
REVENUES:								
Ad valorem taxes	\$ 3,486,892	\$ 1,887,996	\$ -	\$ -	\$ -	\$ -	\$ 5,374,888	\$ 4,453,862
Franchise taxes	370,949						370,949	429,102
Sales tax	958,350						958,350	733,881
Permits and inspection fees	3,959,914						3,959,914	2,357,289
Component unit contributions		200,000					200,000	200,000
Development fees	1,245,943						1,245,943	509,870
Developer park contributions				1,011,625			1,011,625	2,008,809
Fire department, EMS, and police revenues	817,691						817,691	910,360
Fines	209,806						209,806	283,758
Special events and donations	179,417					70,797	250,214	373,421
Park fees and donations	166,403						166,403	206,773
Other income	88,480	154,688				265,143	508,311	397,657
Interest	58,199	13,073	46,234	30,095	4,648	30,828	183,077	111,776
Federal, state and local grants						1,570	1,570	518,784
Total Revenues	11,542,044	2,255,757	46,234	1,041,720	4,648	368,338	15,258,741	13,495,342
EXPENDITURES:								
Administration	2,411,180				22,000		2,433,180	1,458,673
Judicial	153,213						153,213	99,803
Fire and emergency services	2,040,917					490	2,041,407	1,731,896
Development services	868,862						868,862	675,267
Public works	832,539				30,436	80,920	943,895	1,023,572
Police department	1,682,946					5,148	1,688,094	1,414,488
Parks and recreation	729,343			230,000			959,343	819,539
Library	165,768						165,768	153,752
Main street project						55,176	55,176	65,279
Capital outlay	175,927		1,827,998		348,227	1,304,566	3,656,718	8,542,536
Debt Service:								
Principal retirement		1,005,685					1,005,685	841,124
Interest and fiscal charges		782,253					782,253	724,025
Bond issuance cost	74,569						74,569	-
Total Expenditures	9,135,264	1,787,938	1,827,998	230,000	400,663	1,446,300	14,828,163	17,549,954
Excess (Deficiency) of Revenues Over Expenditures	2,406,780	467,819	(1,781,764)	811,720	(396,015)	(1,077,962)	430,578	(4,054,612)
OTHER FINANCING SOURCES (USES):								
Proceeds from sale of capital assets	39,165					595,432	634,597	41,825
Issuance of bonds	74,569		2,420,000		658,000	1,310,000	4,462,569	4,510,000
Transfers in (out)	(3,086,894)					3,578,894	492,000	2,346,769
Net Other Financing Sources (Uses)	(2,973,160)	-	2,420,000	-	658,000	5,484,326	5,589,166	6,898,594
Net change in fund balances	(566,380)	467,819	638,236	811,720	261,985	4,406,364	6,019,744	2,843,982
Fund balance, October 1	7,132,235	901,524	5,259,261	195,805.00	546,609	1,982,313	15,117,747	12,273,765
Fund balance, September 30	\$ 6,565,855	\$ 1,369,343	\$ 5,897,497	\$ 1,007,525	\$ 808,594	\$ 5,488,677	\$ 21,137,491	\$ 15,117,747

CITY OF CELINA, TEXAS
COMPARATIVE STATEMENTS OF FUND NET POSITION
PROPRIETARY FUND
September 30, 2017 and 2016

	2017	2016
	Enterprise Fund	Enterprise Fund
	Water & Sewer	Water & Sewer
	Activities	Activities
Assets		
Cash and cash equivalents	\$ 7,303,543	\$ 2,850,035
Cash and cash equivalents - restricted for capital projects	830,443	1,272,139
Investment in TexPool	3,202	3,183
Accounts receivable, net	1,148,818	957,564
Prepaid UTRWD facilities charges	393,023	393,023
Total current assets	9,679,029	5,475,944
Noncurrent Assets:		
Cash and cash equivalents - restricted for capital projects	12,198,964	14,608,508
Prepaid UTRWD facilities charges	393,023	786,047
Net pension asset	5,630	10,507
Capital Assets:		
Non-depreciable land	1,328,043	304,115
Non-depreciable construction in progress	19,284,479	12,923,618
Depreciable capital assets, net	17,081,246	17,201,091
Capital Assets, net	37,693,768	30,428,824
Total noncurrent assets	50,291,385	45,833,886
Deferred outflows of resources:		
Deferred outflows - related to pensions	68,329	69,439
Total deferred outflows of resources	68,329	69,439
Total assets and deferred outflows of resources	\$ 60,038,743	\$ 51,379,269
Liabilities		
Accounts payable	715,066	403,116
Accounts payable for capital projects	830,443	1,272,139
Accrued expenses	61,679	42,412
Bonds payable - current	1,744,829	1,251,277
Infrastructure advance from CISD - current	113,953	106,270
Leases payable - current	-	18,704
Accrued interest payable	105,278	107,240
Meter deposits payable	454,695	403,003
Unearned revenue	4,800,105	2,250,762
Escrow deposits	-	125,973
Total current liabilities	8,826,048	5,980,896
Infrastructure advance from CISD - long-term	64,635	189,174
Bonds payable - long-term	34,890,050	31,393,794
Total non-current liabilities	34,954,685	31,582,968
Total liabilities	43,780,733	37,563,864
Deferred inflows of resources:		
Deferred inflows - related to pensions	7,348	3,590
Total deferred inflows of resources	7,348	3,590
Net Position		
Net investment in capital assets	13,079,265	12,078,113
Restricted for capital projects, net of related debt (\$12,198,964 each, 2017) (\$15,880,647 each, 2016)	-	-
Unrestricted	3,171,397	1,733,702
Total Net Position	\$ 16,250,662	\$ 13,811,815

CITY OF CELINA, TEXAS
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Water sales	\$ 5,132,245	\$ 4,049,673
Sewer sales	2,329,146	1,799,254
Garbage fees	539,881	462,390
Penalties	122,432	97,765
Tap and reconnect fees	1,680,010	1,094,505
Impact fees	2,244,287	1,366,400
Other revenues	1,542,653	1,187,126
Total Operating Revenues	<u>13,590,654</u>	<u>10,057,113</u>
Operating Expenses:		
Salaries and benefits	888,559	740,428
Garbage fees	483,403	415,983
Materials and supplies	767,419	472,414
Postage	38,723	34,827
Repairs and facility maintenance	300,479	284,682
General insurance	15,420	14,420
Utilities and telephone	293,716	296,418
Water purchases and related fees	2,970,312	1,943,073
UTRWD facilities charges	393,023	663,271
Impact fees expense	2,286,900	1,366,400
Depreciation & amortization	890,200	702,950
Bond issuance costs	89,126	514,633
Other expense	455,302	313,102
Total Operating Expenses	<u>9,872,582</u>	<u>7,762,601</u>
Operating Income	<u>\$ 3,718,072</u>	<u>\$ 2,294,512</u>

(Continued)

CITY OF CELINA, TEXAS
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Non-operating revenues (expenses):		
Interest income	\$ 151,666	\$ 114,067
Interest and fiscal charges	(938,891)	(745,895)
Total non-operating Revenues (Expenses)	<u>(787,225)</u>	<u>(631,828)</u>
Income before contributions and transfers	2,930,847	1,662,684
Capital contribution	-	800,100
Transfers out to other funds	(492,000)	(2,346,769)
Change in net position	2,438,847	116,015
Net position, October 1	13,811,815	13,695,800
Net position, September 30	<u>\$ 16,250,662</u>	<u>\$ 13,811,815</u>

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

CITY OF CELINA, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
Assets				
Cash and cash equivalents	\$ 9,071,806	\$ 7,303,543	\$ 16,375,349	\$ 1,170,380
Investment in Texpool	2,397	3,202	5,599	
Property taxes receivable, net	25,999		25,999	
Sales taxes receivable	166,159		166,159	166,159
Accounts receivable, net	30,586	1,148,818	1,179,404	
Other receivables	140,193		140,193	
Due from component units	159,354		159,354	
Prepaid items	3,013	786,046	789,059	
Net pension asset	41,855	5,630	47,485	
Restricted assets:				
Cash and cash equivalents	16,850,301	13,029,407	29,879,708	
Property taxes receivable, net	4,952		4,952	
Capital assets:				
Land	3,627,345	1,328,043	4,955,388	
Construction in progress	292,982	19,284,479	19,577,461	484,660
Capital assets, net	31,648,110	17,081,246	48,729,356	
Total Assets	62,065,052	59,970,414	122,035,466	1,821,199
Deferred outflows of resources:				
Deferred outflows - related to pensions	480,335	68,329	548,664	
Total Assets and deferred outflows of resources	62,545,387	60,038,743	122,584,130	1,821,199
Liabilities				
Accounts payable	483,201	715,066	1,198,267	
Accrued salaries and benefits	565,621	61,679	627,300	
Unearned revenue	3,710,188	4,800,105	8,510,293	
Meter deposits payable		454,695	454,695	
Escrow deposits	763,970	-	763,970	
Due to primary government				159,354
Payable from restricted assets:				
Accounts payable for capital projects		830,443	830,443	
Accrued interest	75,944	105,278	181,222	
Long-term liabilities:				
Due within one year:				
Bonds payable	1,465,920	1,744,829	3,210,749	
Infrastructure advance from CISO		113,953	113,953	
Due in more than one year:				
Note Payable				978,061
Bonds payable	24,819,004	34,890,050	59,709,054	
Infrastructure advance from CISO		64,635	64,635	
Total Liabilities	31,883,848	43,780,733	75,664,581	1,137,415
Deferred inflows of resources:				
Deferred inflows - related to pensions	53,135	7,348	60,483	
Total deferred inflows of resources	53,135	7,348	60,483	-
Net Position				
Net investment in capital assets	13,184,763	13,079,265	26,264,028	
Restricted for debt service	1,374,295		1,374,295	
Restricted for capital projects (\$8,375,469) net of related debt (\$3,901,250)	4,474,219		4,474,219	
Restricted for capital projects (\$12,198,964) net of related debt (\$12,198,964)		-		
Unrestricted	11,575,127	3,171,397	14,746,524	683,784
Total Net Position	\$ 30,608,404	\$ 16,250,662	\$ 46,859,066	\$ 683,784

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

CITY OF CELINA, TEXAS
STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Aggregate Component Units
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	
Governmental activities:								
Administration	\$ 2,624,918	\$ -	\$ -	\$ -	\$ (2,624,918)		\$ (2,624,918)	\$ -
Judicial	155,521				(155,521)		(155,521)	
Fire and emergency services	2,414,778	817,691			(1,597,087)		(1,597,087)	
Development services	887,990	1,245,943			357,953		357,953	
Public works	1,104,523	3,959,914			2,855,391		2,855,391	
Police department	1,877,574	201,392	1,570		(1,674,612)		(1,674,612)	
Parks and recreation	1,263,538	166,403		1,011,625	(85,510)		(85,510)	
Library	169,326				(169,326)		(169,326)	
Infrastructure	353,119				(353,119)		(353,119)	
Main street project	55,176				(55,176)		(55,176)	
Economic development					-		-	(835,440)
Community development								(200,000)
Interest and fiscal charges	787,001		354,688		(432,313)		(432,313)	
Total governmental activities	11,693,464	6,391,343	356,258	1,011,625	(3,934,238)		(3,934,238)	(1,035,440)
Business-type activities:								
Water and sewer services	10,811,473	13,590,654				2,779,181	2,779,181	
Total business-type activities	10,811,473	13,590,654	-	-	-	2,779,181	2,779,181	
Total all activities	\$ 22,504,937	\$ 19,981,997	\$ 356,258	\$ 1,011,625	\$ (3,934,238)	\$ 2,779,181	\$ (1,155,057)	\$ (1,035,440)
General revenues:								
Ad valorem taxes					5,362,919		5,362,919	
Sales taxes					958,350		958,350	953,996
Franchise taxes					370,949		370,949	
Miscellaneous					802,245		802,245	
Unrestricted investment earnings					183,077	151,666	334,743	6,893
Transfers					492,000	(492,000)	-	
Total general revenues and transfers					8,169,540	(340,334)	7,829,206	960,889
Change in net position					4,235,302	2,438,847	6,674,149	(74,551)
Net Position-beginning of year					26,373,102	13,811,815	40,184,917	758,335
Net Position-end of year					\$ 30,608,404	\$ 16,250,662	\$ 46,859,066	\$ 683,784

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

Celina Response to Staff 3-5

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**CITY OF CELINA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 7,531,454	\$ 1,369,496	\$ -	\$ -	\$ -	\$ 170,856	\$ 9,071,806
Investment in Texpool	2,397						2,397
Cash and cash equivalents - restricted			6,189,975	4,449,577	808,594	5,402,155	16,850,301
Sales taxes receivable	166,159						166,159
Property taxes receivable, net	25,999	4,952					30,951
EMS receivable, net	30,586						30,586
Other receivables	120,429						120,429
Prepaid items	3,013						3,013
Due from component units	159,354						159,354
Due from other funds	879						879
Total Assets	\$ 8,040,270	\$ 1,374,448	\$ 6,189,975	\$ 4,449,577	\$ 808,594	\$ 5,573,011	\$ 26,435,875
<u>Liabilities</u>							
Accounts payable	324,401		57,345	18,000		83,455	483,201
Accrued salaries and benefits	309,092	153					309,245
Due to other funds						879	879
Escrowed funds	763,970						763,970
Unearned revenue	51,003		235,133	3,424,052			3,710,188
Total Liabilities	1,448,466	153	292,478	3,442,052	-	84,334	5,267,483
<u>Deferred Inflows of Resources</u>							
Unavailable property taxes receivable	25,949	4,952					30,901
Total Deferred Inflows of Resources	25,949	4,952	-	-	-	-	30,901
<u>Fund Balances</u>							
Nonspendable:							
Prepays	3,013						3,013
Restricted for:							
Capital Projects			5,897,497	1,007,525	808,594	5,320,335	13,033,951
Debt Service		1,369,343					1,369,343
Assigned for use in specific funds						168,342	168,342
Unassigned	6,562,842						6,562,842
Total Fund Balances	6,565,855	1,369,343	5,897,497	1,007,525	808,594	5,488,677	21,137,491
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,040,270	\$ 1,374,448	\$ 6,189,975	\$ 4,449,577	\$ 808,594	\$ 5,573,011	\$ 26,435,875

CITY OF CELINA, TEXAS
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
Year Ended September 30, 2017

Amounts presented for governmental activities in the statement of net position are different because:	\$ 21,137,491
Capital assets reported in the statement of net position are not financial resources and are not reported in the fund balance sheet.	35,568,437
Other long-term assets (receivables) are not available to pay current-period expenditures and therefore are deferred in the funds. These include deferred property taxes of \$30,901 and fines receivable of \$19,764.	50,665
Net pension assets \$41,855 the related deferred outflows of resources \$480,335, the related deferred inflows of resources (\$53,135) are not available to pay current-period expenditures and therefore are not recorded in the funds.	469,055
Interest due on long-term debt is recorded as accrued interest payable in the statement of net position but does not become a liability on the fund statements until the date due.	(75,944)
Long-term liabilities are reported in the statement of net position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.	<u>(26,541,300)</u>
Net Position of Governmental Activities	<u>\$ 30,608,404</u>

CITY OF CELINA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2017

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Ad valorem taxes	\$ 3,486,892	\$ 1,887,996	\$ -	\$ -	\$ -	\$ -	\$ 5,374,888
Franchise taxes	370,949						370,949
Sales tax	958,350						958,350
Permits and inspection fees	3,959,914						3,959,914
Component unit contributions		200,000					200,000
Development fees	1,245,943						1,245,943
Developer park contributions				1,011,625			1,011,625
Fire department, EMS, and police revenues	817,691						817,691
Fines	209,806						209,806
Special events and donations	179,417					70,797	250,214
Park fees and donations	166,403						166,403
Other income	88,480	154,688				265,143	508,311
Interest	58,199	13,073	46,234	30,095	4,648	30,828	183,077
Federal, state & local grants						1,570	1,570
Total Revenues	11,542,044	2,255,757	46,234	1,041,720	4,648	368,338	15,258,741
Expenditures:							
Current:							
Administration	2,411,180				22,000		2,433,180
Judicial	153,213						153,213
Fire and emergency services	2,040,917					490	2,041,407
Development services	868,862						868,862
Public works	832,539				30,436	80,920	943,895
Police department	1,682,946					5,148	1,688,094
Parks and recreation	729,343			230,000			959,343
Library	165,768						165,768
Main street project						55,176	55,176
Capital Outlay	175,927		1,827,998		348,227	1,304,566	3,656,718
Debt Service:							
Principal		1,005,685					1,005,685
Interest and fiscal charges		782,253					782,253
Bond issuance cost	74,569						74,569
Total Expenditures	9,135,264	1,787,938	1,827,998	230,000	400,663	1,446,300	14,828,163
Excess (Deficiency) of Revenues Over Expenditures	2,406,780	467,819	(1,781,764)	811,720	(396,015)	(1,077,962)	430,578
Other Financing Sources (Uses):							
Proceeds from sale of assets	39,165					595,432	634,597
Issuance of bonds	74,569		2,420,000		658,000	1,310,000	4,462,569
Transfers in (out)	(3,086,894)					3,578,894	492,000
Net Other Financing Sources (Uses)	(2,973,160)	-	2,420,000	-	658,000	5,484,326	5,589,166
Net change in fund balances	(566,380)	467,819	638,236	811,720	261,985	4,406,364	6,019,744
Fund balance, October 1	7,132,235	901,524	5,259,261	195,805	546,609	1,082,313	15,117,747
Fund balance, September 30	\$ 6,565,855	\$ 1,369,343	\$ 5,897,497	\$ 1,007,525	\$ 808,594	\$ 5,488,677	\$ 21,137,491

CITY OF CELINA, TEXAS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2017

Net change in fund balances - total governmental funds **\$ 6,019,744**

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

Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$3,656,718 exceeded depreciation expense of \$(1,385,594). 2,271,124

In the statement of activities, the gain on the disposal of assets is reported, but in the governmental funds, proceeds from the sale increase current financial resources. The change in net position differs from the change in fund balance by the net book value of the assets disposed. (436,189)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt retired for the year \$982,511, less new bonds issued (\$4,390,000) and deferred bond credits (\$72,569). (3,480,058)

Changes in the liabilities for compensated absences do not require the use of current resources and therefore are not recorded in the funds. (64,926)

Changes in long term amounts for net pension assets (\$36,258), the related deferred outflows of resources related to pensions (\$8,240), and the related deferred inflows of resources related to pensions (\$27,938) are not recorded in the funds. (72,436)

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds. This includes the change in deferred inflows from ad valorem taxes of (\$11,969) and the change in fines receivable (\$8,414) and EMS receivables \$(-0-). (20,383)

Some expenses in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the amortization of bond premiums, \$23,174; and the increase in accrued interest on debt (\$4,748). 18,426

Change in net position - governmental activities **\$ 4,235,302**

CITY OF CELINA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Ad valorem taxes	\$ 3,438,028	\$ 3,486,870	\$ 3,486,892	\$ 22
Franchise taxes	314,161	365,300	370,949	5,649
Sales tax	639,757	939,150	958,350	19,200
Permits and inspection fees	2,556,500	3,959,955	3,959,914	(41)
Development fees	125,000	1,245,940	1,245,943	3
Fire department and EMS revenues	259,200	817,638	817,691	53
Fines	309,185	203,280	209,806	6,526
Special events and donations	234,308	179,406	179,417	11
Park fees	171,000	166,440	166,403	(37)
Other income	40,137	52,632	88,480	35,848
Interest	45,500	58,200	58,199	(1)
Total Revenues	<u>8,132,776</u>	<u>11,474,811</u>	<u>11,542,044</u>	<u>67,233</u>
EXPENDITURES:				
Administration	2,388,009	2,411,218	2,411,180	38
Judicial	156,748	153,267	153,213	54
Fire and emergency services	2,059,979	2,032,168	2,040,917	(8,749)
Development services	1,149,608	869,200	868,862	338
Public works	851,546	806,001	832,539	(26,538)
Police department	1,786,966	1,687,532	1,682,946	4,586
Parks and recreation	821,568	729,513	729,343	170
Library	177,857	165,787	165,768	19
Capital outlay	198,290	175,935	175,927	8
Debt service:				
Bond issuance cost	-	-	74,569	(74,569)
Total Expenditures	<u>9,590,571</u>	<u>9,030,621</u>	<u>9,135,264</u>	<u>(104,643)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,457,795)</u>	<u>2,444,190</u>	<u>2,406,780</u>	<u>(37,410)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	39,150	39,165	15
Issuance of bonds	-	-	74,569	74,569
Transfers in (out)	1,458,000	(17,000)	(3,086,894)	(3,069,894)
Total Other Financing Sources (Uses)	<u>1,458,000</u>	<u>22,150</u>	<u>(2,973,160)</u>	<u>(2,995,310)</u>
Net change in fund balance	<u>205</u>	<u>2,466,340</u>	<u>(566,380)</u>	<u>(3,032,720)</u>
Fund balance, October 1	<u>7,132,235</u>	<u>7,132,235</u>	<u>7,132,235</u>	<u>-</u>
Fund balance, September 30	<u>\$ 7,132,440</u>	<u>\$ 9,598,575</u>	<u>\$ 6,565,855</u>	<u>\$ (3,032,720)</u>

SCHEDULE NOTES:

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

PROPRIETARY FUND FINANCIAL STATEMENTS

**CITY OF CELINA, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2017**

	<u>Enterprise Fund Water & Sewer Activities</u>
Assets	
Cash and cash equivalents	\$ 7,303,543
Cash and cash equivalents - restricted for capital projects	830,443
Investment in TexPool	3,202
Accounts receivable, net	1,148,818
Prepaid UTRWD facilities charges	393,023
Total current assets	<u>9,679,029</u>
Noncurrent Assets:	
Cash and cash equivalents - restricted for capital projects	12,198,964
Prepaid UTRWD facilities charges	393,023
Net pension asset	5,630
Capital Assets:	
Non-depreciable land	1,328,043
Non-depreciable construction in progress	19,284,479
Depreciable capital assets, net	17,081,246
Capital Assets, net	<u>37,693,768</u>
Total noncurrent assets	<u>50,291,385</u>
Deferred outflows of resources:	
Deferred outflows - related to pensions	68,329
Total deferred outflows of resources	<u>68,329</u>
Total assets and deferred outflows of resources	<u>\$ 60,038,743</u>
Liabilities	
Accounts payable	715,066
Accounts payable for capital projects	830,443
Accrued salaries and benefits	61,679
Bonds payable - current	1,744,829
Infrastructure advance from CISD - current	113,953
Accrued interest payable	105,278
Meter deposits payable	454,695
Unearned revenue	4,800,105
Total current liabilities	<u>8,826,048</u>
Infrastructure advance from CISD - long-term	64,635
Bonds payable - long-term	34,890,050
Total non-current liabilities	<u>34,954,685</u>
Total liabilities	<u>43,780,733</u>
Deferred inflows of resources:	
Deferred inflows - related to pensions	7,348
Total deferred inflows of resources	<u>7,348</u>
Net Position	
Net investment in capital assets	13,079,265
Restricted for capital projects (\$12,198,964), net of related debt (\$12,198,964)	-
Unrestricted	3,171,397
Total Net Position	<u>\$ 16,250,662</u>

City of Celina, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended September 30, 2017

	<u>Enterprise Fund</u> <u>Water & Sewer</u> <u>Activities</u>
Operating revenues:	
Water sales	\$ 5,132,245
Sewer sales	2,329,146
Garbage fees	539,881
Penalties	122,432
Tap and reconnect fees	1,680,010
Impact fees	2,244,287
Other revenues	1,542,653
Total Operating Revenues	<u>13,590,654</u>
Operating expenses:	
Salaries and benefits	888,559
Garbage fees	483,403
Materials and supplies	767,419
Postage	38,723
Repairs and facility maintenance	300,479
General insurance	15,420
Utilities and telephone	293,716
Water purchases and related fees	2,970,312
UTRWD facilities charges	393,023
Impact fees expense	2,286,900
Depreciation & amortization	890,200
Bond issuance costs	89,126
Other expense	455,302
Total Operating Expenses	<u>9,872,582</u>
Operating Income	<u>\$ 3,718,072</u>
Non-operating revenues (expenses):	
Interest income	\$ 151,666
Interest and fiscal charges	(938,891)
Total non-operating revenues (expenses)	<u>(787,225)</u>
Income (loss) before contributions and transfers	2,930,847
Transfers in (out)	(492,000)
Change in net position	2,438,847
Net position, October 1	<u>13,811,815</u>
Net position, September 30	<u>\$ 16,250,662</u>

CITY OF CELINA, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2017

	<u>Enterprise Fund</u> <u>Water & Sewer</u> <u>Activities</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 15,948,743
Cash paid to suppliers	(7,830,545)
Cash paid to employees	(859,547)
Net cash provided (used) by operating activities	<u>7,258,651</u>
Cash flows from noncapital financing activities:	
Change in customer deposits	51,692
Transfers to other funds	(492,000)
Net cash provided (used) by noncapital financing activities	<u>(440,308)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(8,155,144)
Change in escrow deposits	(125,973)
Bond proceeds	5,241,085
Principal payments - bonds payable	(1,032,490)
Principal payments - other obligations	(116,856)
Principal payments - capital leases	(18,704)
Interest paid on bonds payable and other long-term obligations	(1,159,640)
Net cash provided (used) by capital and related financing activities	<u>(5,367,722)</u>
Cash flows from investing activities:	
Net redemptions (purchases) of investments	(19)
Investment income	151,666
Net cash provided (used) by investing activities	<u>151,647</u>
Net increase (decrease) in cash and cash equivalents	1,602,268
Cash and cash equivalents, October 1	<u>18,730,682</u>
Cash and cash equivalents, September 30	<u><u>\$ 20,332,950</u></u>

CITY OF CELINA, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2017

Reconciliation of Net Income to Net Cash Provided (Used)
by Operating Activities

	<u>Enterprise Fund</u> <u>Water & Sewer</u> <u>Activities</u>
Operating income	\$ 3,718,072
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation and amortization	890,200
(Increase) decrease in accounts receivable (net)	(191,254)
(Increase) decrease in prepaid expenses	393,024
(Increase) decrease in net pension asset	4,877
(Increase) decrease in deferred outflows of resources	1,110
Increase (decrease) in accounts payable	(129,746)
Increase (decrease) in accrued expenses	19,267
Increase (decrease) in unearned revenues	2,549,343
Increase (decrease) in deferred inflows of resources	<u>3,758</u>
Total Adjustments	<u>3,540,579</u>
Net cash provided by operating activities	<u>\$ 7,258,651</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

**CITY OF CELINA, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2017**

Assets	
Cash and cash equivalents	\$ 90
Total current assets	90
 Total assets	 \$ 90
Liabilities	
Due to tax collection agency	90
Total current liabilities	90
 Total liabilities	 \$ 90

NOTES TO FINANCIAL STATEMENTS

City of Celina, Texas
Notes to Financial Statements
September 30, 2017

1. Introduction and Summary of Significant Accounting Policies

The financial statements of the City of Celina, Texas and its component units, Celina Economic Development Corporation and Celina Community Development Corporation, collectively identified as the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and reporting framework and the more significant accounting principles and practices of the City are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ending September 30, 2017.

(A) Reporting Entity and Related Organizations

The City is a municipal corporation governed by an elected mayor and six member City Council. The City provides general administration, public works, police and judicial, and fire and emergency services to its residents. The Council hires a City Manager for day to day operations.

The City Council has the authority to make decisions, appoint administrators and managers, significantly influence operations; and has the primary accountability for fiscal matters. The City is not included in any other governmental "reporting entity" as defined by Governmental Accounting and Financial Reporting Standards.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statements No. 14 and 39 as amended by GASB Statement 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. These statements define the reporting entity as the primary government and those component units for which the primary government is financially accountable. In addition, component units may be included in the reporting entity based on the nature and significance of the relationship with the primary government, or based on being closely related or financially integrated with the primary government. Based on these criteria, the City has the following component units at September 30, 2017:

Discretely Presented Component Units:

Celina Economic Development Corporation (CEDC) - CEDC serves all citizens of the government and is governed by a board appointed by the City Council. The City Council may remove the CEDC board for cause. The City has the ability to impose its will on CEDC and the potential for financial benefit or burden from CEDC's operations. CEDC is a nonprofit corporation governed by Section 4A of the Texas Development Corporation Act of 1979 and organized for the public purpose of aiding, promoting and furthering economic development within the City of Celina, Texas.

1. Introduction and Summary of Significant Accounting Policies - continued

Celina Community Development Corporation (CCDC) - CCDC serves all citizens of the government and is governed by a board appointed by the City Council. The City Council may remove the CCDC board for cause. The City has the ability to impose its will on CCDC and the potential for financial benefit or burden from CCDC's operations. CCDC is a nonprofit corporation governed by Section 4B of the Texas Development Corporation Act of 1979 and organized for the public purpose of the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare of the City of Celina, Texas.

Neither CEDC nor CCDC prepare separate financial statements.

(B) Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities. The primary government and component units are presented separately within 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 general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds and proprietary funds are reported in separate columns with composite columns for non-major funds.

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

1. Introduction and Summary of Significant Accounting Policies - continued

The government-wide statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting* generally including the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements and financial statements of City component units also report using this same measurement focus and 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 the 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 prepared 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 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond and capital lease principal and interest which are reported as expenditures in the year due.

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for the proprietary fund are charges to customers for water and sewer sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as *non-operating* in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

(D) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund - reports as the primary operating fund of the City. This fund is used to account for all financial resources not reported in other funds.

Debt Service Fund - accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt. The City annually levies ad valorem taxes restricted for the retirement of general obligation bonds, capital leases, and interest. This fund reports all such ad valorem taxes collected.

Street Construction Fund - accounts for the financing and acquisition of major capital street projects. Fund resources are provided primarily through bond sales and interest earnings.

1. Introduction and Summary of Significant Accounting Policies - continued

Parkland Fees Fund – accounts for the financing and acquisition of major capital park projects. Fund resources are provided primarily through developer park contributions and grants.

Facilities Improvement Fund – accounts for the financing and acquisition of major capital facilities improvement projects. Fund resources are provided primarily through bond sales and interest earnings.

Additionally, the City maintains the following non-major governmental funds:

Fire Improvement Fund – accounts for the financing and acquisition of capital fire improvement projects. Fund resources are provided primarily through bond sales and interest earnings.

Roadway Impact Fees Fund – accounts for the receipt and expenditure of roadway fees paid to the City.

Capital Equipment Replacement Fund – accounts for the financing and acquisition of capital public safety projects. Fund resources are provided primarily through fire and police fees.

Park Construction Fund – accounts for the financing and acquisition of capital park projects. Fund resources are provided primarily through bond sales and interest earnings.

Main Street Fund – accounts for the receipt and expenditure of main street project funds. Fund resources are provided primarily through special events and donations.

Grants Fund – accounts for the receipt and expenditure of grants funds. Fund resources are provided primarily through grants.

Law Enforcement Fund – accounts for the receipt and expenditure of law enforcement funds. Fund resources are provided primarily through police seizures.

Contributions/Donations Fund – accounts for the receipt and expenditure of contributions and donations. Fund resources are provided primarily through contributions and donations.

Court Security Fund – accounts for the receipt and expenditure of court security funds. Fund resources are provided primarily through court security fees.

Court Technology Fund – accounts for the receipt and expenditure of court technology funds. Fund resources are provided primarily through court technology fees.

Capital Acquisition Fund – accounts for the financing and acquisition of capital projects. Fund resources are provided primarily through bond sales and interest earnings.

The following are non-budgeted funds: Grants Fund, Law Enforcement Fund, Contributions/Donations Fund, Court Security Fund, Court Technology Fund, and Capital Acquisition Fund as those are new funds for the city.