

CITY OF CELINA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2018

	General Fund	Debt Service Fund	Fire Improvement Fund	Street Construction Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Ad valorem taxes	\$ 4,899,354	\$ 2,555,174	\$ -	\$ -	\$ -	\$ -	\$ 7,454,528
Franchise taxes	420,352						420,352
Sales tax	1,150,663						1,150,663
Permits and inspection fees	5,982,027						5,982,027
Component unit contributions		200,000					200,000
Development fees	119,344						119,344
Developer park contributions						1,441,125	1,441,125
Fire department, EMS, and police revenues	1,031,818						1,031,818
Fines	142,332						142,332
Special events and donations	81,695					83,493	165,188
Park fees and donations	183,034						183,034
Other income	155,777				25,000	1,246,240	1,427,017
Interest	142,169	33,139	23,692	93,568	18,205	125,244	436,017
Federal, state & local grants						1,610	1,610
Total Revenues	14,308,565	2,788,313	23,692	93,568	43,205	2,897,712	20,155,055
Expenditures:							
Current:							
Administration	3,029,913					6,288	3,036,201
Judicial	172,610						172,610
Fire and emergency services	2,435,746					9,467	2,445,213
Development services	1,787,306						1,787,306
Public works	1,120,923			4,355,918	10,152	117,037	5,604,030
Police department	2,367,180					6,857	2,374,037
Parks and recreation	802,479					176,000	978,479
Library	230,090						230,090
Main street project						59,285	59,285
Capital Outlay			889,062	536,960	346,134	2,065,746	3,837,902
Debt Service:							
Principal		1,436,110					1,436,110
Interest and fiscal charges		908,016					908,016
Bond issuance cost		146,002					146,002
Total Expenditures	11,946,247	2,490,128	889,062	4,892,878	356,286	2,440,680	23,015,281
Excess (Deficiency) of Revenues Over Expenditures	2,362,318	298,185	(865,370)	(4,799,310)	(313,081)	457,032	(2,860,226)
Other Financing Sources (Uses):							
Issuance of bonds		1,684,910	7,500,000	6,419,060	7,355,000		22,958,970
Proceeds of refunding bonds		6,105,287					6,105,287
Payment to bond refunding agent		(6,022,090)					(6,022,090)
Transfers in (out)	(16,997)	(1,622,105)				731,396	(907,706)
Net Other Financing Sources (Uses)	(16,997)	146,002	7,500,000	6,419,060	7,355,000	731,396	22,134,461
Net change in fund balances	2,345,321	444,187	6,634,630	1,619,750	7,041,919	1,188,428	19,274,235
Fund balance, October 1	6,565,855	1,369,343	964,970	5,897,497	808,594	5,531,232	21,137,491
Fund balance, September 30	\$ 8,911,176	\$ 1,813,530	\$ 7,599,600	\$ 7,517,247	\$ 7,850,513	\$ 6,719,660	\$ 40,411,726

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, 2018

Net change in fund balances - total governmental funds	\$ 19,274,235
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 \$3,837,902 exceeded depreciation expense of \$(2,065,683).	1,772,219
Infrastructure contributed to the City does not provide current resources and therefore is not recorded in the funds.	18,924,564
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 \$1,436,110 plus debt refunded \$4,387,894, less new bonds issued (\$25,820,000) and deferred bond credits (\$1,610,061).	(21,606,057)
Changes in the liabilities for compensated absences do not require the use of current resources and therefore are not recorded in the funds.	(89,894)
Changes in long term amounts for net pension assets \$287,461, the related deferred outflows of resources related to pensions (\$90,477), and the related deferred inflows of resources related to pensions (\$144,285) are not recorded in the funds.	52,699
Changes in long term amounts for total OPEB liability (\$18,764), the related deferred outflows of resources \$6,944 are not recorded in the funds.	(11,820)
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 \$9,934 and the change in fines receivable of (\$7,036).	2,898
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, \$134,440; and the increase in accrued interest on debt (\$67,069).	67,371
Change in net position - governmental activities	\$ 18,386,215

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

CITY OF CELINA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Ad valorem taxes	\$ 4,519,779	\$ 4,877,691	\$ 4,899,354	\$ 21,663
Franchise taxes	326,261	328,090	420,352	92,262
Sales tax	1,045,352	1,062,748	1,150,663	87,915
Permits and inspection fees	3,989,700	6,040,964	5,982,027	(58,937)
Development fees	150,000	123,288	119,344	(3,944)
Fire department and EMS revenues	684,000	941,365	1,031,818	90,453
Fines	222,000	155,534	142,332	(13,202)
Special events and donations	89,308	72,933	81,695	8,762
Park fees	163,500	159,141	183,034	23,893
Other income	43,054	185,719	155,777	(29,942)
Interest	75,725	92,810	142,169	49,359
Total Revenues	11,308,679	14,040,283	14,308,565	268,282
EXPENDITURES:				
Administration	3,228,635	3,298,816	3,029,913	268,903
Judicial	183,125	187,390	172,610	14,780
Fire and emergency services	2,550,164	2,555,842	2,435,746	120,096
Development services	1,635,240	1,835,168	1,787,306	47,862
Public works	1,014,067	1,165,383	1,120,923	44,460
Police department	2,513,424	2,515,102	2,367,180	147,922
Parks and recreation	903,907	904,407	802,479	101,928
Library	263,569	263,919	230,090	33,829
Total Expenditures	12,292,131	12,726,027	11,946,247	779,780
Excess (deficiency) of revenues over (under) expenditures	(983,452)	1,314,256	2,362,318	1,048,062
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	983,003	(16,997)	(16,997)	-
Total Other Financing Sources (Uses)	983,003	(16,997)	(16,997)	-
Net change in fund balance	(449)	1,297,259	2,345,321	1,048,062
Fund balance, October 1	6,565,855	6,565,855	6,565,855	-
Fund balance, September 30	\$ 6,565,406	\$ 7,863,114	\$ 8,911,176	\$ 1,048,062

SCHEDULE NOTES:

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

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**PROPRIETARY FUND
FINANCIAL STATEMENTS**

**CITY OF CELINA, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2018**

	<u>Enterprise Fund Water & Sewer Activities</u>
Assets	
Cash and cash equivalents	\$ 12,912,649
Cash and cash equivalents - restricted for capital projects	1,733,621
Investment in TexPool	3,255
Accounts receivable, net	1,501,039
Prepaid UTRWD facilities charges	393,023
Total current assets	<u>16,543,587</u>
Noncurrent Assets:	
Cash and cash equivalents - restricted for capital projects	35,685,113
Net pension asset	44,297
Capital Assets:	
Non-depreciable land	1,328,043
Non-depreciable construction in progress	11,570,190
Depreciable capital assets, net	37,175,568
Capital Assets, net	<u>50,073,801</u>
Total noncurrent assets	<u>85,803,211</u>
Deferred outflows of resources:	
Deferred outflows - related to pensions	56,159
Deferred outflows - related to OPEB	1,629
Total deferred outflows of resources	<u>57,788</u>
Total assets and deferred outflows of resources	<u>\$ 102,404,586</u>
Liabilities	
Accounts payable	643,517
Accounts payable for capital projects	1,733,621
Accrued salaries and benefits	81,598
Bonds payable - current	1,520,733
Infrastructure advance from CISD - current	72,503
Accrued interest payable	105,278
Meter deposits payable	622,234
Total OPEB liability	8,533
Unearned revenue	7,918,309
Total current liabilities	<u>12,706,326</u>
Bonds payable - long-term	65,133,971
Total non-current liabilities	<u>65,133,971</u>
Total liabilities	<u>77,840,297</u>
Deferred inflows of resources:	
Deferred inflows - related to pensions	26,756
Total deferred inflows of resources	<u>26,756</u>
Net Position	
Net investment in capital assets	18,675,162
Restricted for capital projects (\$35,328,568), net of related debt (\$35,328,568)	-
Unrestricted	5,862,371
Total Net Position	<u>\$ 24,537,533</u>

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

City of Celina, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended September 30, 2018

	<u>Enterprise Fund</u> <u>Water & Sewer</u> <u>Activities</u>
Operating revenues:	
Water sales	\$ 6,437,153
Sewer sales	3,077,772
Garbage fees	687,200
Penalties	171,515
Tap and reconnect fees	1,829,970
Impact fees	1,558,580
Other revenues	2,744,217
Total Operating Revenues	<u>16,506,407</u>
Operating expenses:	
Salaries and benefits	1,143,707
Garbage fees	617,144
Materials and supplies	855,742
Postage	47,055
Repairs and facility maintenance	329,156
General insurance	27,809
Utilities and telephone	259,098
Water purchases and related fees	2,800,976
UTRWD facilities charges	1,642,099
Impact fees expense	1,654,656
Depreciation & amortization	1,263,446
Bond issuance costs	600,022
Other expense	626,591
Total Operating Expenses	<u>11,867,501</u>
Operating Income	<u>\$ 4,638,906</u>
Non-operating revenues (expenses):	
Interest income	\$ 332,227
Interest and fiscal charges	(1,019,574)
Total non-operating revenues (expenses)	<u>(687,347)</u>
Income (loss) before contributions and transfers	3,951,559
Capital contributions	3,432,870
Transfers in (out)	907,706
Change in net position	8,292,135
Net position, October 1	16,250,662
Prior period adjustment	(5,264)
Net position, September 30	<u>\$ 24,537,533</u>

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

CITY OF CELINA, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2018

	<u>Enterprise Fund</u> <u>Water & Sewer</u> <u>Activities</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 19,272,390
Cash paid to suppliers	(8,235,486)
Cash paid to employees	(1,129,447)
Net cash provided (used) by operating activities	<u>9,907,457</u>
Cash flows from noncapital financing activities:	
Change in customer deposits	167,539
Transfers from other funds	907,706
Net cash provided (used) by noncapital financing activities	<u>1,075,245</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(10,210,609)
Bond proceeds	33,398,517
Principal payments - bonds payable	(3,140,995)
Principal payments - other obligations	(106,085)
Interest paid on bonds payable and other long-term obligations	(1,257,271)
Net cash provided (used) by capital and related financing activities	<u>18,683,557</u>
Cash flows from investing activities:	
Net redemptions (purchases) of investments	(53)
Investment income	332,227
Net cash provided (used) by investing activities	<u>332,174</u>
Net increase (decrease) in cash and cash equivalents	29,998,433
Cash and cash equivalents, October 1	<u>20,332,950</u>
Cash and cash equivalents, September 30	<u><u>\$ 50,331,383</u></u>

CITY OF CELINA, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2018

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	\$ 4,638,906
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation and amortization	1,263,446
(Increase) decrease in accounts receivable (net)	(352,221)
(Increase) decrease in prepaid expenses	393,023
(Increase) decrease in net pension asset	(38,667)
(Increase) decrease in deferred outflows of resources - related to pensions	12,170
(Increase) decrease in deferred outflows of resources - related to OPEB	(963)
Increase (decrease) in accounts payable	831,629
Increase (decrease) in accrued expenses	19,919
Increase (decrease) in total OPEB liability	2,603
Increase (decrease) in unearned revenues	3,118,204
Increase (decrease) in deferred inflows of resources - related to pensions	19,408
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Total Adjustments	5,268,551
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Net cash provided by operating activities	\$ 9,907,457
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Noncash capital and related financing activities	
Acquisition of capital assets from developers through capital contributions	3,432,870
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**COMBINING DISCRETELY PRESENTED
COMPONENT UNITS
FINANCIAL STATEMENTS**

**CITY OF CELINA, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2018**

	Celina Economic Development Corporation	Celina Community Development Corporation	Total Aggregate Component Units
Assets			
Cash and cash equivalents	\$ 757,233	\$ 928,991	\$ 1,686,224
Sales taxes receivable	101,833	101,832	203,665
Due from primary government		114	114
Total Assets	859,066	1,030,937	1,890,003
Liabilities			
Accrued interest	3,371		3,371
Due to primary government	96,654		96,654
Due in more than one year:			
Note Payable	1,044,263		1,044,263
Total Liabilities	1,144,288	-	1,144,288
Net Position			
Unrestricted	(285,222)	1,030,937	745,715
Total Net Position	\$ (285,222)	\$ 1,030,937	\$ 745,715

CITY OF CELINA, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2018

	Celina Economic Development Corporation	Celina Community Development Corporation	Total Aggregate Component Units
Functions/Programs			
Economic development	\$ (912,979)	\$ -	\$ (912,979)
Community development		(200,000)	(200,000)
Total expenses	(912,979)	(200,000)	(1,112,979)
General revenues			
Sales taxes	573,145	573,145	1,146,290
Miscellaneous	14,850		14,850
Unrestricted investment earnings	3,312	10,458	13,770
Total general revenues	591,307	583,603	1,174,910
Change in net position	(321,672)	383,603	61,931
Net Position-beginning of year	36,450	647,334	683,784
Net Position-end of year	\$ (285,222)	\$ 1,030,937	\$ 745,715

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NOTES TO FINANCIAL STATEMENTS

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City of Celina, Texas
Notes to Financial Statements
September 30, 2018

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, 2018.

(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, 2018:

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.

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.

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1. Introduction and Summary of Significant Accounting Policies - continued

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.

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:

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.

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.

Roadway Capital Recovery Fees Fund – accounts for the receipt and expenditure of road capital recovery fees paid to the City.

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

1. Introduction and Summary of Significant Accounting Policies - continued

Proprietary Funds

The City reports the following major Proprietary fund:

Water and Sewer Fund - accounts for the operating activities of the City's water and sewer utilities services.

(E) Assets, Liabilities and Net Position or Equity

Cash and Investments

The City maintains cash and investment pools which are shared by the various governmental funds. In addition, non-pooled cash and investments are separately held and reflected in the respective individual funds. These pooled and non-pooled cash and investment pools are displayed on its respective balance sheet as "cash and cash equivalents" and "investment in TexPool."

Investments are stated at fair value within the fair value hierarchy established by generally accepted accounting principles.

Bank certificates of deposit are carried at cost which approximates fair value.

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Inventories and Prepaids

Inventories consisting of expendable supplies held for consumption in governmental funds are reported using the expenditure method. Under this method, amounts paid for these items are reported as expenditures when purchased. Inventories, when material, are recorded at cost stated on a first-in, first-out basis in the government-wide financial statements.

Prepaid items record payments to vendors that benefit future reporting periods and are reported on the consumption basis at cost. Prepaid items are similarly reported in government-wide and fund financial statements.

Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent the acquisition of resources that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows of resources represent a consumption of resources that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time.

1. Introduction and Summary of Significant Accounting Policies – continued

Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost, or if historical cost is not available, they are stated at estimated historical cost. These assets are comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Donated assets are reported at acquisition value. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	40
Road infrastructure	15 - 50
Water & sewer infrastructure & rights	20 - 40
Vehicles	5
Furniture, machinery, and equipment	5

The City has not capitalized any interest costs in the carrying value of capital assets.

Long-term Debt, Deferred Bond Credits, and Bond Discounts/Premiums

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums are capitalized and amortized over the terms of the respective bonds using a method that approximates the straight-line method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. Introduction and Summary of Significant Accounting Policies – continued

Compensated Absences

Full-time employees earn vacation leave for each month of work performed. Progressive accrual of vacation leave is based on the number of years the individual is employed by the City. After completion of a probationary period of employment, accrued vacation leave is paid upon termination of employment. Full-time employees also earn sick leave time. Unused sick leave is not paid upon termination of employment.

Compensated absences are reported as accrued in the government-wide, proprietary and component unit financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees. These are included in accrued salaries and benefits.

Fund Equity

The City implemented GASB Statement 54 standards for the classification of fund balances in the governmental funds. The fund balances of governmental funds are defined as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through a formal resolution of the City Council.

Assigned - amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council's delegation of this responsibility to City management through the budgetary process.

Unassigned - all other spendable amounts in the general fund. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The City Council delegates the responsibility to assign funds to the City Manager, Director of Finance, or other designee as determined by the Council.

When expenditures are incurred for which both restricted and unrestricted fund balance is available the City considers restricted funds to have been spent first. Similarly, committed funds are considered to have been spent first when there is a choice for the use of less restricted funds, then assigned and then unassigned funds.

1. Introduction and Summary of Significant Accounting Policies – continued

(F) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a participant in the Texas Municipal League (TML) Employees Health Insurance Fund, Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located within Texas. The agreement provides that the trust established by TML will be self-sustaining through member premiums. The City pays annual premiums to TML for worker's compensation, general and auto liability, property damage, employee dishonesty, public officials liability, and law enforcement professional liability coverage. The City does not anticipate any material additional insurance cost assessments as a result of participation in this risk management pool. There were no reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage during any of the past three fiscal years.

(G) Estimates

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

The City Manager submits an annual budget to the City Council in accordance with the laws of the State of Texas and the city charter. The budget is presented to the City Council for review, budget workshops are held with the various City department officials, and public hearings are held to address priorities and the allocation of resources. Generally in August, the City Council adopts the annual fiscal year budgets for all City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Each fund's approved budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel services and related fringe benefits, supplies, other services and charges, capital outlay, transfers, and debt service. Expenditures may not exceed appropriations at the department level. Within this control level, management may transfer appropriations between line items. Line-item transfers within a department are not subject to final review by the City Council. Budget revisions and line item transfers are subject to final review by the City Council. Revisions to the budget were made throughout the year.

The budgets for the operating funds are prepared on the cash and expenditure basis. Revenues are budgeted in the year receipt is expected; and expenditures, which do not include encumbrances, are budgeted in the year that the liability is to be incurred. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The General Fund budget and actual included in the basic financial statements is presented on these bases. **323**
Unexpended appropriations for annually budgeted funds lapse at fiscal year-end.

3. Deposits and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to deposit of funds. The City Council approves authorized depository institutions based on the recommendations of City management.

Deposits of City of Celina, Texas (primary government) and CCDC were fully insured or collateralized with securities held by the City, CCDC, its agent, or by the pledging financial institution's trust department or agent in the name of the City or CCDC, respectively. Deposits of CEDC were not fully insured or collateralized with securities held by CEDC, its agent, or by the pledging financial institution's trust department or agent in the name of CEDC throughout the year. Deposits of the CEDC were under secured by \$195,834 as of September 30, 2018.

Investments

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At year-end, the City had no investments subject to the fair value hierarchy established by generally accepted accounting principles. For investments in local government pools, the reported value of the pool is the same as the fair value of the pool shares.

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 5,691	28 days
Total Investments	<u>\$ 5,691</u>	

TexPool is a public funds investment pool overseen by the Texas State Comptroller of Public Accounts acting by and through its full service provider, Federated Investors is empowered to invest funds and act as custodian of investments purchased with local investment funds. Authorized investments of TexPool include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements. TexPool is rated for credit risk as AAAm.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are managed under the custody of the Treasurer (in his absence the City Manager). Investing is performed in accordance with investment policies adopted by the City Council in compliance with the Public Funds Investment Act (PFIA). City investment policy and the PFIA generally permit the City to invest in FDIC insured or fully collateralized certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas, and obligations of agencies, counties, cities and other political subdivisions of Texas having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended September 30, 2018, the City did not own any types of securities other than those permitted by the City investment policy or the Public Funds Investment Act.

3. Deposits and Investments – continued

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. City policy generally requires investment maturities to correspond to anticipated cash flow needs. City policy further states that volatile investment instruments shall be avoided and that nonmarketable instruments with maturities beyond one month shall not exceed 30 percent of the portfolio. In addition, investment maturities shall not exceed the following limits:

- Operating funds - 30 days
- Capital project funds - corresponding draw schedules
- Debt service funds - corresponding payment dates, not to exceed (6) six months
- Bond reserve funds - (5) five years

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. City policy requires that the risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types to eliminate the risk of loss from over-concentration of assets in a specific issuer, or a specific class of securities.

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The City's policy on safekeeping and custody requires that investments shall be secured through safekeeping agreements. All investment funds shall be placed directly with qualified financial institutions selected through the City's banking procurement process. All transactions shall be executed on a delivery versus payment basis.

4. Receivables, Uncollectible Accounts, and Unearned Revenue

Proprietary Fund Receivables, Uncollectible Accounts and Unearned Revenue

Significant receivables include amounts due from customers primarily for utility services. These receivables are due within one year. The Proprietary Fund reports accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectible amounts. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days. Following is the detail of the Proprietary Fund receivables and the related allowance for uncollectible accounts:

Accounts receivable, gross	\$1,612,876
Less: allowance for uncollectible accounts	(111,837)
Net accounts receivable	<u>\$1,501,039</u>

The City has recorded unearned revenue of \$7,918,309 water and sewer impact fees and sewer capacity fees that have been collected, but are awaiting expenditure for the designated purpose.

Property Taxes Receivable, Unearned Revenues, and the Property Tax Calendar

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property located within the City. Appraised values are established by the Collin County Central Appraisal District at 100% of market value.

4. Receivables, Uncollectible Accounts, and Unearned Revenue – continued

The property tax rate for the year ended September 30, 2018 was .645 per \$100 of the assessed valuation on taxable property. Following is a summary of the overall tax rate as levied by fund:

Maintenance and operations-General Fund	.4278
Debt Service Fund	<u>.2172</u>
Total tax rate	<u>.6450</u>

In the governmental fund financial statements, property taxes are recorded as receivables in each of the respective funds on the tax levy date with appropriate allowances for estimated uncollectible amounts. At fiscal year-end, property tax receivables represent delinquent taxes. If delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred inflows of resources.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City with a 10% allowance for estimated uncollectible amounts regardless of when cash is received. Over time substantially all property taxes are collected.

The City's full year property tax calendar is as follows:

October 1-Full year tax levy assessed for the current fiscal year-taxes are due and payable.

January 1-Tax lien is attached to property to secure the payment of taxes, and penalty and interest as applicable.

February 1-Penalty and interest charges begin to accrue on unpaid past due taxes.

July 1-Taxes become delinquent and are subject to attorney fees incurred for collection.

Allowance for Uncollectible Taxes

The City records an allowance for uncollectible property taxes in order to estimate the amount of taxes that will ultimately prove to be uncollectible. Management has determined that an allowance in the amount of ten percent (10%) of the property taxes receivable in each of the applicable fund types should be adequate to provide for uncollectible property taxes. No provisions are made for uncollectible sales tax receivables, or grants receivable as management estimates that these amounts will be fully collectible.

Fines and Court Costs Receivable and Related Allowances

In the governmental fund financial statements, fines and court costs are recognized as revenue on the cash basis.

In the government-wide financial statements, the City records fines and court costs receivable net of amounts estimated to be uncollectible and net of any amounts that would be due to other governmental entities as a result of collection. Management has determined the estimate of uncollectible fines and court costs through an analysis of actual amounts collected subsequent to year end. Amounts due to other governmental entities have been determined based on distribution requirements of the State of Texas.

4. Receivables, Uncollectible Accounts, and Unearned Revenue – continued

Grants Receivable

Grants receivable were collected within 60 days of the end of the fiscal year, accordingly, no allowance for uncollectible amounts has been recorded. These amounts are recorded similarly in both the governmental fund statements and the government-wide financial statements. Grant revenues are recorded as earned when eligibility requirements are met. Grant revenues received prior to meeting grant eligibility requirements are recorded as unearned revenue.

5. Capital Assets

The following tables provide a summary of changes in capital assets, including assets recorded under capital leases:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 3,627,345	\$ 10,000	\$ -	\$ 3,637,345
Construction in progress	292,982	2,571,993		2,864,975
Total nondepreciable capital assets	3,920,327	2,581,993	-	6,502,320
Depreciable capital assets:				
Buildings and improvements	6,897,439	82,695		6,980,134
Parks	12,240,281			12,240,281
Road infrastructure	15,605,599	18,943,285		34,548,884
Furniture and equipment	2,502,754	561,441		3,064,195
Vehicles	3,096,530	593,052		3,689,582
Total depreciable capital assets	40,342,603	20,180,473	-	60,523,076
Total capital assets	44,262,930	22,762,466	-	67,025,396
Less: accumulated depreciation				
Buildings and improvements	515,535	202,002		717,537
Parks	2,036,550	244,531		2,281,081
Road infrastructure	4,088,268	805,324		4,893,592
Furniture and equipment	1,013,925	429,967		1,443,892
Vehicles	1,040,215	383,859		1,424,074
Total accumulated depreciation	8,694,493	2,065,683	-	10,760,176
Capital assets, net	<u>\$ 35,568,437</u>	<u>\$ 20,696,783</u>	<u>\$ -</u>	<u>\$ 56,265,220</u>

Current year increases include contributed infrastructure in the amount of \$18,924,564.

5. Capital Assets – continued

	Beginning	Increases	Decreases	Ending
Business-Type Activities:				
Nondepreciable capital assets:				
Land	\$ 1,328,043	\$ -	\$ -	\$ 1,328,043
Construction in progress	4,158,965	10,082,227	2,671,002	11,570,190
Total nondepreciable capital assets	5,487,008	10,082,227	2,671,002	12,898,233
Depreciable capital assets:				
Buildings and improvements	43,769			43,769
Water & sewer infrastructure	37,804,384	6,164,722		43,969,106
Vehicles	827,912	32,335		860,247
Equipment	1,670,670	35,197		1,705,867
Total depreciable capital assets	40,346,735	6,232,254	-	46,578,989
Total capital assets	45,833,743	16,314,481	2,671,002	59,477,222
Less: accumulated depreciation				
Buildings and improvements	26,808	1,094		27,902
Water & sewer infrastructure	7,624,064	1,012,212		8,636,276
Vehicles	218,014	128,546		346,560
Equipment	271,089	121,594		392,683
Total accumulated depreciation	8,139,975	1,263,446	-	9,403,421
Capital assets, net	<u>\$ 37,693,768</u>	<u>\$ 15,051,035</u>	<u>\$ 2,671,002</u>	<u>\$ 50,073,801</u>

Current year increases include capital contributions in the amount of \$3,432,870.

Component Units:

Nondepreciable capital assets:				
Construction in progress	\$ 484,660		\$ 484,660	\$ -
Total nondepreciable capital assets	484,660	-	484,660	-
Capital assets, net	<u>\$ 484,660</u>	<u>\$ -</u>	<u>\$ 484,660</u>	<u>\$ -</u>

Depreciation expense for governmental activities was charged to functions of the City as follows:

Administration	\$ 106,266
Fire and emergency services	437,934
Road infrastructure	823,826
Public works	166,249
Parks	300,035
Police department	205,512
Development services	24,140
Court	1,721
Total	<u>\$2,065,683</u>

Depreciation expense recorded in business-type activities and the Proprietary Fund was \$1,263,446.

6. Long-Term Obligations

Long-term Obligations Supporting Governmental Activities

Certificates of obligation bonds issued by the City are backed by the full faith and credit of the City. These bonds are to be repaid with property taxes levied for debt service and recorded in the Debt Service Fund. The City's borrowing capacity is restrained by maintaining the City's debt at a responsible level. Other debt issued to support governmental activities are capital lease obligations which are primarily paid from the General Fund.

Interest expense for governmental activities was \$840,645 and is reported as a separate line item in the statement of activities.

Business-type Activities - Revenue Bonds

Revenue bonds consist of debt issued to support activities of the Proprietary (water and sewer) Fund. In addition to being backed by the full faith and credit of the City, revenue bonds are secured by a lien on and a pledge of the surplus revenues of the water and sewer system.

Interest expense for business-type activities and the Proprietary (water and sewer) Fund was \$1,019,574 for the year.

The following pages contain a summary of changes in bonds payable and capital lease obligations for the year:

6. Long-Term Obligations – continued

<i>Governmental Activities:</i>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due in One Year</u>
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2004, 4.625%-5.0%, 2004-2029	\$ 1,093,573	\$ -	\$ 1,093,573	\$ -	\$ -
General Obligation Refunding Bonds Series 2007, 4.0%-4.25%, 2008-2021	295,431		295,431	-	-
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2011, 3.0%-4.125%, 2012-2031	1,190,000		65,000	1,125,000	65,000
General Obligation Refunding Bonds Series 2012, 2.0%-3.0%, 2013-2023	80,000		10,000	70,000	25,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2012, 2.0%-4.0%, 2013-2032	3,240,000		3,240,000	-	-
General Obligation Refunding Bonds Series 2013, 2.0%-3.5%, 2015-2027	3,505,000		330,000	3,175,000	340,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2013, 2.0%-4.0%, 2015-2033	5,185,000		125,000	5,060,000	120,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014, 2.0%-4.0%, 2015-2034	2,710,000		130,000	2,580,000	130,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2015, 2.0%-5.0%, 2015-2035	2,090,000		80,000	2,010,000	80,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2016, 2.0%-4.0%, 2016-2036	2,115,000		165,000	1,950,000	240,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2017, 2.25%-3.25%, 2018-2037	4,390,000		290,000	4,100,000	160,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2018, 3.375%-5.0%, 2019-2038	-	20,035,000		20,035,000	125,000
General Obligation Refunding Bonds Series 2018, 3.0%-5.0%, 2019-2032	-	5,785,000		5,785,000	670,000
Unamortized Bond Premiums	390,920	1,610,061	134,440	1,866,541	171,055
Total Governmental Activities	<u>\$26,284,924</u>	<u>\$27,430,061</u>	<u>\$ 5,958,444</u>	<u>\$47,756,541</u>	<u>\$ 2,126,055</u>

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6. Long-Term Obligations – continued

<i>Business-type Activities:</i>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due in One Year</u>
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2004, 4.625%-5.0%, 2004-2029	\$ 261,425		\$ 261,425	\$ -	\$ -
General Obligation Refunding Bonds Series 2007, 4.0%-4.25%, 2008-2021	769,570		769,570	-	-
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2007, 2.60%-3.60%, 2009-2028	495,000		495,000	-	-
General Obligation Refunding Bonds Series 2012, 2.0%-3.0%, 2013-2023	2,590,000		405,000	2,185,000	435,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2012, 2.0%-4.0%, 2013-2032	575,000		575,000	-	-
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014, 2.0%-4.0%, 2015-2034	2,300,000		15,000	2,285,000	15,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014A, 2.65%, 2017-2024	1,625,000		95,000	1,530,000	105,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2015, 2.0%-5.0%, 2015-2035	12,880,000		275,000	12,605,000	275,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2016, 2.0%-4.0%, 2016-2036	7,485,000		70,000	7,415,000	75,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2017, 2.25%-3.25%, 2018-2037	5,110,000		180,000	4,930,000	190,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2018, 3.375%-5.0%, 2019-2038	-	30,855,000		30,855,000	-
Unamortized Bond Premiums	<u>2,543,884</u>	<u>2,543,517</u>	<u>237,697</u>	<u>4,849,704</u>	<u>425,733</u>
Total Business-type Activities	<u>\$36,634,879</u>	<u>\$33,398,517</u>	<u>\$ 1,269,981</u>	<u>\$66,654,704</u>	<u>\$ 1,520,733</u>

The City's general obligation bonds are guaranteed by the full faith and credit of the City. The bond issues are approved by the voters and repaid with property taxes recorded in the Debt Service Fund. Current requirements for principal and interest of these obligations are accounted for in the Debt Service Fund.

Capital lease agreements represent general obligations of the City, and are secured by the equipment acquired by the capital lease proceeds. Current requirements for principal and interest of capital lease obligations are accounted for in the appropriate fund for which the liability was incurred.

Compensated absences are paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund.

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6. Long-Term Obligations - continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonded debt are as follows at year-end:

<u>Governmental Activities</u>			
Year ending September 30	Bond principal	Bond interest	Total Required
2019	\$ 1,955,000	\$ 1,752,204	\$ 3,707,204
2020	2,345,000	1,719,604	4,064,604
2021	2,250,000	1,630,541	3,880,541
2022	2,150,000	1,543,066	3,693,066
2023	2,240,000	1,455,066	3,695,066
2024-2028	12,630,000	5,751,818	18,381,818
2029-2033	13,670,000	3,070,364	16,740,364
2034-2038	8,650,000	892,450	9,542,450
Totals	<u>\$ 45,890,000</u>	<u>\$ 17,815,113</u>	<u>\$ 63,705,113</u>

<u>Business-type Activities</u>			
Year ending September 30	Bond principal	Bond interest	Total Required
2019	\$ 1,095,000	\$ 2,411,702	\$ 3,506,702
2020	2,355,000	2,423,557	4,778,557
2021	2,570,000	2,333,316	4,903,316
2022	2,825,000	2,232,724	5,057,724
2023	2,925,000	2,121,611	5,046,611
2024-2028	15,365,000	8,665,492	24,030,492
2029-2033	18,550,000	5,180,188	23,730,188
2034-2038	16,120,000	1,560,361	17,680,361
Totals	<u>\$ 61,805,000</u>	<u>\$ 26,928,951</u>	<u>\$ 88,733,951</u>

In addition to the bonds and capital leases above, the City also has the following long-term obligations:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Compensated absences	\$ 256,376	\$ 346,270	\$ 256,376	\$ 346,270	\$ 346,270

It is anticipated that the liability for compensated absences described above will be paid from the General Fund when due.

The obligation due to Celina ISD is a result of the school district funding the cost for the installation of a new water line that provides service to school facilities. The obligation is non-interest bearing however, the City has discounted the debt to estimated present value using the assumption of a 5.5% annual interest rate. The agreement with Celina ISD is that the City will not bill the school for water use until such time as the cumulative billings are equal to the cost of installing the water line. At the current rate of water use by Celina ISD, City management estimates the gross billings for annual water use will payoff this obligation in the next year.

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Business-type Activities:</i>					
Obligation due to Celina ISD	\$ 178,588	\$ -	\$ 106,085	\$ 72,503	\$ 72,503

6. Long-Term Obligations - continued

Special Assessment Revenue Bonds

From time to time the City issues Special Assessment Revenue Bonds. Below is a schedule of the Special Assessment Revenue Bonds the City has issued with their original issue value. Total bond principal outstanding for these issues is \$147,590,000 at year-end.

	Original Issue
Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project)	\$ 8,750,000
Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phases #2-3 Major Improvement Project)	6,575,000
Special Assessment Revenue Bonds, Series 2015 (The Lakes at Mustang Ranch Public Improvement District Phase #1 Project)	9,000,000
Special Assessment Revenue Bonds, Series 2015 (The Lakes at Mustang Ranch Public Improvement District Phases #2-9 Major Improvement Project)	13,150,000
Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project)	5,790,000
Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement Area Project)	8,040,000
Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #1 Project)	11,560,000
Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Major Improvement Areas #2-5 Major Improvement Project)	16,825,000
Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project)	3,550,000
Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Major Improvement Area Project)	3,235,000
Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Neighborhood Improvement Area #1 Project)	6,425,000
Special Assessment Revenue Bonds, Series 2017 (Ownsby Farms Public Improvement District Phase #1 Project)	4,465,000
Special Assessment Revenue Bonds, Series 2017 (Ownsby Farms Public Improvement District Phase #2 Major Improvement Project)	1,765,000
Special Assessment Revenue Bonds, Series 2018 (The Columns Public Improvement District Project)	6,470,000
Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project)	4,325,000
Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project)	3,690,000
Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)	9,555,000
Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project)	13,795,000
Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)	3,750,000
Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project)	6,875,000

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6. Long-Term Obligations - continued

Proceeds of the bonds were deposited into trust accounts with U.S. Bank N.A. (U.S. Bank) for the purpose of funding improvements in the projects described above. U.S. Bank serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time to time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned or transferred to the trustee. The City is not obligated in any manner for this special assessment debt, but merely acts as the property owner's agent in handling the debt service transactions by collecting any special assessment tax collections and forwarding them to the bondholders. These collections have begun. Assessment collections for all of the City's Special Assessment Revenue Bonds are on time and complete at year-end.

7. Component Unit Debt Obligations

CEDC has the following debt obligation:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Component Units:					
Note Payable	\$ 978,601	\$1,044,263	\$ 978,601	\$1,044,263	\$ -0-

In March, 2018, CEDC entered into a note payable agreement with Lamar National Bank in the principal amount of \$1,044,263 with a fixed rate of interest equal to 3.75% to refinance a loan with a predecessor bank. Interest only payments are due monthly until March 22, 2020 when the entire principal balance is due. The note payable is unsecured but is expected to be paid out of the sales and use taxes that will be levied and collected by the City of Celina, Collin County, Texas pursuant to the Development Corporation Act, Chapter 501, 502, and 504 of the Texas Local Government Code. At September 30, 2018, CEDC the outstanding note balance was \$1,044,263. Following is the annual debt service requirements to maturity for the note payable:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required</u>
2019	\$ -	\$ 39,160	\$ 39,160
2020	1,044,263	18,493	1,062,756
subsequent			-
Totals	<u>\$ 1,044,263</u>	<u>\$ 57,653</u>	<u>\$ 1,101,916</u>

8. Defined Benefit Pension Plans

Plan Description

The City of Celina, Texas participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

8. Defined Benefit Pension Plans - continued

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

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

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	56
Active employees	<u>105</u>
	<u>169</u>

Contributions

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

Employees for the City of Celina, Texas were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City of Celina, Texas were 6.51% and 6.34% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$459,895, and were equal to the required contributions.

8. Defined Benefit Pension Plans – continued

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the table on the following page:

8. Defined Benefit Pension Plans – continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
Balance at 12/31/2016	\$ 4,931,762	\$ 4,979,247	\$ (47,485)
Changes for the year:			
Service cost	760,238		760,238
Interest	356,068		356,068
Change of benefit terms	-		-
Difference between expected and actual experience	(3,776)		(3,776)
Changes of assumptions	-		-
Contributions - employer		357,923	(357,923)
Contributions - employee		393,323	(393,323)
Net investment income		691,169	(691,169)
Benefit payments, including refunds of employee contributions	(73,590)	(73,590)	-
Administrative expense		(3,576)	3,576
Other changes		(181)	181
Net changes	\$ 1,038,940	\$ 1,365,068	\$ (326,128)
Balance at 12/31/2017	\$ 5,970,702	\$ 6,344,315	\$ (373,613)

8. Defined Benefit Pension Plans – continued

Sensitivity of the net pension liability to changes in the discount rate

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

	1 % Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 667,616	\$ (373,613)	\$ (1,209,047)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$394,744.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 4,557	\$ 52,070
Changes in actuarial assumptions	90,660	
Difference between projected and actual investment earnings (net of current year amortization)	-	172,106
Contributions subsequent to the measurement date	350,800	
Total	\$ 446,017	\$ 224,176

\$350.800 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2019	\$ 4,102
2020	(4,406)
2021	(56,778)
2022	(64,554)
2023	(6,533)
Thereafter	(790)
Total	\$ (128,959)

9. Balances and Transfers/Payments Within the Reporting Entity

Receivables and Payables

Generally, outstanding balances between funds reported as "due to/from other funds" in the governmental fund financial statements include outstanding charges by one fund to another for services or goods, and other miscellaneous receivables/payables between funds. Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are described as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). The following schedule reports receivables and payables within the reporting entity at year-end:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 96,768	\$ 82,724
Debt Service Fund	83,375	
Main Street Fund		879
Component units		96,540
	<u>\$ 180,143</u>	<u>\$ 180,143</u>

Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purposes of funding capital projects and asset acquisitions, transferring bond proceeds between funds, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. The following schedule reports transfers and payments within the reporting entity:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 527,000	\$ 543,997
Debt Service		1,622,105
Capital Equipment Replacement Fund	731,396	
Proprietary Fund	1,479,440	571,734
	<u>\$ 2,737,836</u>	<u>\$ 2,737,836</u>

The transfer out from the General Fund and the Proprietary Fund provided the Capital Equipment Replacement Fund with supplementary revenue for the year. The transfer out of the Debt Service Fund was made to transfer a portion of the 2018 bond proceeds to the Proprietary Fund. In addition to the above transfers, the component units contributed \$200,000 to the debt service fund in order to supplement debt service payments for the year.

10. Contingencies

The City participates in various state and federal grant programs and contracts which are subject to financial and compliance audits by the grantors or their representatives. Audits of these programs for the year ended September 30, 2018 have not been conducted. Accordingly, the City's compliance with applicable grant and contract requirements will be established at some future date. The City expects that costs disallowed by these various awarding agencies, if any, would be minimal.

11. Litigation

From time to time, the City is involved in litigation in the ordinary course of business. City management considers the likelihood of any material liability resulting from this litigation to be remote.

12. Operating Leases

The City has entered into lease agreements for copier machines. Following is a summary of the annual minimum lease requirements under these agreements:

<u>Year ending 9/30</u>	<u>Annual lease requirement</u>
2019	\$ 31,867
2020	17,715
2021	13,360
2022	881
Total required	<u>\$ 62,823</u>

Lease expense for the year ending September 30, 2018 was \$48,659.

13. UTRWD Facilities Charges

The City has entered into a Participating Member Contract with Upper Trinity Regional Water District (UTRWD) for the use of sewer capacity in the Northeast Regional Water Reclamation System (Doe Branch Plant). Following is a summary of these contractual agreements:

- 1) In return for the utilization of 600,000 gallons of capacity in the Northeast Regional Water Reclamation System (Doe Branch Plant) the City will pay annual facilities charges to UTRWD ranging from \$550,209 to \$837,728 beginning in FY 2016 and continuing through FY 2038.
- 2) In return for the utilization of Doe Branch Interceptor Project in the Northeast Regional Water Reclamation System (Doe Branch Plant) the City will pay annual facilities charges to UTRWD in the amount of \$347,496 over five years beginning in FY 2017 and ending in FY 2022.
- 3) In return for the utilization of 65,000 gallons of capacity in the Northeast Regional Water Reclamation System (Doe Branch Plant) the City paid UTRWD \$1,310,078 during FY 2016. This payment represented the facilities charges for the use of this capacity through FY 2019. These costs are being amortized by the City over the period ending in FY 2019.

Following is a summary of the City's contractual requirements for future payments under the agreements with UTRWD by year for the first five years and in total thereafter:

<u>Year ending 9/30</u>	<u>Annual requirement</u>
2019	\$ 1,186,333
2020	1,184,229
2021	1,185,062
2022	837,728
2023	835,698
Thereafter	<u>11,783,227</u>
Total required	<u>\$17,012,277</u>

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14. Economic Dependence

City operations are funded by taxes and revenues provided by the residents of the City of Celina, Texas. Accordingly, the City is economically dependent on the property values and local economy of City of Celina, Texas and the surrounding area.

15. Postemployment Benefits Other Than Pensions (OPEB)

Plan description - The City maintains a single-employer defined benefit group-term life insurance plan known as the TMRS Supplemental Death Benefits Fund ("SDBF"). The plan is administered by the Texas Municipal Retirement System ("TMRS"). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage for their active members, including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*).

Benefits provided - The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12 month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

Employees Covered by Benefit Terms

At the December 31, 2017 actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>105</u>
Total	<u>119</u>

Contributions

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

The City's SDBF contribution rates for all covered employees of the City in calendar years 2018 and 2017 were .13% and .14% respectively. The City's contributions for all covered employees to the TMRS SDBF for the fiscal years ended September 30, 2018 and September 30, 2017 were \$9,591 and \$7,190, respectively, which equaled the required contributions for each year. The retiree portion of this contribution rate (OPEB portion) was 0.00% and 0.00% of covered payroll in calendar years 2018 and 2017 respectively.

15. Postemployment Benefits Other Than Pensions (OPEB) – continued

Total OPEB Liability

The City's total OPEB liability (TOL) of \$70,057 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs:

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.5% per year
Salary Increase	3.5% to 10.5% per year, including inflation
Discount Rate	3.31%
Retirees Share of Benefit Costs	\$ none

Salary increases are assumed to occur once a year and are assumed to increase by a graduated service-based scale ranging from 10.50% for employees with one year of service to 3.50% for employees with 25 or more years of service.

Mortality rates for service retirees were based on the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. The service retiree rates were projected on a fully generational basis by scale BB to account for future mortality improvements.

For disabled retirees, the gender-distinct RP2000 Combined Mortality Tables with Blue Collar Adjustment were used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The disabled retiree rates were projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

The applicable discount rate for an unfunded OPEB plan under GASB No. 75 is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

15. Postemployment Benefits Other Than Pensions (OPEB) – continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/16	\$ 48,690
Changes for the year:	
Service cost	12,362
Interest on total OPEB liability	2,074
Change in benefit terms	-
Differences between expected & actual experience	-
Changes in assumptions and other inputs	6,931
Benefit payments*	-
Other charges	-
Net changes	\$ 21,367
Balance at 12/31/17	\$ 70,057

*Due to the SBDF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

The SDBF does not incur TMRS Administrative Expenses. The City is charged and the administrative expenses are paid through the TMRS Defined Benefit Pension Plan recorded under GASB Statement No. 68.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

	1 % Decrease (2.31%)	Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB liability	\$ 87,830	\$ 70,057	\$ 56,514

15. Postemployment Benefits Other Than Pensions (OPEB) – continued

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

For the year ended September 30, 2018, the City recognized pension expense of \$15,184. At year-end, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -
Changes in assumptions and other inputs	6,183
Contributions made subsequent to measurement date	7,191
Total	<u>\$ 13,374</u>

\$7,191 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended September 30:		
2019	\$	748
2020		748
2021		748
2022		748
2023		748
Thereafter		2,443
Total	\$	<u>6,183</u>

16. Accounting Changes

In accordance with new OPEB reporting guidance established by the Governmental Accounting Standards Board (GASB), the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of this new standard required a prior period adjustment to opening equity in business-type activities and the water and sewer fund in the amount of (\$5,264). It also required an adjustment to opening equity in governmental activities in amount of (\$37,959).

In accordance with new reporting guidance established by the Governmental Accounting Standards Board (GASB), the City adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The adoption of this new standard had no effect on opening equity.

17. General Obligation Refunding Bonds, Series 2018

During 2018, the City issued general obligation refunding bonds in the amount of \$5,785,000 (par value) with coupon interest rates ranging from of 3.0% to 5.0%. These bonds were issued as a current refunding of 2007 general obligation bonds; along with Series 2004, Series 2007 and Series 2012 tax and waterworks and sewer system revenue certificates of obligation with coupon interest rates ranging from 2.0% to 4.25%, and combined par values of \$6,010,000. The refunded bonds were scheduled to mature in 2032. The 2018 general obligation refunding bonds were issued at a premium and, after paying issuance costs of \$50,715, the net proceeds were \$6,105,286. As a result of this current refunding, the City reduced its total debt service (cash flow) requirements by \$388,209, which resulted in an economic gain (difference between the present value of the debt service requirements on the old and new debt) of \$322,416.

18. Commitments

The City has issued approximately \$50 million in capital improvement bonds that will be used to fund various projects over the next few years.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CELINA, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years (will ultimately be displayed)

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 760,238	\$ 634,724	\$ 477,763	\$ 349,532
Interest (on the Total Pension Liability)	356,068	297,354	246,793	204,236
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(3,776)	(42,188)	(33,873)	11,213
Change of assumptions	-	-	164,970	-
Benefit payments, including refunds of employee contributions	(73,590)	(92,022)	(16,986)	(25,289)
Net Change in Total Pension Liability	1,038,940	797,868	838,667	539,692
Total Pension Liability - Beginning	4,931,762	4,133,894	3,295,227	2,755,535
Total Pension Liability - Ending	\$ 5,970,702	\$ 4,931,762	\$ 4,133,894	\$ 3,295,227
Plan Fiduciary Net Position				
Contributions - employer	\$ 357,923	\$ 241,159	\$ 188,960	\$ 96,209
Contributions - employee	393,323	325,261	258,850	201,034
Net investment income	691,169	285,732	5,594	190,520
Benefit payments, including refunds of employee contributions	(73,590)	(92,022)	(16,986)	(25,289)
Administrative expense	(3,576)	(3,223)	(3,406)	(1,988)
Other	(181)	(174)	(168)	(163)
Net Change in Plan Fiduciary Net Position	1,365,068	756,733	432,844	460,323
Plan Fiduciary Net Position - Beginning	4,979,247	4,222,514	3,789,670	3,329,347
Plan Fiduciary Net Position - Ending	\$ 6,344,315	\$ 4,979,247	\$ 4,222,514	\$ 3,789,670
Net Pension Liability (Asset) - Ending	\$ (373,613)	\$ (47,485)	\$ (88,620)	\$ (494,443)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.26%	100.96%	102.14%	115.00%
Covered Payroll	\$ 5,618,903	\$ 4,646,591	\$ 3,697,854	\$ 2,871,910
Net Pension Liability as a Percentage of Covered Payroll	-6.65%	-1.02%	-2.40%	-17.22%

CITY OF CELINA, TEXAS
Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 459,895	\$ 324,728	\$ 237,763	\$ 162,349
Contributions in relation to the actuarially determined contribution	459,895	324,728	237,763	162,349
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,245,746	\$ 5,230,520	\$ 4,486,771	\$ 3,388,197
Contributions as a percentage of covered payroll	6.35%	6.21%	5.30%	4.79%

Schedule Notes:

Valuation Dates:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table on rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with males rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes

There were no benefit changes during the year.

City of Commerce, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years (will ultimately be displayed)

Actuarial Valuation & Measurement Date, December 31, 2017

Total OPEB Liability	
Service cost	\$ 12,362
Interest on the total OPEB liability	2,074
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions or other inputs	6,931
Benefit payments *	-
Net Change in Total OPEB Liability	<u>21,367</u>
Total OPEB Liability - Beginning	<u>48,690</u>
Total OPEB Liability - Ending	<u><u>\$ 70,057</u></u>

Covered Payroll \$ 5,618,903

Total OPEB Liability as a Percentage of Covered Payroll 1.25%

Required contribution	\$ -
Actual contribution	-
Difference	<u><u>\$ -</u></u>

Schedule Notes:

Plan information:

Single-employer unfunded OPEB plan

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

Actuarial Valuation & Measurement Date:

December 31

Significant actuarial assumptions used to measure the total OPEB liability:

Inflation	2.50%
Salary Increases	3.50% to 10.5%, including inflation
Discount Rate	3.31% (Based on Fidelity Index's "20-year Municipal GO AA Index" rate as of 12/31/17)
Retirees' Share of Benefit-related Costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality - Service Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality - Disabled Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

This schedule is presented to illustrate the requirements to show information for 10 years. Future years will be provided as the information becomes available.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

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MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

CAPITAL PROJECTS FUNDS

FIRE IMPROVEMENT FUND – to account for the financing and construction of fire facilities and vehicles. Proceeds are primarily from the sale of General Obligation bonds, Certificates of Obligation Bonds, and other sources.

STREET CONSTRUCTION FUND – to account for the acquisition or construction of streets projects being financed through bond proceeds, grants or transfers from other funds.

FACILITIES IMPROVEMENT FUND – to account for the financing and renovation or construction of City buildings. Proceeds are primarily from the sale of General Obligation bonds, Certificates of Obligation Bonds, and non-recurring revenue sources.

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CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Tax	2,401,511	2,451,511	2,555,174	103,663
Component Unit Contributions	200,000	154,690	200,000	45,310
Interest	13,000	20,000	33,139	13,139
Total Revenues	2,614,511	2,626,201	2,788,313	162,112
EXPENDITURES				
Principal Retirement	1,436,110	1,436,110	1,436,110	-
Interest and Fiscal Charges	908,017	908,017	908,016	1
Bond Issuance Costs	-	-	146,002	(146,002)
Total Expenditures	2,344,127	2,344,127	2,490,128	(146,001)
Excess (deficiency) of revenues over (under) expenditures	270,384	282,074	298,185	16,111
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	1,684,910	1,684,910
Proceeds of refunding bonds			6,105,287	6,105,287
Payment to bond refunding agent			(6,022,090)	(6,022,090)
Transfers in (out)	-	-	(1,622,105)	(1,622,105)
Total Other Financing Sources (Uses)	-	-	146,002	146,002
Net change in fund balance	270,384	282,074	444,187	162,113
Fund balance, beginning of year	1,369,343	1,369,343	1,369,343	-
Fund balance, end of year	<u>1,639,727</u>	<u>1,651,417</u>	<u>1,813,530</u>	<u>162,113</u>

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FIRE IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	<u>3,000</u>	<u>13,000</u>	<u>23,692</u>	<u>10,692</u>
Total Revenues	<u>3,000</u>	<u>13,000</u>	<u>23,692</u>	<u>10,692</u>
EXPENDITURES				
Capital Outlay	<u>500,000</u>	<u>743,000</u>	<u>889,062</u>	<u>(146,062)</u>
Total Expenditures	<u>500,000</u>	<u>743,000</u>	<u>889,062</u>	<u>(146,062)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,000)</u>	<u>(730,000)</u>	<u>(865,370)</u>	<u>(135,370)</u>
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets				
Proceeds from issuance of bonds	<u>-</u>	<u>-</u>	<u>7,500,000</u>	<u>7,500,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,500,000</u>	<u>7,500,000</u>
Net change in fund balance	<u>(497,000)</u>	<u>(730,000)</u>	<u>6,634,630</u>	<u>7,364,630</u>
Fund balance, beginning of year	<u>964,970</u>	<u>964,970</u>	<u>964,970</u>	<u>-</u>
Fund balance, end of year	<u><u>467,970</u></u>	<u><u>234,970</u></u>	<u><u>7,599,600</u></u>	<u><u>7,364,630</u></u>

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
STREET CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	<u>40,000</u>	<u>65,000</u>	<u>93,568</u>	<u>28,568</u>
Total Revenues	40,000	65,000	93,568	28,568
EXPENDITURES				
Public Works	400,000	650,000	4,355,918	(3,705,918)
Capital Outlay	<u>-</u>	<u>-</u>	<u>536,960</u>	<u>(536,960)</u>
Total Expenditures	400,000	650,000	4,892,878	(4,242,878)
Excess (deficiency) of revenues over (under) expenditures	<u>(360,000)</u>	<u>(585,000)</u>	<u>(4,799,310)</u>	<u>(4,214,310)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	<u>-</u>	<u>-</u>	<u>6,419,060</u>	<u>6,419,060</u>
Total other financing sources (uses)	-	-	6,419,060	6,419,060
Net change in fund balance	(360,000)	(585,000)	1,619,750	2,204,750
Fund balance, beginning of year	<u>5,897,497</u>	<u>5,897,497</u>	<u>5,897,497</u>	<u>-</u>
Fund balance, end of year	<u>5,537,497</u>	<u>5,312,497</u>	<u>7,517,247</u>	<u>2,204,750</u>

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FACILITIES IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income	-	-	25,000	25,000
Interest	1,000	8,500	18,205	9,705
Total Revenues	1,000	8,500	43,205	34,705
EXPENDITURES				
Public works	575,000	125,000	10,152	114,848
Capital outlay	-	450,000	346,134	103,866
Total Expenditures	575,000	575,000	356,286	218,714
Excess (deficiency) of revenues over (under) expenditures	(574,000)	(566,500)	(313,081)	253,419
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	7,355,000	7,355,000
Total other financing sources (uses)	-	-	7,355,000	7,355,000
Net change in fund balance	(574,000)	(566,500)	7,041,919	7,608,419
Fund balance, beginning of year	808,594	808,594	808,594	-
Fund balance, end of year	234,594	242,094	7,850,513	7,608,419

NON-MAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

PARKLAND FEES FUND- to account for any developer contributions and other non-recurring revenue sources for the use of related park projects.

ROADWAY IMPACT FEES FUND – is used to account for fees paid by developers for construction of streets under the Roadway Impact Fees ordinance.

CAPITAL EQUIPMENT REPLACEMENT FUND – to account for public safety capital replacements including vehicles and equipment.

PARK CONSTRUCTION FUND – is used to account for the acquisition of park land or construction of park projects.

MAIN STREET FUND – is used to account for the Main Street Program.

GRANTS FUND- to account for any local, state and federal grants.

LAW ENFORCEMENT FUND- to account for the collection and uses of seized funds.

CONTRIBUTIONS/DONATIONS FUND- to account for contributions and donations made to the fire and police departments for use in events such as National Night Out.

COURT SECURITY FUND- to account for the restricted Court fees. Revenues are segregated to pay for any court security expenses.

COURT TECHNOLOGY FUND- to account for the restricted Court fees to be used to pay for technology expenses specific to the Court.

CAPITAL ACQUISITION FUND- established as a reserve fund for capital and smaller infrastructure needs. Funding is from transfers in from the General Fund.

ROADWAY CAPITAL RECOVERY FEES FUND- to account for roadway capital recovery fees paid by developers to the City for roadway construction.

TECHNOLOGY FUND- to account for technology infrastructure improvements and computer hardware/software needs. Source of funding is from developer fees when obtaining building permits.

CITY OF CELINA, TEXAS
Combining Balance Sheet
Other Governmental Funds
September 30, 2018

	Parkland Fees Improvement	Roadway Impact Fees	Capital Equipment Replacement	Park Construction	Main Street	Grants
<u>Assets</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 40,439	\$ 9,894
Cash and cash equivalents - restricted	4,981,247	910,900	1,361,109	414,221		
Total Assets	\$ 4,981,247	\$ 910,900	\$ 1,361,109	\$ 414,221	\$ 40,439	\$ 9,894
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ 900	\$ -	\$ 64	\$ -
Due to other funds					879	
Unearned revenue	3,533,052					
Total Liabilities	3,533,052	-	900	-	943	-
<u>Fund Balances</u>						
Restricted for:						
Capital Projects	1,448,195	910,900	1,360,209	414,221		
Assigned					39,496	9,894
Total Fund Balances	1,448,195	910,900	1,360,209	414,221	39,496	9,894
Total Liabilities and Fund Balances	\$ 4,981,247	\$ 910,900	\$ 1,361,109	\$ 414,221	\$ 40,439	\$ 9,894

CITY OF CELINA, TEXAS
Combining Balance Sheet
Other Governmental Funds
September 30, 2018

<u>Law Enforcement</u>	<u>Contributions/ Donations</u>	<u>Court Security</u>	<u>Court Technology</u>	<u>Capital Acquisition</u>	<u>Roadway Capital Recovery Fees</u>	<u>Technology</u>	<u>Total</u>
\$ 20,754	\$ 7,425	\$ 62,233	\$ 62,381	\$ -	\$ 383,462	\$ 37,511	\$ 624,099
				2,039,153			9,706,630
<u>\$ 20,754</u>	<u>\$ 7,425</u>	<u>\$ 62,233</u>	<u>\$ 62,381</u>	<u>\$ 2,039,153</u>	<u>\$ 383,462</u>	<u>\$ 37,511</u>	<u>\$ 10,330,729</u>
\$ -	\$ -	\$ -	\$ -	\$ 76,174	\$ -	\$ -	\$ 77,138
							879
							3,533,052
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,174</u>	<u>-</u>	<u>-</u>	<u>3,611,069</u>
				1,962,979			6,096,504
<u>20,754</u>	<u>7,425</u>	<u>62,233</u>	<u>62,381</u>	<u>383,462</u>	<u>37,511</u>		<u>623,156</u>
<u>20,754</u>	<u>7,425</u>	<u>62,233</u>	<u>62,381</u>	<u>1,962,979</u>	<u>383,462</u>	<u>37,511</u>	<u>6,719,660</u>
<u>\$ 20,754</u>	<u>\$ 7,425</u>	<u>\$ 62,233</u>	<u>\$ 62,381</u>	<u>\$ 2,039,153</u>	<u>\$ 383,462</u>	<u>\$ 37,511</u>	<u>\$ 10,330,729</u>

CITY OF CELINA, TEXAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Other Governmental Funds
Year Ended September 30, 2018

	Parkland Fees	Roadway Impact Fees	Capital Equipment Replacement	Park Construction	Main Street	Grants
Revenues:						
Developer park contributions	\$ 1,441,125	\$ -	\$ -	\$ -	\$ -	\$ -
Special events and donations					72,141	
Other income		787,093				
Interest	62,078	7,264	15,573	2,291	462	107
Federal, state & local grants						1,610
Total Revenues	1,503,203	794,357	15,573	2,291	72,603	1,717
Expenditures:						
Current:						
Administration			750			
Fire and emergency services						
Public works		91,219				
Police department						
Parks and recreation	176,000					
Main street project					59,285	
Capital Outlay	886,533		196,936			
Total Expenditures	1,062,533	91,219	197,686	-	59,285	-
Excess of Revenues Over Expenditures	440,670	703,138	(182,113)	2,291	13,318	1,717
Other Financing Sources (Uses):						
Transfers in (out)			731,396			
Net Other Financing Sources (Uses)	-	-	731,396	-	-	-
Net change in fund balances	440,670	703,138	549,283	2,291	13,318	1,717
Fund balance, October 1	1,007,525	207,762	810,926	411,930	26,178	8,177
Fund balance, September 30	\$ 1,448,195	\$ 910,900	\$ 1,360,209	\$ 414,221	\$ 39,496	\$ 9,894

See auditor's report on supplementary information.

CITY OF CELINA, TEXAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Other Governmental Funds
Year Ended September 30, 2018

Law Enforcement	Contributions/ Donations	Court Security	Court Technology	Capital Acquisition	Roadway Capital Recovery Fees	Technology	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,441,125
	11,352						83,493
7,336		2,829	3,775		407,707	37,500	1,246,240
371				35,514	1,573	11	125,244
							1,610
7,707	11,352	2,829	3,775	35,514	409,280	37,511	2,897,712
				5,538			6,288
				9,467			9,467
					25,818		117,037
1,511	5,346						6,857
							176,000
							59,285
				982,277			2,065,746
1,511	5,346	-	-	997,282	25,818	-	2,440,680
6,196	6,006	2,829	3,775	(961,768)	383,462	37,511	457,032
							731,396
-	-	-	-	-	-	-	731,396
6,196	6,006	2,829	3,775	(961,768)	383,462	37,511	1,188,428
14,558	1,419	59,404	58,606	2,924,747	-	-	5,531,232
\$ 20,754	\$ 7,425	\$ 62,233	\$ 62,381	\$ 1,962,979	\$ 383,462	\$ 37,511	\$ 6,719,660

See auditor's report on supplementary information.

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CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
PARKLAND FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Developer park contributions	-	800,000	1,441,125	641,125
Interest	-	40,000	62,078	22,078
Total Revenues	-	840,000	1,503,203	663,203
EXPENDITURES				
Parks and Recreation	-	108,000	176,000	(68,000)
Capital Outlay	-	-	886,533	(886,533)
Total Expenditures	-	108,000	1,062,533	(954,533)
Excess (deficiency) of revenues over (under) expenditures	-	732,000	440,670	(291,330)
Net change in fund balance	-	732,000	440,670	(291,330)
Fund balance, beginning of year	1,007,525	1,007,525	1,007,525	-
Fund balance, end of year	1,007,525	1,739,525	1,448,195	(291,330)

The City takes a conservative approach and does not budget for Park Fees.

The City may amend the budget at mid-year and budget for the Park Fees Fund at that time based on trends.

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
ROADWAY IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other income	-	400,000	787,093	387,093
Interest	-	3,600	7,264	3,664
Total Revenues	-	403,600	794,357	390,757
EXPENDITURES				
Public Works	-	40,000	91,219	(51,219)
Total Expenditures	-	40,000	91,219	(51,219)
Excess (deficiency) of revenues over (under) expenditures	-	363,600	703,138	339,538
Net change in fund balance	-	363,600	703,138	339,538
Fund balance, beginning of year	207,762	207,762	207,762	-
Fund balance, end of year	207,762	571,362	910,900	339,538

The City takes a conservative approach and does not budget for Roadway Impact Fees.
The City may amend the budget at mid-year at which time the fund will be budgeted based on trends.

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
CAPITAL EQUIPMENT REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	6,900	8,500	15,573	7,073
Total Revenues	6,900	8,500	15,573	7,073
EXPENDITURES				
Administration	-	-	750	(750)
Capital Outlay	591,875	605,875	196,936	408,939
Total Expenditures	591,875	605,875	197,686	408,189
Excess (deficiency) of revenues over (under) expenditures	(584,975)	(597,375)	(182,113)	415,262
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	771,779	771,779	731,396	(40,383)
Total other financing sources (uses)	771,779	771,779	731,396	(40,383)
Net change in fund balance	186,804	174,404	549,283	374,879
Fund balance, beginning of year	810,926	810,926	810,926	-
Fund balance, end of year	997,730	985,330	1,360,209	374,879

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
PARK CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	-	2,500	2,291	(209)
Total Revenues	-	2,500	2,291	(209)
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	2,500	2,291	(209)
Net change in fund balance	-	2,500	2,291	(209)
Fund balance, beginning of year	411,930	411,930	411,930	-
Fund balance, end of year	411,930	414,430	414,221	(209)

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
MAIN STREET FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Events/Donations	67,750	67,750	72,141	4,391
Interest	60	200	462	262
Total Revenues	67,810	67,950	72,603	4,653
EXPENDITURES				
Main Street Projects	66,085	66,288	59,285	7,003
Total Expenditures	66,085	66,288	59,285	7,003
Excess (deficiency) of revenues over (under) expenditures	1,725	1,662	13,318	11,656
Net change in fund balance	1,725	1,662	13,318	11,656
Fund balance, beginning of year	26,178	26,178	26,178	-
Fund balance, end of year	27,903	27,840	39,496	11,656

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	-	-	107	107
Grants	-	-	1,610	1,610
Total Revenues	-	-	1,717	1,717
EXPENDITURES				
Grant Expenses	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,717	1,717
Net change in fund balance	-	-	1,717	1,717
Fund balance, beginning of year	8,177	8,177	8,177	-
Fund balance, end of year	8,177	8,177	9,894	1,717

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income	-	-	7,336	7,336
Interest	-	-	371	371
Total Revenues	-	-	7,707	7,707
EXPENDITURES				
Police Department	-	-	1,511	(1,511)
Total Expenditures	-	-	1,511	(1,511)
Excess (deficiency) of revenues over (under) expenditures	-	-	6,196	6,196
Net change in fund balance	-	-	6,196	6,196
Fund balance, beginning of year	14,558	14,558	14,558	-
Fund balance, end of year	14,558	14,558	20,754	6,196

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
CONTRIBUTIONS AND DONATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Events and Donations	-	-	11,352	11,352
Total Revenues	-	-	11,352	11,352
EXPENDITURES				
Police Department	-	-	5,346	(5,346)
Total Expenditures	-	-	5,346	(5,346)
Excess (deficiency) of revenues over (under) expenditures	-	-	6,006	6,006
Net change in fund balance	-	-	6,006	6,006
Fund balance, beginning of year	1,419	1,419	1,419	-
Fund balance, end of year	1,419	1,419	7,425	6,006

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income	-	1,500	2,829	1,329
Total Revenues	-	1,500	2,829	1,329
EXPENDITURES				
Other Expenses	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1,500	2,829	1,329
Net change in fund balance	-	1,500	2,829	1,329
Fund balance, beginning of year	59,404	59,404	59,404	-
Fund balance, end of year	59,404	60,904	62,233	1,329

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income		2,500	3,775	1,275
Total Revenues	-	2,500	3,775	1,275
EXPENDITURES				
Police Department	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	2,500	3,775	1,275
Net change in fund balance	-	2,500	3,775	1,275
Fund balance, beginning of year	58,606	58,606	58,606	-
Fund balance, end of year	58,606	61,106	62,381	1,275

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
CAPITAL ACQUISITION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income				-
Interest	<u>6,000</u>	<u>30,000</u>	<u>35,514</u>	<u>5,514</u>
Total Revenues	<u>6,000</u>	<u>30,000</u>	<u>35,514</u>	<u>5,514</u>
EXPENDITURES				
Administration	-	-	5,538	(5,538)
Fire and emergency services	-	-	9,467	(9,467)
Capital Outlay	<u>875,652</u>	<u>1,545,320</u>	<u>982,277</u>	<u>563,043</u>
Total Expenditures	<u>875,652</u>	<u>1,545,320</u>	<u>997,282</u>	<u>548,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(869,652)</u>	<u>(1,515,320)</u>	<u>(961,768)</u>	<u>553,552</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	875,652	1,545,320	-	(1,545,320)
Total other financing sources (uses)	<u>875,652</u>	<u>1,545,320</u>	<u>-</u>	<u>(1,545,320)</u>
Net change in fund balance	6,000	30,000	(961,768)	(991,768)
Fund balance, beginning of year	<u>2,924,747</u>	<u>2,924,747</u>	<u>2,924,747</u>	<u>-</u>
Fund balance, end of year	<u><u>2,930,747</u></u>	<u><u>2,954,747</u></u>	<u><u>1,962,979</u></u>	<u><u>(991,768)</u></u>

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
ROADWAY CAPITAL RECOVERY FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Income	-	125,000	407,707	282,707
Interest	-	200	1,573	1,373
Total Revenues	-	125,200	409,280	284,080
EXPENDITURES				
Public Works	-	-	25,818	(25,818)
Total Expenditures	-	-	25,818	(25,818)
Excess (deficiency) of revenues over (under) expenditures	-	125,200	383,462	258,262
Net change in fund balance	-	125,200	383,462	258,262
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	-	125,200	383,462	258,262

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES				
Other Income	-	-	37,500	37,500
Interest	-	-	11	11
Total Revenues	-	-	37,511	37,511
EXPENDITURES				
Other Expenses	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	37,511	37,511
Net change in fund balance	-	-	37,511	37,511
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	-	-	37,511	37,511

The City takes a conservative approach and does not budget for the Technology Fund.

**DISCRETELY PRESENTED
COMPONENT UNITS**

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DISCRETELY PRESENTED COMPONENT UNITS

CELINA ECONOMIC DEVELOPMENT CORPORATION – purpose is to aid, promote and further the economic development of the City.

CELINA COMMUNITY DEVELOPMENT CORPORATION – purpose is to identify and fund public projects to maintain or enhance the quality of life in the city.

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
CELINA ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales Tax	500,000	500,000	573,145	73,145
Miscellaneous	-	-	14,850	14,850
Interest	1,950	1,950	3,312	1,362
Total Revenues	501,950	501,950	591,307	89,357
EXPENDITURES				
Personnel Costs	150,262	150,262	315,275	(165,013)
Legal & Professional	4,000	4,000	3,796	204
Materials & Supplies	725	725	3,966	(3,241)
Maintenance	3,000	3,000	658	2,342
Other Expenses	31,040	31,040	585,710	(554,670)
Utilities	5,225	5,225	3,574	1,651
Total Expenses	194,252	194,252	912,979	(718,727)
Change in Net Position	307,698	307,698	(321,672)	(629,370)
Net Position, beginning of year	36,450	36,450	36,450	-
Net Position, end of year	<u>344,148</u>	<u>344,148</u>	<u>(285,222)</u>	<u>(629,370)</u>

CITY OF CELINA, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
CELINA COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales Tax	500,000	500,000	573,145	73,145
Interest	1,500	1,500	10,458	8,958
Total Revenues	501,500	501,500	583,603	82,103
EXPENDITURES				
Contribution	200,000	200,000	200,000	-
Total Expenditures	200,000	200,000	200,000	-
Change in Net Position	301,500	301,500	383,603	82,103
Net Position, beginning of year	647,334	647,334	647,334	-
Net Position, end of year	<u>948,834</u>	<u>948,834</u>	<u>1,030,937</u>	<u>82,103</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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STATISTICAL SECTION

Table 1

(Unaudited)

This section of the City of Celina's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents

Table Numbers

Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 2-6

Revenue Capacity

These tables contain information to help the reader assess the City's two most significant revenue sources-property and sales taxes. 7-10

Debt Capacity

These tables present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future. 11-15

Economic and Demographic Information

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. 16-17

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides. 18-20

Source: Unless otherwise noted, the information in these tables is derived from the City's past audit reports for the relevant year.

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CITY OF CELINA, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

Table 2

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in capital assets	\$ 8,138,243	\$ 8,165,734	\$ 7,968,691	\$ 5,724,939	\$ 7,800,853	\$ 7,667,954	\$ 8,693,312	\$ 13,138,978	\$ 13,184,763	\$ 32,376,605
Restricted	489,022	624,480	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173	5,848,514	6,361,057
Unrestricted	929,815	1,056,451	1,372,081	742,974	2,086,188	3,900,225	6,325,979	7,893,951	11,575,127	10,218,998
Total Governmental Activities Net Position	9,557,080	9,846,665	10,025,108	10,363,389	12,447,886	16,103,690	19,694,335	26,373,102	30,608,404	48,956,660
Business Type Activities										
Net Investment in Capital Assets	\$ 5,868,123	\$ 6,289,011	\$ 6,830,370	\$ 6,717,653	\$ 7,485,220	\$ 9,589,572	\$ 11,575,656	12,078,113	13,079,265	18,675,162
Restricted										
Unrestricted	568,021	(234,357)	43,166	644,272	887,007	1,103,837	2,120,144	1,733,702	3,171,397	5,862,371
Total Business Type Activities Net Position	6,436,144	6,054,654	6,873,536	7,361,925	8,372,227	10,693,409	13,695,800	13,811,815	16,250,662	24,537,533
Primary Government										
Net Investment in Capital Assets	\$ 14,006,366	\$ 14,454,745	\$ 14,799,061	\$ 12,442,592	\$ 15,286,073	\$ 17,257,526	\$ 20,268,968	\$ 25,217,091	\$ 26,264,028	\$ 51,051,767
Restricted	489,022	624,480	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173	5,848,514	6,361,057
Unrestricted	1,497,836	822,094	1,415,247	1,387,246	2,973,195	5,004,062	8,446,123	9,627,653	14,746,524	16,081,369
Total Primary Government Net Position	15,993,224	15,901,319	16,898,644	17,725,314	20,820,113	26,797,099	33,390,135	40,184,917	46,859,066	73,494,193

CITY OF CELINA, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

Table 3

EXPENSES	FISCAL YEAR			
	2009	2010	2011	2012
Governmental Activities				
Administration	\$ 967,929	\$ 896,155	\$ 993,291	\$ 799,116
Judicial	73,299	70,102	70,205	70,066
Fire and Emergency Services	1,159,151	1,068,864	1,169,196	1,176,359
Development Services	381,151	329,794	363,133	472,329
Public Works	395,801	397,095	369,952	366,560
Police Department	817,360	892,283	938,031	749,274
Parks and Recreation	423,260	406,446	362,409	503,298
Library	-	129,637	126,482	126,116
Infrastructure	208,374	208,373	418,484	207,097
Bond Issuance Costs	-	-	-	99,726
Main Street Program	47,976	60,868	57,880	
Interest and Fiscal Charges	353,236	336,386	326,153	358,718
Total Governmental Activities Expenses	4,827,537	4,796,003	5,195,216	4,928,659
Business Type Activities				
Water, Sewer and Sanitation Services	3,168,584	3,425,151	3,306,335	3,572,057
Total Business Type Activities Expenses	3,168,584	3,425,151	3,306,335	3,572,057
Total Primary Government Expenses	7,996,121	8,221,154	8,501,551	8,500,716
PROGRAM REVENUES				
Governmental Activities				
Charges for Services	496,882	566,637	733,947	1,042,829
Operating Grants/Contributions	388,525	283,849	295,140	231,301
Capital Grants/Contributions		144,460	391,623	
Total Governmental Activities Program Revenues	885,407	994,946	1,420,710	1,274,130
Business Type Activities				
Charges for Services:				
Water, Sewer and Sanitation Services	3,186,377	3,360,517	4,190,142	4,377,926
Capital Grants/Contributions	350,000			70,000
Total Business Type Activities Program Revenues	3,536,377	3,360,517	4,190,142	4,447,926
Total Primary Government Program Revenues	4,421,784	4,355,463	5,610,852	5,722,056
NET (EXPENSE) REVENUES				
Governmental Activities	(3,942,130)	(3,801,057)	(3,774,506)	(3,654,529)
Business Type Activities	367,793	(64,634)	883,807	875,869
Total Primary Government Program Revenues	(3,574,337)	(3,865,691)	(2,890,699)	(2,778,660)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes:				
Ad Valorem	3,015,151	3,015,298	2,967,206	3,021,800
Sales	249,661	271,670	290,835	338,053
Franchise	222,257	253,500	355,576	299,999
Other	109,022	225,174	264,332	479,886
Transfers	300,000	325,000	75,000	95,000
Total Governmental Activities	3,896,091	4,090,642	3,952,949	4,234,738
Business Type Activities				
Other	50,849	8,144	10,075	28,306
Transfers	(300,000)	(325,000)	(75,000)	(95,000)
Total Business Type Activities	(249,151)	(316,856)	(64,925)	(66,694)
Total Primary Government Revenues	3,646,940	3,773,786	3,888,024	4,168,044
CHANGES IN NET POSITION				
Governmental Activities	(46,039)	289,585	178,443	580,209
Business Type Activities	118,642	(381,490)	818,882	809,175
Total Primary Government Program Net Expenses	72,603	(91,905)	997,325	1,389,384

CITY OF CELINA, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (Unaudited)

Table 3

EXPENSES	FISCAL YEAR					
	2013	2014	2015	2016	2017	2018
Governmental Activities						
Administration	\$ 950,109	\$ 1,203,576	\$ 1,170,613	\$ 1,592,794	\$ 2,624,918	\$ 3,305,724
Judicial	79,863	88,531	84,853	102,803	155,521	173,809
Fire and Emergency Services	1,541,465	1,213,416	1,453,477	1,957,077	2,414,778	2,898,525
Development Services	417,119	708,220	529,067	683,599	887,990	1,812,852
Public Works	515,098	725,922	824,527	1,080,661	1,104,523	5,760,436
Police Department	803,634	806,191	1,114,266	1,532,829	1,877,574	2,598,590
Parks and Recreation	556,654	448,202	886,212	1,084,077	1,263,538	1,284,123
Library	134,625	134,815	140,104	152,664	169,326	230,781
Infrastructure	203,273	202,699	198,868	211,300	353,119	823,826
Main Street Program	135,388	26,869	70,510	65,279	55,176	59,285
Bond Issuance Costs	399,992	72,326				
Interest and Fiscal Charges	457,748	585,469	635,090	710,249	787,001	840,645
Total Governmental Activities Expenses	6,194,968	6,216,236	7,107,587	9,173,332	11,693,464	19,788,596
Business Type Activities						
Water, Sewer and Sanitation Services	3,464,334	3,496,782	4,284,809	8,508,496	10,811,473	12,887,075
Total Business Type Activities Expenses	3,464,334	3,496,782	4,284,809	8,508,496	10,811,473	12,887,075
Total Primary Government Expenses	9,659,302	9,713,018	11,392,396	17,681,828	22,504,937	32,675,671
PROGRAM REVENUES						
Governmental Activities						
Charges for Services	1,113,468	2,082,964	3,755,293	4,265,112	6,391,343	7,865,830
Operating Grants/Contributions		61,432	214,115	368,784	356,258	201,610
Capital Grants/Contributions	2,344,763	2,403,093	625,237	2,578,809	1,011,625	20,365,689
Total Governmental Activities Program Revenues	3,458,231	4,547,489	4,594,645	7,212,705	7,759,226	28,433,129
Business Type Activities						
Charges for Services:						
Water, Sewer and Sanitation Services	4,781,510	6,154,311	7,518,331	10,057,113	13,590,654	16,506,407
Capital Grants/Contributions			45,289	800,100		3,432,870
Total Business Type Activities Program Revenues	4,781,510	6,154,311	7,563,620	10,857,213	13,590,654	19,939,277
Total Primary Government Program Revenues	8,239,741	10,701,800	12,158,265	18,069,918	21,349,880	48,372,406
NET (EXPENSE) REVENUES						
Governmental Activities	(2,736,737)	(1,668,747)	(2,512,942)	(1,960,627)	(3,934,238)	8,644,533
Business Type Activities	1,317,176	2,657,529	3,278,811	2,348,717	2,779,181	7,052,202
Total Primary Government Program Revenues						
Net Expenses	(1,419,561)	988,782	765,869	388,090	(1,155,057)	15,696,735
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION						
Governmental Activities						
Taxes:						
Ad Valorem	3,129,835	3,333,015	3,739,841	4,458,401	5,362,919	7,464,462
Sales	384,289	505,221	603,949	733,881	958,350	1,150,663
Franchise	325,167	320,805	364,763	429,102	370,949	420,352
Other	636,943	817,733	438,820	671,241	985,322	1,613,911
Transfers	345,000	348,050	395,000	2,346,769	492,000	(907,706)
Total Governmental Activities	4,821,234	5,324,824	5,542,373	8,639,394	8,169,540	9,741,682
Business Type Activities						
Other	38,126	11,703	39,470	114,067	151,666	332,227
Transfers	(345,000)	(348,050)	(395,000)	(2,346,769)	(492,000)	907,706
Total Business Type Activities	(306,874)	(336,347)	(355,530)	(2,232,702)	(340,334)	1,239,933
Total Primary Government Revenues	4,514,360	4,988,477	5,186,843	6,406,692	7,829,206	10,981,615
CHANGES IN NET POSITION						
Governmental Activities	2,084,497	3,656,077	3,029,431	6,678,767	4,235,302	18,386,215
Business Type Activities	1,010,302	2,321,182	2,923,281	116,015	2,438,847	8,292,135
Total Primary Government Program Net Expenses	3,094,799	5,977,259	5,952,712	6,794,782	6,674,149	26,678,350

CITY OF CELINA, TEXAS
GOVERNMENT ACTIVITIES - TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Table 4

(Accrual basis of accounting)

(Unaudited)

FISCAL YEAR	PROPERTY TAX	SALES TAX	FRANCHISE TAX	TOTAL
2009	3,042,225	249,661	222,257	\$ 3,514,143
2010	3,015,507	271,670	253,500	\$ 3,540,677
2011	2,975,142	290,835	355,576	\$ 3,621,553
2012	3,019,885	338,053	299,999	\$ 3,657,937
2013	3,154,251	384,289	325,167	\$ 3,863,707
2014	3,314,591	505,221	320,805	\$ 4,140,617
2015	3,754,816	603,949	364,763	\$ 4,723,528
2016	4,453,862	733,881	429,102	\$ 5,616,845
2017	5,374,888	958,350	370,949	\$ 6,704,187
2018	7,454,528	1,150,663	420,352	\$ 9,025,543

CITY OF CELINA, TEXAS
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (Unaudited)

Table 5

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable:										
Prepays						20,784	19,941	2,230	3,013	7,322
Unassigned	775,120	864,793	1,052,641	1,694,945	2,187,130	3,037,176	4,585,888	7,130,005	6,562,842	8,903,854
Total General Fund	775,120	864,793	1,052,641	1,694,945	2,187,130	3,057,960	4,605,829	7,132,235	6,565,855	8,911,176
All Other Government Funds										
Restricted for:										
Debt Service	458,260	593,598	473,465	453,145	515,274	541,370	646,075	901,524	1,369,343	1,813,530
Capital Projects			214,348	2,309,071	6,144,848	10,880,463	7,021,861	7,083,988	13,033,951	29,063,864
Assigned for use in specific funds									168,342	623,156
Total All Other Governmental Funds	458,260	593,598	687,813	2,762,216	6,660,122	11,421,833	7,667,936	7,985,512	14,571,636	31,500,550

CITY OF CELINA, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

Table 6

	FISCAL YEAR				
	2009	2010	2011	2012	2013
REVENUES					
Property Taxes	3,042,225	3,015,507	2,975,142	3,019,885	3,154,251
Franchise Taxes	222,257	253,500	355,576	299,999	325,167
Sales Taxes	249,661	271,670	290,835	338,053	384,289
Permits/Inspection Fees	94,524	172,173	257,605	340,547	455,454
Component Unit Contributions		165,000	165,000	340,000	320,000
Development Fees	12,533	45,894	16,286	56,411	124,743
Fire Department/EMS Fees	224,373	180,203	262,435	244,505	174,678
Fines	109,891	93,867	95,016	186,302	197,248
Special Events and Donations	150,211	134,565	155,935	175,346	142,682
Park Fees	18,135	24,786	18,907	85,111	161,345
Other Income	75,563	185,459	319,381	120,005	85,140
Interest Income	33,459	19,175	16,574	43,076	63,021
Grants	238,314	149,284	294,205	32,760	2,344,763
Total Revenues	4,471,146	4,711,083	5,222,897	5,282,000	7,932,781
EXPENDITURES					
Administration	956,157	880,101	979,059	774,209	870,419
Judicial	73,299	70,102	70,205	70,066	79,863
Fire and EMS	1,060,228	1,049,716	1,140,328	1,062,174	1,057,979
Development Services	381,151	329,794	363,133	472,329	417,119
Public Works	392,020	392,527	568,890	373,302	508,439
Police Department	780,835	865,304	913,898	729,737	741,361
Parks and Rec	235,149	222,959	176,313	288,239	349,742
Library		129,637	126,482	126,116	134,625
Main Street	47,976	60,868	57,880	99,726	135,388
Capital Outlay	213,594	474,465	1,464,171	1,938,419	3,977,688
Debt Service:					
Principal Retirement	372,216	251,798	257,590	363,145	500,525
Interest and Fiscal Charges	348,759	331,881	312,974	379,859	490,987
Bond Issuance Costs			33,292	159,933	399,992
Total Expenditures	4,861,384	5,059,152	6,464,215	6,837,254	9,664,127
OTHER FINANCING SOURCES (USES)					
Sale of Assets	2,801	73,283	48,381	30,403	26,100
Capital Leases		174,797			30,752
Note/Bond Proceeds			1,400,000	4,146,558	5,719,585
Transfers In (Out)	300,000	325,000	75,000	95,000	345,000
Total Other Financing Sources (Uses)	302,801	573,080	1,523,381	4,271,961	6,121,437
NET CHANGE IN FUND BALANCES	(87,437)	225,011	282,063	2,716,707	4,390,091
Debt Service as a percentage of Non-Capital Expenditures	15.51%	12.73%	12.08%	18.43%	24.47%

Source: City of Celina Audit Reports

CITY OF CELINA, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (Unaudited)

Table 6
 (cont.)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
REVENUES					
Property Taxes	3,314,591	3,754,816	4,453,862	5,374,888	7,454,528
Franchise Taxes	320,805	364,763	429,102	370,949	420,352
Sales Taxes	505,221	603,949	733,881	958,350	1,150,663
Permits/Inspection Fees	1,321,510	1,767,856	2,357,289	3,959,914	5,982,027
Component Unit Contributions	170,000	320,000	200,000	200,000	200,000
Development Fees	239,739	924,249	509,870	1,245,943	119,344
Fire Department/EMS Fees	196,753	241,005	910,360	817,691	1,031,818
Fines	155,962	254,370	283,758	209,806	142,332
Special Events and Donations	305,430	221,696	373,421	250,214	165,188
Park Fees/Developer Contributions	169,000	602,626	2,215,582	1,178,028	1,624,159
Other Income	296,867	92,349	397,657	508,311	1,427,017
Interest Income	90,424	111,901	111,776	183,077	436,017
Grants	2,404,258	519,701	518,784	1,570	1,610
Total Revenues	9,490,560	9,779,281	13,495,342	15,258,741	20,155,055
EXPENDITURES					
Administration	1,106,865	1,133,574	1,458,673	2,433,180	3,036,201
Judicial	88,531	84,853	99,803	153,213	172,610
Fire and EMS	1,083,464	1,316,275	1,731,896	2,041,407	2,445,213
Development Services	702,862	524,712	675,267	868,862	1,787,306
Public Works	505,659	806,788	1,023,572	943,895	5,604,030
Police Department	770,254	1,046,160	1,414,488	1,688,094	2,374,037
Parks and Rec	443,625	667,908	819,539	959,343	978,479
Library	135,315	140,857	153,752	165,768	230,090
Main Street	26,869	70,510	65,279	55,176	59,285
Capital Outlay	1,421,925	5,253,351	8,542,536	3,656,718	3,837,902
Debt Service:					
Principal Retirement	510,445	678,366	841,124	1,005,685	1,436,110
Interest and Fiscal Charges	610,693	669,480	724,025	782,253	908,016
Bond Issuance Costs	72,326	-	-	74,569	146,002
Total Expenditures	7,478,833	12,392,834	17,549,954	14,828,163	23,015,281
OTHER FINANCING SOURCES (USES)					
Sale of Assets	15,279	12,525	41,825	634,597	-
Capital Leases					
Note/Bond Proceeds	3,257,485	-	4,510,000	4,462,569	23,042,167
Transfers In (Out)	348,050	395,000	2,346,769	492,000	(907,706)
Total Other Financing Sources (Uses)	3,620,814	407,525	6,898,594	5,589,166	22,134,461
NET CHANGE IN FUND BALANCES	5,632,541	(2,206,028)	2,843,982	6,019,744	19,274,235
Debt Service as a percentage of Non-Capital Expenditures	19.70%	18.88%	17.38%	16.67%	12.98%

Source: City of Celina Audit Reports

CITY OF CELINA, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTY
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 7

Fiscal Year	Residential Property	Commercial Property	Lots, Land and Other Personal Property	Less: Tax- Exempt Property	Total Taxable Assessed Value ^a
2009	\$ 349,736,057	\$ 62,448,332	\$ 234,424,625	\$ 183,282,031	\$ 463,326,983
2010	\$ 358,572,013	\$ 66,190,702	\$ 221,578,739	\$ 182,142,657	\$ 464,198,797
2011	\$ 359,890,613	\$ 61,701,232	\$ 224,208,222	\$ 191,735,580	\$ 454,064,487
2012	\$ 360,401,332	\$ 68,081,956	\$ 306,201,737	\$ 273,053,137	\$ 461,631,888
2013	\$ 373,794,705	\$ 75,872,011	\$ 301,674,780	\$ 269,111,106	\$ 482,230,390
2014	\$ 405,448,051	\$ 72,762,134	\$ 313,187,046	\$ 282,701,395	\$ 508,695,836
2015	\$ 442,644,620	\$ 77,643,093	\$ 366,072,912	\$ 331,468,313	\$ 554,892,312
2016	\$ 522,831,716	\$ 88,623,690	\$ 436,445,371	\$ 387,032,507	\$ 660,868,270
2017	\$ 658,104,526	\$ 198,645,927	\$ 466,991,955	\$ 100,785,522	\$ 872,961,920
2018	\$ 845,530,258	\$ 116,893,975	\$ 843,120,229	\$ 113,759,933	\$1,108,101,685

Source: Collin County Central Appraisal District and Denton County Appraisal District

Note: Property is reassessed annually at actual value; therefore, the assessed values are equal to the actual values. Tax rates are per \$100 of assessed value.

^a Includes adjustments to certified rolls
Fiscal Year reports Certified Tax Report from prior calendar year