



**City of Celina, Texas**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2016**

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**Fiscal Year Ended September 30, 2016**



**As Prepared By**  
**Finance Department**

**City of Celina, Texas**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2016**  
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**INTRODUCTORY  
SECTION**



March 15, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the City of Celina, Texas (the City), for the fiscal year ended September 30, 2016, is submitted herewith. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City.

Scott, Singleton, Fincher and Company, P.C., a firm of licensed certified public accountants, has issued unmodified (“clean”) opinions on the City of Celina financial statements for the year ended September 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

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

## **OUR HISTORY**

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

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

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

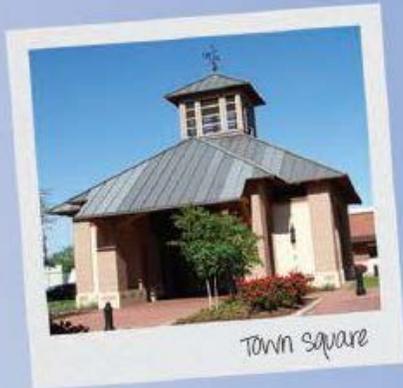
The businesses looked about the same until 1910, when Fred Smith (who later became the first mayor of University Park in Dallas) began getting ready to lay the square and erect buildings around it. On July 6, 1911, several of the buildings were ready for use and there was a general moving day. Gravel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

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

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

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

**PRESENT DAY CELINA**



**CELINA, TEXAS**

**+15 MINUTE TRADE AREA**

**POPULATION**

8,528

42,239

**DEMOGRAPHICS**

**MEDIAN AGE**

36

35

**AVERAGE HOUSEHOLD INCOME**

\$104,239

\$116,459

**EDUCATION**

Exemplary School Rating

Celina ISD 4A

Prosper ISD 5A

35 minutes to 4 major universities

\*Future home to Collin College

High School Graduates

16.4%

Some College

25.1%

Bachelor's or Higher

51.8%

**ECONOMICS**

"AA-" Bond Rating

Fastest growing county population in Texas

One of the healthiest regional economies in America

Triple Freeport Exemption

Tax abatements: real or personal property

Sales tax agreements - Section 380 Agreement

TIRZ districts



## **PROFILE OF THE GOVERNMENT**

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

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

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

## **FINANCIAL INFORMATION**

### *Accounting Procedures and Budgetary Control*

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

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

## **LOCAL ECONOMY**

During the past year, Celina has experienced tremendous growth. The growth is primarily as a result of new residential developments coming into the City. These new developments will bring approximately 4,215 homes into Celina over the next few years. The number of single-family construction permits has risen to 575 during the past year and another significant increase is expected in 2017 to 875 housing permits. This rate of growth will have a significant impact on the City, the two school systems that serve Celina and its quality of life.

New commercial development is underway with the construction of the Tractor Supply store and Ace Hardware. Two office/retail complexes have also been approved. Preston Plaza, is a 17,000 square foot building and Celina Professional Village which will be a two office/retail building complex with approximately 20,000 square feet each. Along with new retail development comes the expectation that sales tax revenue will increase. The City saw a 22% increase in sales tax during FY 2016 as compared to FY 2015 and is optimistic that there will be an increase in sales tax revenue during FY 2017.

A new elementary school is under construction in the Bluewood subdivision and is set to open in Fall 2017 providing a much needed addition to the Celina ISD and its own increasing demand for schools.

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

#### **MAJOR INITIATIVES**

- \* The City is currently conducting a rate study that will better forecast utility revenues for the next 5 years.
- \* A classification and compensation study is currently underway that will aid the City in determining the appropriate pay ranges and job description of all City positions.
- \* Construction of water and sewer lines continues in the Southeast sector to provide water and sewer services to residents of that portion of the City.
- \* A downtown water rehabilitation project will take place and is being funded partially by the Texas Community Development Grant with matching funds from the City.
- \* Several street improvements will take place and include CR 83, downtown overlay, Preston Hills, High Point and the Falcon/Ascot street areas.
- \* Completion of the renovation of the City Hall Annex and Police Station during FY 2017
- \* Commence design and construction of a parking lot project adjacent to the Police Station

#### **ACKNOWLEDGMENTS**

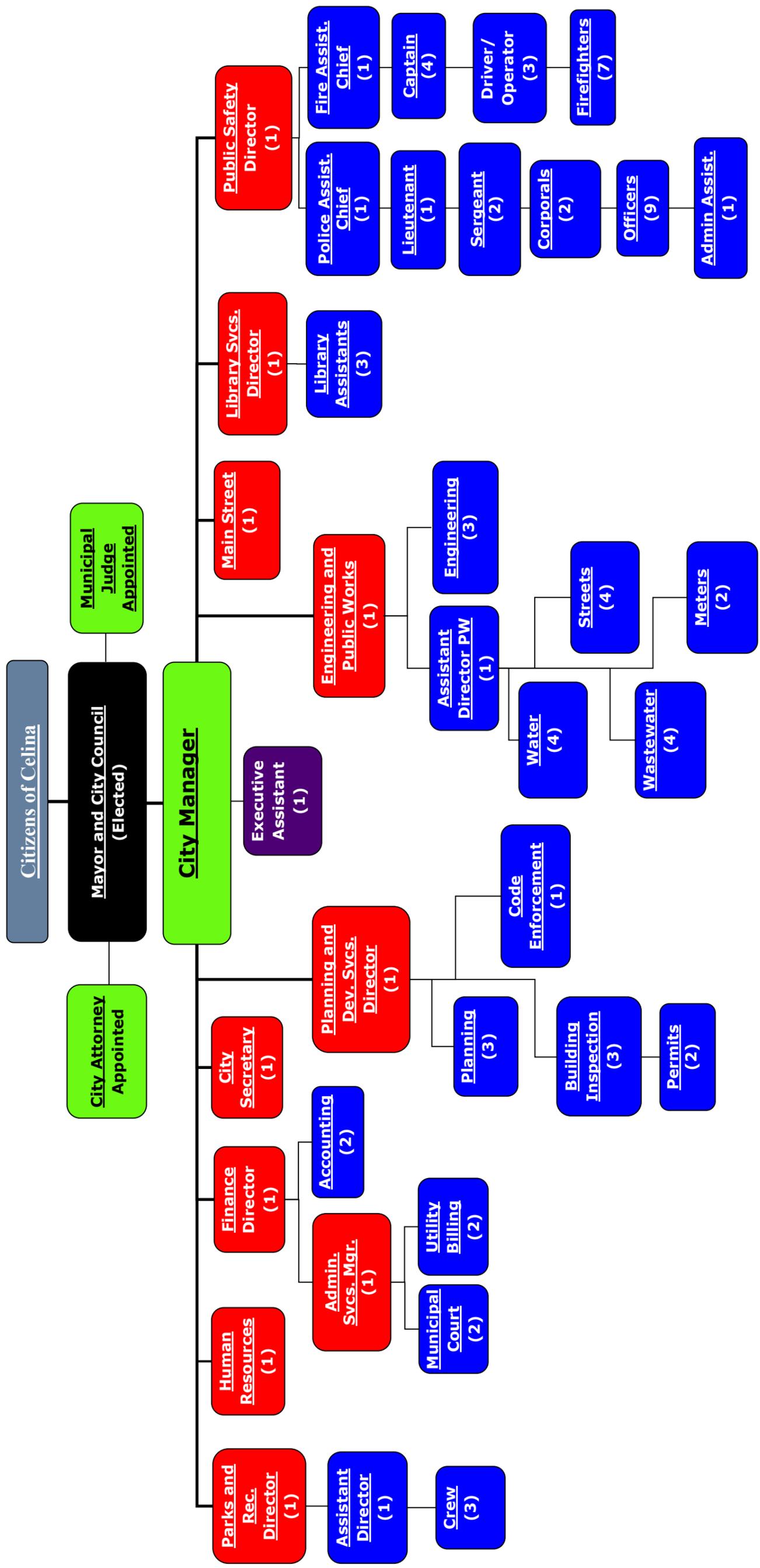
The preparation of this report would not have been possible without the efficient and dedicated services of the Finance department and independent auditors. The City would like to express its appreciation to those persons who have made possible the publication of this report and to the Mayor, City Council and the City Manager for their support in maintaining the integrity of the City's financial affairs.

Respectfully submitted,



Jay Toutouchian  
Director of Finance

# City of Celina Organizational Chart



CITY OF CELINA, TEXAS

CITY OFFICIALS

**City Council**

Sean Terry, Mayor

Chad Anderson, Mayor Pro-Tem

Bill Webber

Wayne Nabors

Andy Hopkins

Carmen Roberts

Mindy Koehne

**INTERIM CITY MANAGER**

Rick Chaffin

**CITY SECRETARY**

Vicki Faulkner

**DIRECTOR OF FINANCE**

Jay Toutouchian

**FINANCIAL  
SECTION**

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

CERTIFIED PUBLIC ACCOUNTANTS

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GREENVILLE, TEXAS 75401

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

Members of:  
American Institute of  
Certified Public Accountants

Texas Society of  
Certified Public Accountants

## **Independent Auditor's Report**

To the City Council  
City of Celina, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Celina, Texas ("City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Celina, Texas as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 4 through 16, and pages 59 through 60, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Respectfully submitted,

*Scott, Singleton, Fincher and Company, PC*

Scott, Singleton, Fincher and Company, PC  
Certified Public Accountants  
Greenville, Texas  
March 14, 2017

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

The City of Celina presents the City's comprehensive annual financial report. This overview is an analysis of the financial activities of the City for the fiscal year ended September 30, 2016. This discussion should be read in conjunction with the financial statements and related notes. Comparative data is also presented for government-wide and fund financial statements at the end of this section.

### **FINANCIAL HIGHLIGHTS:**

- Government-wide net position reported in the Statement of Net Position is \$40,184,917. Of this amount \$30,557,264 is invested in capital assets or restricted for debt service and capital projects, and the balance of \$9,627,653 is available as unrestricted net position.
- Government-wide net position increased by \$6,794,782 during 2016.
- The City's fund financial statements reported changes in equity as follows:

General Fund – \$2,526,406 increase  
Water & Sewer Fund - \$116,015 increase  
Debt Service Fund - \$255,449 increase

### **USING THIS ANNUAL REPORT:**

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

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

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

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

**The Statement of Net Position and the Statement of Activities**

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

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

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

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS:**

### **Fund Financial Statements**

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

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

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

## **CAPITAL ASSET AND DEBT ADMINISTRATION:**

*Capital Assets* – the City's investment in capital assets reported in governmental activities and business-type activities was \$33,733,502 and \$30,428,824, respectively. This investment in capital assets includes land, buildings and improvements, equipment and vehicles. The change in the City's investment in capital assets for the current fiscal year was \$7,541,714 and \$10,697,553 in each of the respective activities. Additional information on capital asset activity can be found in note 5 to the financial statements.

*Long-term Debt* – at year-end the City had \$55,491,815 in bonds and capital leases outstanding – an increase of \$25,592,409. Additional information on long-term liabilities can be found in note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES:**

The City of Celina continued to experience significant growth. The City issued 575 building permits, compared to 446 permits last year. Accordingly, permit fee collections have increased by \$574,358 or 33% for the same period. For the fiscal year 2015-2016, the City collected \$2,357,289 in permit fees compared with \$1,767,856 for the same period last year. The City of Celina possesses a vast amount of land that makes it attractive to housing developers. The increase in building permits and fees is a result of new housing developments being built within the City with 67% of those permits issued in the Light Farms development.

The City of Celina's portion of sales tax collection increased from \$603,949 in FY 2015 to \$733,881 in FY 2016. This amounts to an increase of 22%. The increase follows the trend through the state. The reduction in unemployment in conjunction with the sales tax collection from internet purchases has contributed to the increase. The opening of new retail shops and restaurants played a role in the increase of sales tax revenue as well. Management anticipates a moderate increase through FY 2017.

Total assessed value of the properties for the City of Celina increased from \$554,892,312 in FY 2015 to \$660,868,270 in FY 2016. With the exception of FY 2010, the City of Celina has enjoyed an increase in its property values since FY 2001. This increase is a result new construction in housing developments and annexation of new parcels of land. Reviewing the history of the City's assessed property values provides evidence of the City's measurable growth in the last decade.

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>% Change</b>
2007	\$ 284,847,298	26.9%
2008	\$ 418,824,688	47.0%
2009	\$ 463,326,983	10.6%
2010	\$ 464,198,797	-1.7%
2011	\$ 454,064,487	1.5%
2012	\$ 461,631,888	4.4%
2013	\$ 482,230,390	5.3%
2014	\$ 508,695,836	9.1%
2015	\$ 554,892,312	1.3%
2016	\$ 660,868,270	1.9%

Water sales for FY 2016 totaled \$4,049,673 which represents a 16% increase over FY 2015. This increase, coupled with climate changes, is a result of new developments and an increase in the number of houses in those developments.

A review of the history of the City's water sales over the past ten years indicates an average increase of 19% as shown in the table below:

<b>Fiscal Year</b>	<b>Water Sales</b>	<b>% Change</b>
2007	\$ 1,298,932	-30.6%
2008	\$ 1,598,567	23.1%
2009	\$ 1,602,364	0.2%
2010	\$ 1,944,348	21.3%
2011	\$ 2,549,933	31.1%
2012	\$ 2,548,942	0.0%
2013	\$ 2,772,632	8.8%
2014	\$ 2,780,983	0.3%
2015	\$ 3,489,083	25.5%
2016	\$ 4,049,673	16.0%

Total sewer revenue increased from \$1,409,070 in FY 2015 to \$1,799,254 in FY 2016. This represents an increase of \$ 390,184 or 28%. Sewer sales are also affected by new developments coming into the City as evidenced by the numbers illustrated below:

<b>Fiscal Year</b>	<b>Sewer Sales</b>	<b>% Change</b>
2007	\$ 485,948	-4.7%
2008	\$ 546,556	12.5%
2009	\$ 572,299	4.7%
2010	\$ 774,022	35.2%
2011	\$ 946,269	22.3%
2012	\$ 994,332	5.1%
2013	\$ 1,060,773	6.7%
2014	\$ 1,160,403	9.4%
2015	\$ 1,409,070	21.4%
2016	\$ 1,799,254	28.0%

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

**Budget Highlights for FY 2017 Include:**

- Balanced budget
- Property tax remains unchanged
- Water and sewer rates remain unchanged
- Increase in the number of FTEs to 102 which includes 2 new police officers, 3 new firefighters and 8 new employees in Public Works, with the rest of the City's departments adding or eliminating positions to better serve the public and increase efficiency.
- A 3% salary increase to City employees.
- The creation of 2 new departments: Engineering and Utility Billing
- Increased and sustained funding for equipment, facilities and infrastructure improvements

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT:**

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

**CITY OF CELINA, TEXAS**  
**COMPARATIVE STATEMENTS OF NET POSITION**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current and other assets	\$ 20,375,508	\$ 15,914,705	\$ 20,881,007	\$ 7,926,046	\$ 41,256,515	\$ 23,840,751
Deferred outflows of resources	488,575	154,369	69,438	\$ 21,771	558,013	176,140
Capital assets, net	<u>33,733,502</u>	<u>26,191,788</u>	<u>30,428,824</u>	<u>19,731,271</u>	<u>64,162,326</u>	<u>45,923,059</u>
<b>Total Assets &amp; Deferred Outflows</b>	<b><u>54,597,585</u></b>	<b><u>42,260,862</u></b>	<b><u>51,379,269</u></b>	<b><u>27,679,088</u></b>	<b><u>105,976,854</u></b>	<b><u>69,939,950</u></b>
<b>Liabilities</b>						
Other liabilities	5,371,246	3,384,190	4,604,645	2,861,665	9,975,891	6,245,855
Long-term debt	<u>22,828,040</u>	<u>19,182,337</u>	<u>32,959,219</u>	<u>11,121,623</u>	<u>55,787,259</u>	<u>30,303,960</u>
<b>Total Liabilities</b>	<b><u>28,199,286</u></b>	<b><u>22,566,527</u></b>	<b><u>37,563,864</u></b>	<b><u>13,983,288</u></b>	<b><u>65,763,150</u></b>	<b><u>36,549,815</u></b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources	<u>25,197</u>	<u>-</u>	<u>3,590</u>	<u>-</u>	<u>28,787</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>25,197</u></b>	<b><u>-</u></b>	<b><u>3,590</u></b>	<b><u>-</u></b>	<b><u>28,787</u></b>	<b><u>-</u></b>
<b>Net Position</b>						
Net investment in capital assets	13,138,978	8,693,312	12,078,113	11,575,656	25,217,091	20,268,968
Restricted for debt service	901,524	646,075			901,524	646,075
Restricted for capital projects	4,438,649	4,028,969			4,438,649	4,028,969
Unrestricted	<u>7,893,951</u>	<u>6,325,979</u>	<u>1,733,702</u>	<u>2,120,144</u>	<u>9,627,653</u>	<u>8,446,123</u>
<b>Total Net Position</b>	<b><u>\$ 26,373,102</u></b>	<b><u>\$ 19,694,335</u></b>	<b><u>\$ 13,811,815</u></b>	<b><u>\$ 13,695,800</u></b>	<b><u>\$ 40,184,917</u></b>	<b><u>\$ 33,390,135</u></b>

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Program revenues:</b>						
Charges for services	\$ 4,265,112	\$ 3,755,293	\$ 10,057,113	\$ 7,518,331	\$ 14,322,225	\$ 11,273,624
Operating grants/contributions	368,784	214,115			368,784	214,115
Capital grants/contributions	2,578,809	625,237	800,100	45,289	3,378,909	670,526
<b>General revenues:</b>						
Ad valorem taxes	4,458,401	3,739,841			4,458,401	3,739,841
Sales taxes	733,881	603,949			733,881	603,949
Franchise Taxes	429,102	364,763			429,102	364,763
Special events & fundraising	373,421	221,696			373,421	221,696
Other	297,820	217,124	114,067	39,470	411,887	256,594
<b>Total revenues</b>	<b>13,505,330</b>	<b>9,742,018</b>	<b>10,971,280</b>	<b>7,603,090</b>	<b>24,476,610</b>	<b>17,345,108</b>
<b>Expenses:</b>						
Administration	1,592,794	1,170,613			1,592,794	1,170,613
Judicial	102,803	84,853			102,803	84,853
Fire and emergency services	1,957,077	1,453,477			1,957,077	1,453,477
Development services	683,599	529,067			683,599	529,067
Public works	1,080,661	824,527			1,080,661	824,527
Police department	1,532,829	1,114,266			1,532,829	1,114,266
Parks and recreation	1,084,077	886,212			1,084,077	886,212
Library	152,664	140,104			152,664	140,104
Infrastructure	211,300	198,868			211,300	198,868
Main street project	65,279	70,510			65,279	70,510
Bond issuance costs			514,633		514,633	-
Interest and fiscal charges	710,249	635,090			710,249	635,090
Water, Sewer and Sanitation Services			7,993,863	4,284,809	7,993,863	4,284,809
<b>Total Expenses</b>	<b>9,173,332</b>	<b>7,107,587</b>	<b>8,508,496</b>	<b>4,284,809</b>	<b>17,681,828</b>	<b>11,392,396</b>
Excess (deficiency) before transfers	4,331,998	2,634,431	2,462,784	3,318,281	6,794,782	5,952,712
Transfers	2,346,769	395,000	(2,346,769)	(395,000)	-	-
<b>Change in Net Position</b>	<b>6,678,767</b>	<b>3,029,431</b>	<b>116,015</b>	<b>2,923,281</b>	<b>6,794,782</b>	<b>5,952,712</b>
<b>Net Position - October 1</b>	<b>19,694,335</b>	<b>16,103,963</b>	<b>13,695,800</b>	<b>10,693,409</b>	<b>33,390,135</b>	<b>26,797,372</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>560,941</b>	<b>-</b>	<b>79,110</b>	<b>-</b>	<b>640,051</b>
<b>Net Position - September 30</b>	<b>\$ 26,373,102</b>	<b>\$ 19,694,335</b>	<b>\$ 13,811,815</b>	<b>\$ 13,695,800</b>	<b>\$ 40,184,917</b>	<b>\$ 33,390,135</b>

**CITY OF CELINA, TEXAS  
COMPARATIVE BALANCE SHEETS  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016 and 2015**

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total	
							Governmental Funds	2016
<b>Assets</b>								
Cash and cash equivalents	\$ 8,235,132	\$ 901,676	\$ -	\$ -	\$ -	\$ -	\$ 9,136,808	\$ 6,773,068
Investment in Texpool	2,382						2,382	2,375
Cash and cash equivalents - restricted			5,537,607	3,308,838	741,272	1,028,017	10,615,734	10,091,873
Sales taxes receivable	146,963						146,963	105,443
Property taxes receivable, net	32,525	6,196					38,721	38,331
EMS receivable	97,300						97,300	30,587
Grants receivable							-	300,000
Other receivables	116,760					62,325	179,085	48,022
Prepaid items	2,230						2,230	19,941
Due from other funds							-	400,000
Due from component units	49,994						49,994	38,916
<b>Total Assets</b>	<b>\$ 8,683,286</b>	<b>\$ 907,872</b>	<b>\$ 5,537,607</b>	<b>\$ 3,308,838</b>	<b>\$ 741,272</b>	<b>\$ 1,090,342</b>	<b>\$ 20,269,217</b>	<b>\$ 17,848,556</b>
<b>Liabilities</b>								
Accounts payable	187,914		43,213	9,000	194,663	8,029	442,819	712,149
Accrued expenses	227,720	153					227,873	99,968
Escrowed funds	997,028						997,028	496,700
Due to other funds							-	2,398,297
Unearned revenue	101,714		235,133	3,104,033			3,440,880	1,829,346
<b>Total Liabilities</b>	<b>1,514,376</b>	<b>153</b>	<b>278,346</b>	<b>3,113,033</b>	<b>194,663</b>	<b>8,029</b>	<b>5,108,600</b>	<b>5,536,460</b>
<b>Deferred Inflows of Resources</b>								
Unavailable property taxes receivable	36,675	6,195					42,870	38,331
<b>Total Deferred Inflows of Resources</b>	<b>36,675</b>	<b>6,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,870</b>	<b>38,331</b>
<b>Fund Balances</b>								
Nonspendable:								
Prepays	2,230						2,230	19,941.00
Restricted for:							-	
Capital improvements			5,259,261	195,805	546,609	1,082,313	7,083,988	7,021,861
Debt service		901,524					901,524	646,075
Unassigned	7,130,005						7,130,005	4,585,888
<b>Total Fund Balances</b>	<b>7,132,235</b>	<b>901,524</b>	<b>5,259,261</b>	<b>195,805</b>	<b>546,609</b>	<b>1,082,313</b>	<b>15,117,747</b>	<b>12,273,765</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,683,286</b>	<b>\$ 907,872</b>	<b>\$ 5,537,607</b>	<b>\$ 3,308,838</b>	<b>\$ 741,272</b>	<b>\$ 1,090,342</b>	<b>\$ 20,269,217</b>	<b>\$ 17,848,556</b>

**CITY OF CELINA, TEXAS**  
**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Years Ending September 30, 2016 and 2015**

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds	
							2016	2015
<b>REVENUES:</b>								
Ad valorem taxes	\$ 3,020,039	\$ 1,433,823	\$ -	\$ -	\$ -	\$ -	\$ 4,453,862	\$ 3,754,816
Franchise taxes	429,102						429,102	364,763
Sales tax	733,881						733,881	603,949
Permits and inspection fees	2,357,289						2,357,289	1,767,856
Component unit contributions	-	200,000					200,000	320,000
Development fees	509,870						509,870	924,249
Developer park contributions				2,008,809			2,008,809	
Fire department, EMS, and police revenues	239,480					670,880	910,360	241,005
Fines	283,758						283,758	254,370
Special events and donations	373,421						373,421	221,696
Park fees	206,773						206,773	602,626
Other income	76,950	150,000	145,950				397,657	92,349
Interest	45,935	6,775	39,425	13,871	4,022	24,757	111,776	111,901
Federal, state and local grants	18,784			500,000		1,748	518,784	519,701
<b>Total Revenues</b>	<b>8,295,282</b>	<b>1,790,598</b>	<b>185,375</b>	<b>2,522,680</b>	<b>4,022</b>	<b>697,385</b>	<b>13,495,342</b>	<b>9,779,281</b>
<b>EXPENDITURES:</b>								
Administration	1,458,673						1,458,673	1,133,574
Judicial	99,803						99,803	84,853
Fire and emergency services	1,723,720					8,176	1,731,896	1,316,275
Development services	675,267						675,267	524,712
Public works	1,023,572						1,023,572	806,788
Police department	1,414,488						1,414,488	1,046,160
Parks and Recreation	688,539						688,539	667,908
Library	153,752			131,000			153,752	140,857
Main street project	65,279						65,279	70,510
Capital outlay	732,355		2,038,560	2,195,875	2,292,850	1,282,896	8,542,536	5,253,351
Debt Service:								
Principal retirement		841,124					841,124	678,366
Interest and fiscal charges		724,025					724,025	669,480
<b>Total Expenditures</b>	<b>8,035,448</b>	<b>1,565,149</b>	<b>2,038,560</b>	<b>2,326,875</b>	<b>2,292,850</b>	<b>1,291,072</b>	<b>17,549,954</b>	<b>12,392,834</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>259,834</b>	<b>225,449</b>	<b>(1,853,185)</b>	<b>195,805</b>	<b>(2,288,828)</b>	<b>(593,687)</b>	<b>(4,054,612)</b>	<b>(2,613,553)</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Proceeds from sale of capital assets	41,825						41,825	12,525
Proceeds from issuance of bonds			977,002		1,856,998	1,676,000	4,510,000	-
Operating transfers in (out)	2,224,747	30,000	292,000		(199,978)		2,346,769	395,000
<b>Net Other Financing Sources (Uses)</b>	<b>2,266,572</b>	<b>30,000</b>	<b>1,269,002</b>	<b>-</b>	<b>1,657,020</b>	<b>1,676,000</b>	<b>6,898,594</b>	<b>407,525</b>
<b>Net change in fund balances</b>	<b>2,526,406</b>	<b>255,449</b>	<b>(584,183)</b>	<b>195,805</b>	<b>(631,808)</b>	<b>1,082,313</b>	<b>2,843,982</b>	<b>(2,206,028)</b>
Fund balance, October 1	4,605,829	646,075	5,843,444	-	1,178,417	-	12,273,765	14,479,793
<b>Fund balance, September 30</b>	<b>\$ 7,132,235</b>	<b>\$ 901,524</b>	<b>\$ 5,259,261</b>	<b>\$ 195,805</b>	<b>\$ 546,609</b>	<b>\$ 1,082,313</b>	<b>\$ 15,117,747</b>	<b>\$ 12,273,765</b>

**CITY OF CELINA, TEXAS**  
**COMPARATIVE STATEMENTS OF FUND NET POSITION**  
**PROPRIETARY FUND**  
**September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
	<b>Enterprise Fund</b>	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>	<b>Water &amp; Sewer</b>
	<b>Activities</b>	<b>Activities</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,850,035	\$ 3,939,490
Cash and cash equivalents - restricted for capital projects	1,272,139	835,000
Investment in TexPool	3,183	3,174
Accounts receivable, net	957,564	1,088,972
Prepaid UTRWD facilities charges	393,023	-
Due from other funds	-	2,398,297
<b>Total current assets</b>	<b>5,475,944</b>	<b>8,264,933</b>
<b>Noncurrent Assets:</b>		
Cash and cash equivalents - restricted for capital projects	14,608,508	-
Prepaid UTRWD facilities charges	786,047	-
Net pension asset	10,507	61,113
<b>Total noncurrent assets</b>	<b>15,405,062</b>	<b>61,113</b>
<b>Capital Assets:</b>		
Non-depreciable land	304,115	304,115
Non-depreciable construction in progress	12,923,618	1,677,529
Depreciable capital assets, net	17,201,091	17,749,627
<b>Capital Assets, net</b>	<b>30,428,824</b>	<b>19,731,271</b>
<b>Deferred outflows of resources:</b>		
Deferred outflows - related to pensions	69,439	21,771
<b>Total deferred outflows of resources</b>	<b>69,439</b>	<b>21,771</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 51,379,269</b>	<b>\$ 28,079,088</b>
<b>Liabilities</b>		
Accounts payable	403,116	426,318
Accounts payable for capital projects	1,272,139	-
Accrued expenses	42,412	26,384
Bonds payable - current	1,251,277	848,875
Infrastructure advance from CISD - current	106,270	108,089
Leases payable - current	18,704	27,253.00
Accrued interest payable	107,240	51,762
Meter deposits payable	403,003	305,922
Unearned revenue	2,250,762	1,288,779
Escrow deposits	125,973	762,500.00
Due to other funds	-	400,000
<b>Total current liabilities</b>	<b>5,980,896</b>	<b>4,245,882</b>
Infrastructure advance from CISD - long-term	189,174	296,465
Leases payable - long-term	-	18,704
Bonds payable - long-term	31,393,794	9,822,237
<b>Total non-current liabilities</b>	<b>31,582,968</b>	<b>10,137,406</b>
<b>Total liabilities</b>	<b>37,563,864</b>	<b>14,383,288</b>
<b>Deferred inflows of resources:</b>		
Deferred inflows - related to pensions	3,590	-
<b>Total deferred inflows of resources</b>	<b>3,590</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	12,078,113	11,575,656
Restricted for capital projects, net of related debt (\$15,880,647 each, 2016) (\$2,966,008 each, 2015)	-	-
Unrestricted	1,733,702	2,120,144
<b>Total Net Position</b>	<b>\$ 13,811,815</b>	<b>\$ 13,695,800</b>

**CITY OF CELINA, TEXAS**  
**Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Years Ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>Operating Revenues:</b>		
Water sales	\$ 4,049,673	\$ 3,489,083
Sewer sales	1,799,254	1,409,070
Garbage fees	462,390	405,433
Penalties	97,765	73,654
Tap and reconnect fees	1,094,505	832,360
Impact fees	1,366,400	1,113,065
Other revenues	1,187,126	195,666
<b>Total Operating Revenues</b>	<b>10,057,113</b>	<b>7,518,331</b>
<b>Operating Expenses:</b>		
Salaries and benefits	740,428	545,287
Garbage fees	415,983	354,733
Materials and supplies	472,414	260,113
Postage	34,827	29,282
Repairs and facility maintenance	284,682	182,113
General insurance	14,420	14,402
Utilities and telephone	296,418	254,778
Water purchases and related fees	1,943,073	1,606,698
UTRWD facilities charges	663,271	-
Impact fees expense	1,366,400	-
Depreciation & amortization	702,950	598,135
Bond issuance costs	514,633	40,124
Other expense	313,102	79,333
<b>Total Operating Expenses</b>	<b>7,762,601</b>	<b>3,964,998</b>
<b>Operating Income</b>	<b>\$ 2,294,512</b>	<b>\$ 3,553,333</b>

(Continued)

**CITY OF CELINA, TEXAS**  
**Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Years Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Non-operating revenues (expenses):</b>		
Interest income	\$ 114,067	\$ 39,470
Interest and fiscal charges	(745,895)	(319,811)
<b>Total non-operating Revenues (Expenses)</b>	<u>(631,828)</u>	<u>(280,341)</u>
 <b>Income before contributions and transfers</b>	 1,662,684	 3,272,992
 Capital contribution	 800,100	 45,289
Transfers out to other funds	(2,346,769)	(395,000)
 <b>Change in net position</b>	 116,015	 2,923,281
 <b>Net position, October 1</b>	 13,695,800	 10,693,409
<b>Prior period adjustment</b>	-	79,110
<b>Net position, September 30</b>	<u>\$ 13,811,815</u>	<u>\$ 13,695,800</u>

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT WIDE  
FINANCIAL STATEMENTS**

**CITY OF CELINA, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 9,136,808	\$ 2,850,035	\$ 11,986,843	\$ 661,367
Investment in Texpool	2,382	3,183	5,565	
Property taxes receivable, net	32,525		32,525	
Sales taxes receivable	146,963		146,963	146,962
Accounts receivable, net	159,625	957,564	1,117,189	
Other receivables	144,938		144,938	
Due from component units	49,994		49,994	
Prepaid items	2,230	1,179,070	1,181,300	
Net pension asset	78,113	10,507	88,620	
<b>Restricted assets:</b>				
Cash and cash equivalents	10,615,734	15,880,647	26,496,381	
Property taxes receivable, net	6,196		6,196	
<b>Capital assets:</b>				
Land	3,646,797	304,115	3,950,912	
Construction in progress	3,299,139	12,923,618	16,222,757	
Capital assets, net	26,787,566	17,201,091	43,988,657	
<b>Deferred outflows of resources:</b>				
Deferred outflows - related to pensions	488,575	69,439	558,014	
<b>Total Assets and deferred outflows of resources</b>	<b>54,597,585</b>	<b>51,379,269</b>	<b>105,976,854</b>	<b>808,329</b>
<b>Liabilities</b>				
Accounts payable	442,819	403,116	845,935	
Accrued expenses	419,323	42,412	461,735	
Unearned revenue	3,440,880	2,250,762	5,691,642	
Meter deposits payable		403,003	403,003	
Escrow deposits	997,028	125,973	1,123,001	
Due to primary government				49,994
<b>Payable from restricted assets:</b>				
Accounts payable for capital projects		1,272,139	1,272,139	
Accrued interest	71,196	107,240	178,436	
<b>Long-term liabilities:</b>				
<b>Due within one year:</b>				
Bonds payable	1,005,683	1,251,277	2,256,960	
Capital leases		18,704	18,704	
Infrastructure advance from CISD		106,270	106,270	
<b>Due in more than one year:</b>				
Bonds payable	21,822,357	31,393,794	53,216,151	
Infrastructure advance from CISD		189,174	189,174	
<b>Total Liabilities</b>	<b>28,199,286</b>	<b>37,563,864</b>	<b>65,763,150</b>	<b>49,994</b>
<b>Deferred inflows of resources:</b>				
Deferred inflows - related to pensions	25,197	3,590	28,787	
<b>Total deferred inflows of resources</b>	<b>25,197</b>	<b>3,590</b>	<b>28,787</b>	
<b>Net Position</b>				
Net investment in capital assets	13,138,978	12,078,113	25,217,091	
Restricted for debt service	901,524		901,524	
Restricted for capital projects (\$6,672,165) net of related debt (\$2,233,516)	4,438,649		4,438,649	
Restricted for capital projects (\$15,880,647) net of related debt (\$15,880,647)				
Unrestricted	7,893,951	1,733,702	9,627,653	758,335
<b>Total Net Position</b>	<b>\$ 26,373,102</b>	<b>\$ 13,811,815</b>	<b>\$ 40,184,917</b>	<b>\$ 758,335</b>

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

**CITY OF CELINA, TEXAS  
STATEMENT OF ACTIVITIES  
Year Ended September 30, 2016**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Aggregate Component Units
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	
<b>Governmental activities:</b>							
Administration	\$ 1,592,794	\$ -	\$ -	\$ (1,592,794)		\$ (1,592,794)	\$ -
Judicial	102,803			(102,803)		(102,803)	
Fire and emergency services	1,957,077			(1,046,717)		(1,046,717)	
Development services	683,599			(173,729)		(173,729)	
Public works	1,080,661		70,000	1,346,628		1,346,628	
Police department	1,532,829	1,340		(1,250,669)		(1,250,669)	
Parks and recreation	1,084,077	17,444	2,508,809	1,648,949		1,648,949	
Library	152,664			(152,664)		(152,664)	
Infrastructure	211,300			(211,300)		(211,300)	
Main street project	65,279			(65,279)		(65,279)	
Economic development				-		-	(479,842)
Interest and fiscal charges		350,000		(360,249)		(360,249)	
<b>Total governmental activities</b>	<b>9,173,332</b>	<b>368,784</b>	<b>2,578,809</b>	<b>(1,960,627)</b>		<b>(1,960,627)</b>	<b>(479,842)</b>
<b>Business-type activities:</b>							
Water and sewer services	8,508,496		800,100		2,348,717	2,348,717	
<b>Total business-type activities</b>	<b>8,508,496</b>	<b>10,057,113</b>	<b>800,100</b>	<b>-</b>	<b>2,348,717</b>	<b>2,348,717</b>	
<b>Total all activities</b>	<b>\$ 17,681,828</b>	<b>\$ 14,322,225</b>	<b>\$ 3,378,909</b>	<b>\$ (1,960,627)</b>	<b>\$ 2,348,717</b>	<b>\$ 388,090</b>	<b>\$ (479,842)</b>
<b>General revenues:</b>							
Ad valorem taxes				4,458,401		4,458,401	
Sales taxes				733,881		733,881	730,404
Franchise taxes				429,102		429,102	
Special events and fundraising				373,421		373,421	
Miscellaneous income and contributions				186,044		186,044	13,150
Unrestricted investment earnings				111,776	114,067	225,843	4,524
Transfers				2,346,769	(2,346,769)	-	
<b>Total general revenues and transfers</b>				<b>8,639,394</b>	<b>(2,332,702)</b>	<b>6,406,692</b>	<b>748,078</b>
<b>Change in net position</b>				<b>6,678,767</b>	<b>116,015</b>	<b>6,794,782</b>	<b>268,236</b>
<b>Net Position-beginning of year</b>				<b>19,694,335</b>	<b>13,695,800</b>	<b>33,390,135</b>	<b>490,099</b>
<b>Net Position-end of year</b>				<b>\$ 26,373,102</b>	<b>\$ 13,811,815</b>	<b>\$ 40,184,917</b>	<b>\$ 758,335</b>

The accompanying notes are an integral part of these financial statements

**GOVERNMENTAL FUNDS  
FINANCIAL STATEMENTS**

CITY OF CELINA, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2016

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 8,235,132	\$ 901,676	\$ -	\$ -	\$ -	\$ -	\$ 9,136,808
Investment in Texpool	2,382						2,382
Cash and cash equivalents - restricted			5,537,607	3,308,838	741,272	1,028,017	10,615,734
Sales taxes receivable	146,963						146,963
Property taxes receivable, net	32,525	6,196					38,721
EMS receivable, net	97,300						97,300
Other receivables	116,760					62,325	179,085
Prepaid items	2,230						2,230
Due from component units	49,994						49,994
<b>Total Assets</b>	<b>\$ 8,683,286</b>	<b>\$ 907,872</b>	<b>\$ 5,537,607</b>	<b>\$ 3,308,838</b>	<b>\$ 741,272</b>	<b>\$ 1,090,342</b>	<b>\$ 20,269,217</b>
<b>Liabilities</b>							
Accounts payable	187,914		43,213	9,000	194,663	8,029	442,819
Accrued salaries and benefits	227,720	153					227,873
Escrowed funds	997,028						997,028
Unearned revenue	101,714		235,133	3,104,033			3,440,880
<b>Total Liabilities</b>	<b>1,514,376</b>	<b>153</b>	<b>278,346</b>	<b>3,113,033</b>	<b>194,663</b>	<b>8,029</b>	<b>5,108,600</b>
<b>Deferred Inflows of Resources</b>							
Unavailable property taxes receivable	36,675	6,195					42,870
<b>Total Deferred Inflows of Resources</b>	<b>36,675</b>	<b>6,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,870</b>
<b>Fund Balances</b>							
Nonspendable:							
Prepays	2,230						2,230
Restricted for:							
Capital Projects			5,259,261	195,805	546,609	1,082,313	7,083,988
Debt Service		901,524					901,524
Unassigned	7,130,005						7,130,005
<b>Total Fund Balances</b>	<b>7,132,235</b>	<b>901,524</b>	<b>5,259,261</b>	<b>195,805</b>	<b>546,609</b>	<b>1,082,313</b>	<b>15,117,747</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,683,286</b>	<b>\$ 907,872</b>	<b>\$ 5,537,607</b>	<b>\$ 3,308,838</b>	<b>\$ 741,272</b>	<b>\$ 1,090,342</b>	<b>\$ 20,269,217</b>

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

**CITY OF CELINA, TEXAS**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**to the Statement of Net Position**  
**Year Ended September 30, 2016**

<b>Amounts presented for governmental activities in the statement of net position are different because:</b>	<b>15,117,747</b>
Capital assets reported in the statement of net position are not financial resources and are not reported in the fund balance sheet.	33,733,502
Other long-term assets (receivables) are not available to pay current-period expenditures and therefore are deferred in the funds. These include deferred property taxes of \$42,870 and fines receivable of \$28,178	71,048
Net pension assets \$78,113, the related deferred outflows of resources \$488,575, the related deferred inflows of resources (\$25,197) are not available to pay current-period expenditures and therefore are not recorded in the funds.	541,491
Interest due on long-term debt is recorded as accrued interest payable in the statement of net position but does not become a liability on the fund statements until the date due.	(71,196)
Long-term liabilities are reported in the statement of net position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.	<u>(23,019,490)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 26,373,102</u></b>

**CITY OF CELINA, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2016**

	General Fund	Debt Service Fund	Street Construction Fund	Parkland Fees Fund	Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Ad valorem taxes	\$ 3,020,039	\$ 1,433,823				\$ -	\$ 4,453,862
Franchise taxes	429,102						429,102
Sales tax	733,881						733,881
Permits and inspection fees	2,357,289						2,357,289
Component unit contributions		200,000					200,000
Development fees	509,870						509,870
Developer park contributions				2,008,809			2,008,809
Fire department, EMS, and police revenues	239,480					670,880	910,360
Fines	283,758						283,758
Special events and donations	373,421						373,421
Park fees and donations	206,773						206,773
Other income	76,950	150,000	145,950		4,022	24,757	397,657
Interest	45,935	6,775	39,425			1,748	111,776
Federal, state & local grants	18,784			500,000			518,784
<b>Total Revenues</b>	<b>8,295,282</b>	<b>1,790,598</b>	<b>185,375</b>	<b>2,522,680</b>	<b>4,022</b>	<b>697,385</b>	<b>13,495,342</b>

<b>Expenditures:</b>							
Current:							
Administration	1,458,673						1,458,673
Judicial	99,803						99,803
Fire and emergency services	1,723,720					8,176	1,731,896
Development services	675,267						675,267
Public works	1,023,572						1,023,572
Police department	1,414,488						1,414,488
Parks and recreation	688,539			131,000			819,539
Library	153,752						153,752
Main street project	65,279						65,279
Capital Outlay	732,355		2,038,560	2,195,875	2,292,850	1,282,896	8,542,536
Debt Service:							
Principal		841,124					841,124
Interest and fiscal charges		724,025					724,025
<b>Total Expenditures</b>	<b>8,035,448</b>	<b>1,565,149</b>	<b>2,038,560</b>	<b>2,326,875</b>	<b>2,292,850</b>	<b>1,291,072</b>	<b>17,549,958</b>
<b>Excess of Revenues Over Expenditures</b>	<b>259,834</b>	<b>225,449</b>	<b>(1,853,185)</b>	<b>195,805</b>	<b>(2,268,828)</b>	<b>(593,687)</b>	<b>(4,054,612)</b>

<b>Other Financing Sources (Uses):</b>							
Proceeds from sale of assets	41,825						41,825
Proceeds from issuance of bonds		977,002			1,856,998	1,676,000	4,510,000
Operating transfers in (out)	2,224,747	30,000	292,000		(199,978)		2,346,769
<b>Net Other Financing Sources (Uses)</b>	<b>2,266,572</b>	<b>30,000</b>	<b>1,269,002</b>	<b>-</b>	<b>1,657,020</b>	<b>1,676,000</b>	<b>6,898,594</b>
<b>Net change in fund balances</b>	<b>2,526,406</b>	<b>255,449</b>	<b>(584,183)</b>	<b>195,805</b>	<b>(631,808)</b>	<b>1,082,313</b>	<b>2,843,982</b>
<b>Fund balance, October 1</b>	<b>4,605,829</b>	<b>646,075</b>	<b>5,843,444</b>	<b>-</b>	<b>1,178,417</b>	<b>-</b>	<b>12,273,765</b>
<b>Fund balance, September 30</b>	<b>\$ 7,132,235</b>	<b>\$ 901,524</b>	<b>\$ 5,259,261</b>	<b>\$ 195,805</b>	<b>\$ 546,609</b>	<b>\$ 1,082,313</b>	<b>\$ 15,117,747</b>

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

**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, 2016**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 2,843,982</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
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 \$8,542,536 exceeded depreciation expense of \$(967,386).	7,575,150
In the statement of activities, the gain on the disposal of assets is reported, but in the governmental funds, proceeds from the sale increase current financial resources. The change in net position differs from the change in fund balance by the net book value of the assets disposed.	(33,436)
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 \$841,124, less new bonds issued (\$4,510,000).	(3,668,876)
Changes in the liabilities for compensated absences do not require the use of current resources and therefore are not recorded in the funds.	(7,222)
Changes in long term amounts for net pension assets (\$355,217), the related deferred outflows of resources related to pensions \$334,206, and the related deferred inflows of resources related to pensions (\$25,197) are not recorded in the funds.	(46,208)
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 \$4,539 and the change in fines receivable (\$2,938) and EMS receivables \$(0-).	1,601
Some expenses in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the amortization of bond premiums, \$23,173; and the increase in accrued interest on debt (\$9,397).	13,776
<b>Change in net position - governmental activities</b>	<b><u>\$ 6,678,767</u></b>

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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Ad valorem taxes	\$ 2,885,407	\$ 3,020,039	\$ 3,020,039	\$ -
Franchise taxes	301,543	362,500	429,102	66,602
Sales tax	609,805	719,210	733,881	14,671
Permits and inspection fees	1,598,184	2,340,807	2,357,289	16,482
Development fees	100,000	509,870	509,870	-
Fire department and EMS revenues	175,000	155,317	239,480	84,163
Fines	180,300	283,758	283,758	-
Special events and donations	180,000	353,146	373,421	20,275
Park fees	180,000	206,773	206,773	-
Other income	135,950	221,171	95,734	(125,437)
Interest	39,000	45,935	45,935	-
<b>Total Revenues</b>	<u><b>6,385,189</b></u>	<u><b>8,218,526</b></u>	<u><b>8,295,282</b></u>	<u><b>76,756</b></u>
<b>EXPENDITURES:</b>				
Administration	1,698,277	1,671,264	1,458,673	212,591
Judicial	91,528	101,671	99,803	1,868
Fire and emergency services	1,891,416	1,839,972	1,723,720	116,252
Development services	890,278	701,738	675,267	26,471
Public works	1,052,214	1,054,705	1,023,572	31,133
Police department	1,727,083	1,620,748	1,414,488	206,260
Parks and recreation	771,157	793,196	688,539	104,657
Library	156,465	153,751	153,752	(1)
Main street project	90,367	95,282	65,279	30,003
Capital outlay			732,355	(732,355)
Debt service			-	-
<b>Total Expenditures</b>	<u><b>8,368,785</b></u>	<u><b>8,032,327</b></u>	<u><b>8,035,448</b></u>	<u><b>(3,121)</b></u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u><b>(1,983,596)</b></u>	<u><b>186,199</b></u>	<u><b>259,834</b></u>	<u><b>73,635</b></u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of assets			41,825	41,825
Operating transfers in (out)	1,987,000	492,000	2,224,747	1,732,747
<b>Total Other Financing Sources (Uses)</b>	<u><b>1,987,000</b></u>	<u><b>492,000</b></u>	<u><b>2,266,572</b></u>	<u><b>1,774,572</b></u>
<b>Net change in fund balance</b>	<u><b>3,404</b></u>	<u><b>678,199</b></u>	<u><b>2,526,406</b></u>	<u><b>1,848,207</b></u>
<b>Fund balance, October 1</b>	<u><b>4,605,829</b></u>	<u><b>4,605,829</b></u>	<u><b>4,605,829</b></u>	<u><b>-</b></u>
<b>Fund balance, September 30</b>	<u><b>\$ 4,609,233</b></u>	<u><b>\$ 5,284,028</b></u>	<u><b>\$ 7,132,235</b></u>	<u><b>\$ 1,848,207</b></u>

**SCHEDULE NOTES:**

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

**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

**CITY OF CELINA, TEXAS  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2016**

	<b>Enterprise Fund Water &amp; Sewer Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,850,035
Cash and cash equivalents - restricted for capital projects	1,272,139
Investment in TexPool	3,183
Accounts receivable, net	957,564
Prepaid UTRWD facilities charges	393,023
<b>Total current assets</b>	<b>5,475,944</b>
<b>Noncurrent Assets:</b>	
Cash and cash equivalents - restricted for capital projects	14,608,508
Prepaid UTRWD facilities charges	786,047
Net pension asset	10,507
<b>Total noncurrent assets</b>	<b>15,405,062</b>
<b>Capital Assets:</b>	
Non-depreciable land	304,115
Non-depreciable construction in progress	12,923,618
Depreciable capital assets, net	17,201,091
<b>Capital Assets, net</b>	<b>30,428,824</b>
<b>Deferred outflows of resources:</b>	
Deferred outflows - related to pensions	69,439
<b>Total deferred outflows of resources</b>	<b>69,439</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 51,379,269</b>
<b>Liabilities</b>	
Accounts payable	403,116
Accounts payable for capital projects	1,272,139
Accrued salaries and benefits	42,412
Bonds payable - current	1,251,277
Infrastructure advance from CISD - current	106,270
Leases payable - current	18,704
Accrued interest payable	107,240
Meter deposits payable	403,003
Unearned revenue	2,250,762
Escrow deposits	125,973
<b>Total current liabilities</b>	<b>5,980,896</b>
Infrastructure advance from CISD - long-term	189,174
Bonds payable - long-term	31,393,794
<b>Total non-current liabilities</b>	<b>31,582,968</b>
<b>Total liabilities</b>	<b>37,563,864</b>
<b>Deferred inflows of resources:</b>	
Deferred inflows - related to pensions	3,590
<b>Total deferred inflows of resources</b>	<b>3,590</b>
<b>Net Position</b>	
Net investment in capital assets	12,078,113
Restricted for capital projects (\$15,880,647), net of related debt (\$15,880,647)	
Unrestricted	1,733,702
<b>Total Net Position</b>	<b>\$ 13,811,815</b>

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, 2016**

	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>
	<b>Activities</b>
<b>Operating revenues:</b>	
Water sales	\$ 4,049,673
Sewer sales	1,799,254
Garbage fees	462,390
Penalties	97,765
Tap and reconnect fees	1,094,505
Impact fees	1,366,400
Other revenues	1,187,126
<b>Total Operating Revenues</b>	<b>10,057,113</b>
<b>Operating expenses:</b>	
Salaries and benefits	740,428
Garbage fees	415,983
Materials and supplies	472,414
Postage	34,827
Repairs and facility maintenance	284,682
General insurance	14,420
Utilities and telephone	296,418
Water purchases and related fees	1,943,073
UTRWD facilities charges	663,271
Impact fees expense	1,366,400
Depreciation & amortization	702,950
Bond issuance costs	514,633
Other expense	313,102
<b>Total Operating Expenses</b>	<b>7,762,601</b>
<b>Operating Income</b>	<b>\$ 2,294,512</b>
<b>Non-operating revenues (expenses):</b>	
Interest income	114,067
Interest and fiscal charges	(745,895)
<b>Total non-operating revenues (expenses)</b>	<b>(631,828)</b>
<b>Income (loss) before contributions and transfers</b>	<b>1,662,684</b>
Capital contribution	800,100
Operating Transfers in (out)	(2,346,769)
<b>Change in net position</b>	<b>116,015</b>
<b>Net position, October 1</b>	<b>13,695,800</b>
<b>Net position, September 30</b>	<b>\$ 13,811,815</b>

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, 2016**

	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>
	<b>Activities</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers and users	\$ 11,150,504
Cash paid to suppliers	(6,249,356)
Cash paid to employees	(717,872)
<b>Net cash provided (used) by operating activities</b>	<b>4,183,276</b>
<b>Cash flows from noncapital financing activities:</b>	
Change in customer deposits	97,081
Operating transfers (to) from other funds	(2,346,769)
Change in advances (to) from other funds	1,998,297
<b>Net cash provided (used) for noncapital financing activities</b>	<b>(251,391)</b>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets	(11,400,503)
Capital contributions	800,100
Change in escrow deposits	(636,527)
Bond proceeds	23,002,073
Principal payments - bonds payable	(848,875)
Principal payments - other obligations	(109,110)
Capital lease proceeds	-
Principal payments - capital leases	(27,253)
Interest paid on bonds payable and other long-term obligations	(869,656)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>9,910,249</b>
<b>Cash flows from investing activities:</b>	
Net redemptions (purchases) of investments	(9)
Investment income	114,067
<b>Net cash provided (used) by investing activities</b>	<b>114,058</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>13,956,192</b>
<b>Cash and cash equivalents, October 1</b>	<b>4,774,490</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 18,730,682</b>

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, 2016**

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

	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>
	<b>Activities</b>
<b>Operating income</b>	<b>\$ 2,294,512</b>
<b>Adjustments to reconcile net income to net cash provided (used)</b> <b>by operating activities:</b>	
Depreciation and amortization	702,950
(Increase) decrease in accounts receivable (net)	131,408
(Increase) decrease in prepaid expenses	(1,179,070)
(Increase) decrease in net pension asset	50,606
(Increase) decrease in deferred outflows of resources	(47,668)
Increase (decrease) in accounts payable	1,248,937
Increase (decrease) in accrued expenses	16,028
Increase (decrease) in unearned revenues	961,983
Increase (decrease) in deferred inflows of resources	3,590
<b>Total Adjustments</b>	<b>1,888,764</b>
<b>Net cash provided by operating activities</b>	<b>\$ 4,183,276</b>

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

**City of Celina, Texas**  
**Notes to Financial Statements**  
**September 30, 2016**

**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, 2016.

**(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, 2016:

**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. 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. CCDC is a nonprofit corporation governed by Section 4B of the Texas Development Corporation Act of 1979 and organized for the public purpose of the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare of the City of Celina, Texas.

Neither CEDC nor CCDC prepare separate financial statements.

### **(B) Government-Wide and Fund Financial Statements**

#### *Government-wide financial statements*

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

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

#### *Fund financial statements*

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

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

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

## 1. Introduction and Summary of Significant Accounting Policies - continued

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

Governmental fund financial statements are prepared using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond and capital lease principal and interest which are reported as expenditures in the year due.

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

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

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

### (D) Fund Types and Major Funds

#### *Governmental Funds*

The City reports the following major governmental funds:

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

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

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

**1. Introduction and Summary of Significant Accounting Policies - continued**

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

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

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

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

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

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

*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.

## 1. Introduction and Summary of Significant Accounting Policies - continued

### 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.

### 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 stated at fair value on the date donated. 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.

## 1. Introduction and Summary of Significant Accounting Policies – continued

### 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.

### 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 wages and benefits payable.

### 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.

## 1. Introduction and Summary of Significant Accounting Policies – continued

*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. The City has no assigned fund balance at September 30, 2016.

*Unassigned* - all other spendable amounts in the general fund.

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.

### (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.

**2. Stewardship, Compliance, and Accountability – continued**

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. 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 budget and actual required supplementary information is presented on these bases. 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 its component unit, CEDC, are fully insured or collateralized with securities held by the City or component unit, its agent, or by the pledging financial institution's trust department or agent in the name of the City or component unit, respectively. At September 30, 2016, the City of Celina, Texas' component unit, CCDC, had \$42,325 in deposits with financial institutions which were in excess of FDIC insurance coverage amounts.

**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	\$ 5,565	44 days
Total Investments	<u>\$ 5,565</u>	

### 3. Deposits and Investments – continued

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, 2016, the City did not own any types of securities other than those permitted by the City investment policy or the Public Funds Investment Act.

**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	\$ 974,093
Less: allowance for uncollectible accounts	<u>( 16,529)</u>
Net accounts receivable	<u>\$ 957,564</u>

The City has recorded unearned revenue of \$2,250,762 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.

The property tax rate for the year ended September 30, 2016 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	.4335
Debt Service Fund	<u>.2115</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.

**4. Receivables, Uncollectible Accounts, and Unearned Revenue - continued**

*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.

*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 table on the following page provides 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>
<b>Governmental Activities:</b>				
Nondepreciable capital assets:				
Land	\$ 2,295,651	\$ 1,351,146	\$ -	\$ 3,646,797
Construction in progress	<u>1,227,615</u>	<u>2,071,524</u>	<u>-</u>	<u>3,299,139</u>
Total nondepreciable capital assets	3,523,266	3,422,670	-	6,945,936
Depreciable capital assets:				
Buildings and improvements	5,504,550	648,879	-	6,153,429
Parks	10,044,406	2,195,875	-	12,240,281
Road infrastructure	11,238,642	1,458,881	-	12,697,523
Furniture and equipment	1,437,492	364,352	172,620	1,629,224
Vehicles	<u>1,294,908</u>	<u>451,879</u>	<u>172,085</u>	<u>1,574,702</u>
Total depreciable capital assets	29,519,998	5,119,866	344,705	34,295,159
Total capital assets	33,043,264	8,542,536	344,705	41,241,095
Less: accumulated depreciation				
Buildings and improvements	192,045	146,002	-	338,047
Parks	1,568,394	222,641	-	1,791,035
Road infrastructure	3,523,849	211,300	-	3,735,149
Furniture and equipment	718,901	225,106	172,620	771,387
Vehicles	<u>848,287</u>	<u>162,337</u>	<u>138,649</u>	<u>871,975</u>
Total accumulated depreciation	6,851,476	967,386	311,269	7,507,593
Capital assets, net	<u>\$ 26,191,788</u>	<u>\$ 7,575,150</u>	<u>\$ 33,436</u>	<u>\$ 33,733,502</u>
<b>Business-Type Activities:</b>				
Nondepreciable capital assets:				
Land	\$ 304,115	\$ -	\$ -	\$ 304,115
Construction in progress	<u>1,677,529</u>	<u>11,341,903</u>	<u>95,813</u>	<u>12,923,619</u>
Total nondepreciable capital assets	1,981,644	11,341,903	95,813	13,227,734
Depreciable capital assets:				
Buildings and improvements	43,769	-	-	43,769
Water & sewer infrastructure	23,209,161	95,813	-	23,304,974
Vehicles	275,049	58,600	58,799	274,850
Equipment	<u>1,457,664</u>	<u>-</u>	<u>64,336</u>	<u>1,393,328</u>
Total depreciable capital assets	24,985,643	154,413	123,135	25,016,921
Total capital assets	26,967,287	11,496,316	218,948	38,244,655
Less: accumulated depreciation				
Buildings and improvements	24,620	1,094	-	25,714
Water & sewer infrastructure	6,874,335	600,245	-	7,474,580
Vehicles	150,361	43,039	58,799	134,601
Equipment	<u>186,700</u>	<u>58,572</u>	<u>64,336</u>	<u>180,936</u>
Total accumulated depreciation	7,236,016	702,950	123,135	7,815,831
Capital assets, net	<u>\$ 19,731,271</u>	<u>\$ 10,793,366</u>	<u>\$ 95,813</u>	<u>\$ 30,428,824</u>

**5. Capital Assets - continued**

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

Administration	\$138,063
Fire and emergency services	213,119
Road infrastructure	211,300
Public works	48,781
Parks	261,970
Police department	93,935
Court	218
Total	<u>\$967,386</u>

Depreciation expense recorded in business-type activities and the Proprietary Fund was \$702,950.

The gross amount of assets included in the equipment category above recorded under capital lease obligations is \$56,833. Accumulated amortization of these assets is \$10,825. Amortization expense is included in depreciation expense. Capital lease obligations are secured by the equipment purchased.

**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 \$710,249 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 \$745,895 for the year.

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

<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	\$ 1,101,317	\$ -	\$ 4,292	\$ 1,097,025	\$ 3,451
General Obligation Refunding Bonds Series 2007, 4.0%-4.25%, 2008-2021	456,322		81,832	374,490	79,059
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2011, 3.0%-4.125%, 2012-2031	1,285,000		35,000	1,250,000	60,000
General Obligation Refunding Bonds Series 2012, 2.0%-3.0%, 2013-2023	100,000		5,000	95,000	15,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2012, 2.0%-4.0%, 2013-2032	3,545,000		150,000	3,395,000	155,000
General Obligation Refunding Bonds Series 2013, 2.0%-3.5%, 2015-2027	4,050,000		270,000	3,780,000	275,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2013, 2.0%-4.0%, 2015-2033	5,290,000		65,000	5,225,000	40,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014, 2.0%-4.0%, 2015-2034	2,990,000		140,000	2,850,000	140,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2015, 2.0%-5.0%, 2015-2035	-	2,260,000	90,000	2,170,000	80,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2016, 2.0%-4.0%, 2016-2036	-	2,250,000		2,250,000	135,000
Unamortized Bond Premiums	364,698		23,173	341,525	23,173
Capital Lease Obligations	-			-	-
<b>Total Governmental Activities</b>	<u>\$ 18,817,639</u>	<u>\$ 4,510,000</u>	<u>\$ 864,297</u>	<u>\$ 22,828,040</u>	<u>\$ 1,005,683</u>

<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	\$ 293,682		\$ 15,707	\$ 277,975	\$ 16,550
General Obligation Refunding Bonds Series 2007, 4.0%-4.25%, 2008-2021	1,188,678		213,168	975,510	205,940
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2007, 2.60%-3.60%, 2009-2028	910,000		205,000	705,000	210,000
General Obligation Refunding Bonds Series 2012, 2.0%-3.0%, 2013-2023	3,370,000		380,000	2,990,000	400,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2012, 2.0%-4.0%, 2013-2032	635,000		30,000	605,000	30,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014, 2.0%-4.0%, 2015-2034	2,315,000		5,000	2,310,000	10,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2014A, 2.65%, 2017-2024	1,645,000			1,645,000	20,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2015, 2.0%-5.0%, 2015-2035	-	13,020,000		13,020,000	140,000
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2016, 2.0%-4.0%, 2016-2036	-	7,485,000		7,485,000	-
Unamortized Bond Premiums	313,752	2,497,073	179,239	2,631,586	218,787
Capital Lease Obligations	45,957		27,253	18,704	18,704
<b>Total Business-type Activities</b>	<b>\$ 10,717,069</b>	<b>\$ 23,002,073</b>	<b>\$ 1,055,367</b>	<b>\$ 32,663,775</b>	<b>\$ 1,269,981</b>

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.

**6. Long-Term Obligations - continued**

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.

*Debt Service Requirements to Maturity*

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

<b><u>Governmental Activities</u></b>					
Year ending September 30	Bond principal	Bond interest	Capital lease principal	Capital lease interest	Total Required
2017	\$ 982,510	\$ 805,428			\$ 1,787,938
2018	1,146,110	778,807			1,924,917
2019	1,238,333	751,701			1,990,034
2020	1,273,320	719,951			1,993,271
2021	1,309,738	685,511			1,995,249
2022-2026	6,685,044	2,760,926			9,445,970
2027-2031	6,816,460	1,462,650			8,279,110
2032-2036	3,035,000	236,175			3,271,175
Totals	<u>\$ 22,486,515</u>	<u>\$ 8,201,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,687,664</u>

<b><u>Business-type Activities</u></b>					
Year ending September 30	Bond principal	Bond interest	Capital lease principal	Capital lease interest	Total Required
2017	\$ 1,032,490	\$ 1,147,758	18,704	247	\$ 2,199,199
2018	1,338,890	1,107,266			2,446,156
2019	1,376,667	1,071,820			2,448,487
2020	1,426,680	1,029,480			2,456,160
2021	1,465,262	985,465			2,450,727
2022-2026	7,509,956	4,138,933			11,648,889
2027-2031	7,998,540	2,612,444			10,610,984
2032-2036	7,865,000	868,775			8,733,775
Totals	<u>\$ 30,013,485</u>	<u>\$ 12,961,941</u>	<u>\$ 18,704</u>	<u>\$ 247</u>	<u>\$ 42,994,377</u>

**6. Long-Term Obligations - continued**

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><b>Governmental Activities:</b></i>					
Compensated absences	\$ 184,228	\$ 191,450	\$ 184,228	\$ 191,450	\$ 191,450

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i><b>Business-type Activities:</b></i>					
Obligation due to Celina ISD	\$ 404,554	\$	\$ 109,110	\$ 295,444	\$ 106,270

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 approximately \$120,000 of gross billings for annual water use will be credited to this obligation over each of the next four years.

**Special Assessment Revenue Bonds**

In 2014, the City issued Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project) in the amount of \$8,750,000 and Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phases #2-3 Major Improvement Project) in the amount of \$6,575,000. In 2016, the City issued Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project) in the amount of \$3,550,000, Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Major Improvement Area Project) in the amount of \$3,235,000, and Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Neighborhood Improvement Area #1 Project) in the amount of \$6,425,000. Total bond principal outstanding for these issues is \$28,535,000 at year-end.

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 not yet begun.

## 7. Defined Benefit Pension Plans

### Plan Description

The City of Celina, Texas participates as one of 866 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.tmr.com](http://www.tmr.com).

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

### Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	34
Active employees	<u>77</u>
	<u>113</u>

## 7. Defined Benefit Pension Plans - continued

### 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 5.24% and 5.32% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$237,763, and were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 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.

**7. Defined Benefit Pension Plans – continued**

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
Total	<u>100.00%</u>	

**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.

**7. Defined Benefit Pension Plans – continued**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2014	\$ 3,295,227	\$ 3,789,670	\$ (494,443)
Changes for the year:			
Service cost	477,763		477,763
Interest	246,793		246,793
Change of benefit terms	-		-
Difference between expected and actual experience	(33,873)		(33,873)
Changes of assumptions	164,970		164,970
Contributions - employer		188,960	(188,960)
Contributions – employee		258,850	(258,850)
Net investment income		5,594	(5,594)
Benefit payments, including refunds of employee contributions	(16,986)	(16,986)	-
Administrative expense		(3,406)	3,406
Other changes		(168)	168
Net changes	\$ 838,667	\$ 432,844	\$ 405,823
Balance at 12/31/2015	<u>\$ 4,133,894</u>	<u>\$ 4,222,514</u>	<u>\$ (88,620)</u>

**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	\$ 665,420	\$ (88,620)	\$ (690,918)

***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](http://www.tmr.com).

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

For the year ended September 30, 2016, the City recognized pension expense of \$285,795.

**7. Defined Benefit Pension Plans – continued**

At September 30, 2016, 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	\$ 7,885	\$ 28,787
Changes in actuarial assumptions	140,200	
Difference between projected and actual investment earnings	233,266	
Contributions subsequent to the measurement date	176,663	
<b>Total</b>	<b>\$ 558,014</b>	<b>\$ 28,787</b>

\$176,663 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:	
2016	\$ 81,792
2017	81,792
2018	81,791
2019	73,283
2020	20,913
Thereafter	12,993
<b>Total</b>	<b>\$352,564</b>

**8. 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.

**9. 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, 2016 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.

**10. 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	\$ 49,994	\$ -0-
Component units		49,994
	<u>\$ 49,994</u>	<u>\$ 49,994</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	\$ 2,254,747	\$ 30,000
Debt Service Fund	30,000	
Street Construction Fund	292,000	
Facilities Improvement Fund	310,000	509,978
Proprietary Fund	509,978	2,856,747
	<u>\$ 3,396,725</u>	<u>\$ 3,396,725</u>

The transfer out from the Proprietary Fund provided the General Fund with supplementary revenue for the year. 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.

**11. 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>
2017	16,944
2018	16,944
2019	14,345
2020	5,589
2021	-
Total required	<u>\$ 53,822</u>

Lease expense for the year ending September 30, 2016 was \$33,439.

**12. 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>
2017	\$ 819,020
2018	1,182,363
2019	1,186,333
2020	1,184,229
2021	1,185,062
Thereafter	<u>13,456,653</u>
Total required	<u>\$19,013,660</u>

**13. 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.

**14. Post-Employment Benefits**

The City participates in the cost sharing multiple employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

**14. Post-Employment Benefits – continued**

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12 month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

***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 contributions to the TMRS SDBF for the years ended 2016, 2015 and 2014 were \$5,833, \$4,405, and \$3,570, respectively, which equaled the required contributions each year.

**15. Subsequent Events**

Subsequent to year-end, the City Council passed a resolution to issue new bonded debt in an amount not to exceed 16 million dollars. Management estimates that the actual debt issued will not exceed 10 million dollars. As of the date of this report, no additional bonds have been issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>		
Service cost	\$ 477,763	\$ 349,532
Interest (on the Total Pension Liability)	246,793	204,236
Changes of benefit terms	-	-
Difference between expected and actual experience	(33,873)	11,213
Change of assumptions	164,970	-
Benefit payments, including refunds of employee contributions	(16,986)	(25,289)
<b>Net Change in Total Pension Liability</b>	<u>838,667</u>	<u>539,692</u>
<b>Total Pension Liability - Beginning</b>	<u>3,295,227</u>	<u>2,755,535</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 4,133,894</u>	<u>\$ 3,295,227</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 188,960	\$ 96,209
Contributions - employee	258,850	201,034
Net investment income	5,594	190,520
Benefit payments, including refunds of employee contributions	(16,986)	(25,289)
Administrative expense	(3,406)	(1,988)
Other	(168)	(163)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>432,844</u>	<u>460,323</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,789,670</u>	<u>3,329,347</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 4,222,514</u>	<u>\$ 3,789,670</u>
 <b>Net Pension Liability (Asset) - Ending</b>	<u>\$ (88,620)</u>	<u>\$ (494,443)</u>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	102.14%	115.00%
 <b>Covered Employee Payroll</b>	\$ 3,697,854	\$ 2,871,910
 <b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	-2.40%	-17.22%

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

	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 237,763	\$ 162,349
Contributions in relation to the actuarially determined contribution	237,763	162,349
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 4,486,771	\$ 3,388,197
Contributions as a percentage of covered employee payroll	5.30%	4.79%

**Schedule Notes:**

*Valuation Dates:*

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective 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 of 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.

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

**CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b><u>Budgeted Amounts</u></b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	
<b>REVENUES</b>				
Property Tax	1,402,446	1,433,823	1,433,823	-
Component Unit Contributions	200,000	200,000	200,000	-
Other Income	-	150,000	150,000	-
Interest	5,000	6,775	6,775	-
<b>Total Revenues</b>	<b>1,607,446</b>	<b>1,790,598</b>	<b>1,790,598</b>	<b>-</b>
<b>EXPENDITURES</b>				
Principal Retirement	2,960,206	841,124	841,124	-
Interest and Fiscal Charges		724,025	724,025	-
<b>Total Expenditures</b>	<b>2,960,206</b>	<b>1,565,149</b>	<b>1,565,149</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,352,760)</u>	<u>225,449</u>	<u>225,449</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,594,757	30,000	30,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,594,757</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
Net change in fund balance	241,997	225,449	225,449	-
Fund balance, beginning of year	646,075	646,075	646,075	-
Fund balance, end of year	<u>888,072</u>	<u>901,524</u>	<u>901,524</u>	<u>-</u>

\*Original budget included transfers in from the water/sewer fund. This transfer was not necessary as the debt service for water/sewer was paid from the water/sewer fund.

**NONMAJOR  
GOVERNMENTAL FUNDS**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUNDS**

**FIRE IMPROVEMENT FUND** – to account for land acquisition, construction, renovation, and equipping of fire facilities. Proceeds from bonds and other non-recurring revenues are allocated to this fund.

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

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

**CITY OF CELINA, TEXAS**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**September 30, 2016**

	<u>Fire Improvement</u>	<u>Roadway Fees</u>	<u>Public Safety Capital</u>	<u>Total</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	393,286	24,757	609,974	1,028,017
Other receivables			62,325	62,325
<b>Total Assets</b>	<b><u>\$ 393,286</u></b>	<b><u>\$ 24,757</u></b>	<b><u>\$ 672,299</u></b>	<b><u>\$ 1,090,342</u></b>
<b><u>Liabilities</u></b>				
Accounts payable			8,029	8,029
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>8,029</u>	<u>8,029</u>
<b><u>Fund Balances</u></b>				
Restricted for:				
Capital Projects	393,286	24,757	664,270	1,082,313
Unassigned				-
<b>Total Fund Balances</b>	<b><u>393,286</u></b>	<b><u>24,757</u></b>	<b><u>664,270</u></b>	<b><u>1,082,313</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 393,286</u></b>	<b><u>\$ 24,757</u></b>	<b><u>\$ 672,299</u></b>	<b><u>\$ 1,090,342</u></b>

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, 2016**

	<u>Fire Improvement</u>	<u>Roadway Fees</u>	<u>Public Safety Capital</u>	<u>Total</u>
<b>Revenues:</b>				
Fire department, EMS, and police revenues	\$ -	\$ -	\$ 670,880	\$ 670,880
Other income		24,757		24,757
Interest	329		1,419	1,748
<b>Total Revenues</b>	<u>329</u>	<u>24,757</u>	<u>672,299</u>	<u>697,385</u>
<b>Expenditures:</b>				
Current:				
Fire and emergency services	147		8,029	8,176
Capital Outlay	1,282,896			1,282,896
<b>Total Expenditures</b>	<u>1,283,043</u>	<u>-</u>	<u>8,029</u>	<u>1,291,072</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(1,282,714)</u>	<u>24,757</u>	<u>664,270</u>	<u>(593,687)</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from issuance of bonds	1,676,000			1,676,000
<b>Net Other Financing Sources (Uses)</b>	<u>1,676,000</u>	<u>-</u>	<u>-</u>	<u>1,676,000</u>
<b>Net change in fund balances</b>	<u>393,286</u>	<u>24,757</u>	<u>664,270</u>	<u>1,082,313</u>
<b>Fund balance, October 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, September 30</b>	<u>\$ 393,286</u>	<u>\$ 24,757</u>	<u>\$ 664,270</u>	<u>\$ 1,082,313</u>

See auditor's report on supplementary information.

CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 FIRE IMPROVEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest		329	329	-
<b>Total Revenues</b>	-	329	329	-
<b>EXPENDITURES</b>				
Fire and emergency services			147	(147)
Capital Outlay		1,278,632	1,282,896	(4,264)
<b>Total Expenditures</b>	-	1,278,632	1,283,043	(4,411)
Excess (deficiency) of revenues over (under) expenditures	-	(1,278,303)	(1,282,714)	(4,411)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of bonds		1,676,000	1,676,000	-
<b>Total other financing sources (uses)</b>	-	1,676,000	1,676,000	-
Net change in fund balance	-	397,697	393,286	(4,411)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	-	397,697	393,286	(4,411)

\*The Fire Improvement Fund is a new fund that was created mid year. Previously it was included in the City's financial statements under Capital Projects Fund.

CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 ROADWAY IMPACT FEES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				-
Other income		24,757	24,757	-
<b>Total Revenues</b>	-	24,757	24,757	-
<b>EXPENDITURES</b>				
Miscellaneous Expenses	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	24,757	24,757	-
Net change in fund balance	-	24,757	24,757	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	-	24,757	24,757	-

\*The Roadway Impact Fees Fund is a new fund that was created mid year. Previously it was included in the City's financial statements under General Fund.

CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 PUBLIC SAFETY CAPITAL REPLACEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				-
Fire department, EMS, and police revenues		670,880	670,880	-
Interest		1,419	1,419	-
<b>Total Revenues</b>	-	672,299	672,299	-
<b>EXPENDITURES</b>				
Fire and emergency services		8,029	8,029	-
<b>Total Expenditures</b>	-	8,029	8,029	-
Excess (deficiency) of revenues over (under) expenditures	-	664,270	664,270	-
Net change in fund balance	-	664,270	664,270	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	-	664,270	664,270	-

\*The Public Safety Capital Replacement Fund is a new fund that was created mid year. Previously it was included in the City's financial statements under General Fund.

**DISCRETELY PRESENTED  
COMPONENT UNITS**

## 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  
BALANCE SHEET  
CELINA ECONOMIC DEVELOPMENT CORPORATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Celina Economic Development Corporation</b>
<b><i>Assets</i></b>	
Cash and cash equivalents	369,042
Restricted cash and cash equivalents	
Sales Tax Receivable	73,481
Prepaid Items	
	<hr/>
<b>Total Assets</b>	<b><u>442,523</u></b>
 <b><i>Liabilities</i></b>	
Due to primary government	49,994
	<hr/>
<b>Total Liabilities</b>	<b><u>49,994</u></b>
 <b>FUND BALANCE</b>	
Nonspendable:	
Restricted:	
Debt Service	
Unassigned	392,529
	<hr/>
<b>Total Fund Balance</b>	<b>392,529</b>
 <b><i>Total Liabilities and Fund Balance</i></b>	 <b><u>\$ 442,523</u></b>

**CITY OF CELINA, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-CELINA ECONOMIC DEVELOPMENT CORPORATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Celina Economic Development Corporation</b>
<b><i>Revenues</i></b>	
Sales taxes	365,202
Contributions	13,150
Investment Income	<u>1,897</u>
<b>Total Revenues</b>	<u><u>380,249</u></u>
<b><i>Expenditures</i></b>	
Economic Development	<u>279,842</u>
<b>Total Expenditures</b>	<u><u>279,842</u></u>
Excess (deficiency) of revenues over expenditures	<u>100,407</u>
<b>Fund Balance, Beginning of Year</b>	<u>292,122</u>
<b>Fund Balance, End of Year</b>	<u><u>392,529</u></u>

**CITY OF CELINA, TEXAS  
BALANCE SHEET  
CELINA COMMUNITY DEVELOPMENT CORPORATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Celina Community Development Corporation</b>
<b>Assets</b>	
Cash and cash equivalents	292,325
Restricted cash and cash equivalents	
Sales Tax Receivable	73,481
Prepaid Items	
<b>Total Assets</b>	<u><u>365,806</u></u>
<b>Liabilities</b>	
Due to primary government	-
<b>Total Liabilities</b>	<u><u>-</u></u>
<b>FUND BALANCE</b>	
Nonspendable:	
Restricted:	
Debt Service	
Unassigned	365,806
<b>Total Fund Balance</b>	<u>365,806</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 365,806</u></u>

**CITY OF CELINA, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE-CELINA COMMUNITY DEVELOPMENT CORPORATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Celina Community Development Corporation</b>
<b><i>Revenues</i></b>	<u>                    </u>
Sales taxes	365,202
Contributions	-
Investment Income	2,627
Contributions	<u>                    </u>
<b>Total Revenues</b>	<u><u>367,829</u></u>
<b><i>Expenditures</i></b>	
Community Development	<u>200,000</u>
<b>Total Expenditures</b>	<u><u>200,000</u></u>
Excess (deficiency) of revenues over expenditures	<u>167,829</u>
<b>Fund Balance, Beginning of Year</b>	<u>197,977</u>
<b>Fund Balance, End of Year</b>	<u><u>365,806</u></u>

CITY OF CELINA, TEXAS  
 COMBINING STATEMENT OF ACTIVITIES  
 DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Expenses</u>	<u>Total</u>
Celina Economic Development Corp	279,842	(279,842)
Celina Community Development Corp	200,000	(200,000)
	<u>\$ 479,842</u>	<u>\$ (479,842)</u>
<b>General Revenues</b>		
Sales Taxes		730,404
Contributions		13,151
Unrestricted investment earnings		<u>4,524</u>
Total general revenues and transfers		<u>748,078</u>
<b>Change in Net Position</b>		268,236
<b>Net Position, beginning of year</b>		<u>490,099</u>
<b>Net Position, end of year</b>		<u>\$ 758,335</u>

CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 CELINA ECONOMIC DEVELOPMENT CORPORATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales Tax	304,903	304,903	365,202	60,299
Contributions	10,000	10,000	13,150	3,150
Interest	1,500	1,500	1,897	397
<b>Total Revenues</b>	<b>316,403</b>	<b>316,403</b>	<b>380,249</b>	<b>63,846</b>
<b>EXPENDITURES</b>				
Personnel Costs	137,869	137,869	128,933	8,936
Legal & Professional	4,250	4,250	8,070	(3,820)
Materials & Supplies	725	725	2,218	(1,493)
Maintenance	2,500	2,500	694	1,806
Other Expenses	86,500	86,500	137,726	(51,226)
Utilities	6,075	6,075	2,201	3,874
<b>Total Expenditures</b>	<b>237,919</b>	<b>237,919</b>	<b>279,842</b>	<b>(41,923)</b>
Excess (deficiency) of revenues over (under) expenditures	78,484	78,484	100,407	21,923
Net change in fund balance	78,484	78,484	100,407	21,923
Fund balance, beginning of year	292,122	292,122	292,122	-
Fund balance, end of year	370,606	370,606	392,529	21,923

CITY OF CELINA, TEXAS  
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)  
 CELINA COMMUNITY DEVELOPMENT CORPORATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales Tax	304,903	304,903	365,202	60,299
Interest	860	860	2,627	1,767
<b>Total Revenues</b>	<b>305,763</b>	<b>305,763</b>	<b>367,829</b>	<b>62,066</b>
<b>EXPENDITURES</b>				
Contribution	210,763	210,763	200,000	10,763
<b>Total Expenditures</b>	<b>210,763</b>	<b>210,763</b>	<b>200,000</b>	<b>10,763</b>
Excess (deficiency) of revenues over (under) expenditures	95,000	95,000	167,829	72,829
Net change in fund balance	95,000	95,000	167,829	72,829
Fund balance, beginning of year	197,977	197,977	197,977	-
Fund balance, end of year	292,977	292,977	365,806	72,829

**STATISTICAL SECTION  
(UNAUDITED)**

## 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.

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

Table 2

**FISCAL YEAR**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 7,774,391	\$ 8,079,648	\$ 8,138,243	\$ 8,165,734	\$ 7,968,691	\$ 5,724,939	\$ 7,800,853	\$ 7,667,954	\$ 8,693,312	\$ 13,138,978
Restricted	506,823	715,530	489,022	624,480	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173
Unrestricted	642,311	807,941	929,815	1,056,451	1,372,081	742,974	2,086,188	3,900,225	6,325,979	7,893,951
<b>Total Governmental Activities Net Position</b>	<b>8,923,525</b>	<b>9,603,119</b>	<b>9,557,080</b>	<b>9,846,665</b>	<b>10,025,108</b>	<b>10,363,389</b>	<b>12,447,886</b>	<b>16,103,690</b>	<b>19,694,335</b>	<b>26,373,102</b>
<b>Business Type Activities</b>										
Net Investment in Capital Assets	\$ 3,865,722	\$ 4,665,800	\$ 5,868,123	\$ 6,289,011	\$ 6,830,370	\$ 6,717,653	\$ 7,485,220	\$ 9,589,572	\$11,575,656	12,078,113
Restricted										
Unrestricted	2,618,732	1,651,702	568,021	(234,357)	43,166	644,272	887,007	1,103,837	2,120,144	1,733,702
<b>Total Business Type Activities Net Position</b>	<b>6,484,454</b>	<b>6,317,502</b>	<b>6,436,144</b>	<b>6,054,654</b>	<b>6,873,536</b>	<b>7,361,925</b>	<b>8,372,227</b>	<b>10,693,409</b>	<b>13,695,800</b>	<b>13,811,815</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 11,640,113	\$ 12,745,448	\$ 14,006,366	\$ 14,454,745	\$ 14,799,061	\$ 12,442,592	\$ 15,286,073	\$ 17,257,526	\$ 20,268,968	\$ 25,217,091
Restricted	506,823	715,530	489,022	624,480	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173
Unrestricted	3,261,043	2,459,643	1,497,836	822,094	1,415,247	1,387,246	2,973,195	5,004,062	8,446,123	9,627,653
<b>Total Primary Government Net Position</b>	<b>15,407,979</b>	<b>15,920,621</b>	<b>15,993,224</b>	<b>15,901,319</b>	<b>16,898,644</b>	<b>17,725,314</b>	<b>20,820,113</b>	<b>26,797,099</b>	<b>33,390,135</b>	<b>40,184,917</b>

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

Table 3

EXPENSES	FISCAL YEAR				
	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
Administration	\$ 1,387,127	\$ 1,120,928	\$ 967,929	\$ 896,155	\$ 993,291
Judicial	63,303	69,664	73,299	70,102	70,205
Fire and Emergency Services	381,627	867,511	1,159,151	1,068,864	1,169,196
Development Services	-	291,431	381,151	329,794	363,133
Public Works	549,451	259,943	395,801	397,095	369,952
Police Department	634,477	635,148	817,360	892,283	938,031
Parks and Recreation	447,914	419,001	423,260	406,446	362,409
Library	-	-	-	129,637	126,482
Infrastructure	208,374	208,374	208,374	208,373	418,484
Bond Issuance Costs	-	-	-	-	-
Main Street Program	48,048	142,224	47,976	60,868	57,880
Interest and Fiscal Charges	380,649	363,193	353,236	336,386	326,153
<b>Total Governmental Activities Expenses</b>	<b>4,100,970</b>	<b>4,377,417</b>	<b>4,827,537</b>	<b>4,796,003</b>	<b>5,195,216</b>
<b>Business Type Activities</b>					
Water, Sewer and Sanitation Services	2,316,540	3,007,422	3,168,584	3,425,151	3,306,335
<b>Total Business Type Activities Expenses</b>	<b>2,316,540</b>	<b>3,007,422</b>	<b>3,168,584</b>	<b>3,425,151</b>	<b>3,306,335</b>
<b>Total Primary Government Expenses</b>	<b>6,417,510</b>	<b>7,384,839</b>	<b>7,996,121</b>	<b>8,221,154</b>	<b>8,501,551</b>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities</b>					
Charges for Services	590,095	1,074,537	496,882	566,637	733,947
Operating Grants/Contributions	200,000	239,605	388,525	283,849	295,140
Capital Grants/Contributions	-	-	-	144,460	391,623
<b>Total Governmental Activities Program Revenues</b>	<b>790,095</b>	<b>1,314,142</b>	<b>885,407</b>	<b>994,946</b>	<b>1,420,710</b>
<b>Business Type Activities</b>					
Charges for Services:					
Water, Sewer and Sanitation Services	2,186,727	2,976,759	3,186,377	3,360,517	4,190,142
Capital Grants/Contributions	4,205	-	350,000	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>2,190,932</b>	<b>2,976,759</b>	<b>3,536,377</b>	<b>3,360,517</b>	<b>4,190,142</b>
<b>Total Primary Government Program Revenues</b>	<b>2,981,027</b>	<b>4,290,901</b>	<b>4,421,784</b>	<b>4,355,463</b>	<b>5,610,852</b>
<b>NET (EXPENSE) REVENUES</b>					
Governmental Activities	(3,310,875)	(3,063,275)	(3,942,130)	(3,801,057)	(3,774,506)
Business Type Activities	(125,608)	(30,663)	367,793	(64,634)	883,807
<b>Total Primary Government Program Revenues</b>	<b>(3,436,483)</b>	<b>(3,093,938)</b>	<b>(3,574,337)</b>	<b>(3,865,691)</b>	<b>(2,890,699)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
<b>Governmental Activities</b>					
Taxes:					
Ad Valorem	2,113,800	2,717,779	3,015,151	3,015,298	2,967,206
Sales	277,445	284,026	249,661	271,670	290,835
Franchise	193,642	213,333	222,257	253,500	355,576
Other	182,670	227,731	109,022	225,174	264,332
Transfers	104,838	300,000	300,000	325,000	75,000
<b>Total Governmental Activities</b>	<b>2,872,395</b>	<b>3,742,869</b>	<b>3,896,091</b>	<b>4,090,642</b>	<b>3,952,949</b>
<b>Business Type Activities</b>					
Other	149,189	163,711	50,849	8,144	10,075
Transfers	(104,838)	(300,000)	(300,000)	(325,000)	(75,000)
<b>Total Business Type Activities</b>	<b>44,351</b>	<b>(136,289)</b>	<b>(249,151)</b>	<b>(316,856)</b>	<b>(64,925)</b>
<b>Total Primary Government Revenues</b>	<b>2,916,746</b>	<b>3,606,580</b>	<b>3,646,940</b>	<b>3,773,786</b>	<b>3,888,024</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	(438,480)	679,594	(46,039)	289,585	178,443
Business Type Activities	(81,257)	(166,952)	118,642	(381,490)	818,882
<b>Total Primary Government Program Net Expenses</b>	<b>(519,737)</b>	<b>512,642</b>	<b>72,603</b>	<b>(91,905)</b>	<b>997,325</b>

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

Table 3

EXPENSES	FISCAL YEAR				
	2012	2013	2014	2015	2016
<b>Governmental Activities</b>					
Administration	\$ 799,116	\$ 950,109	\$ 1,203,576	\$ 1,170,613	\$ 1,592,794
Judicial	70,066	79,863	88,531	84,853	102,803
Fire and Emergency Services	1,176,359	1,541,465	1,213,416	1,453,477	1,957,077
Development Services	472,329	417,119	708,220	529,067	683,599
Public Works	366,560	515,098	725,922	824,527	1,080,661
Police Department	749,274	803,634	806,191	1,114,266	1,532,829
Parks and Recreation	503,298	556,654	448,202	886,212	1,084,077
Library	126,116	134,625	134,815	140,104	152,664
Infrastructure	207,097	203,273	202,699	198,868	211,300
Main Street Program	99,726	135,388	26,869	70,510	65,279
Bond Issuance Costs		399,992	72,326		
Interest and Fiscal Charges	358,718	457,748	585,469	635,090	710,249
<b>Total Governmental Activities Expenses</b>	<b>4,928,659</b>	<b>6,194,968</b>	<b>6,216,236</b>	<b>7,107,587</b>	<b>9,173,332</b>
<b>Business Type Activities</b>					
Water, Sewer and Sanitation Services	3,572,057	3,464,334	3,496,782	4,284,809	8,508,496
<b>Total Business Type Activities Expenses</b>	<b>3,572,057</b>	<b>3,464,334</b>	<b>3,496,782</b>	<b>4,284,809</b>	<b>8,508,496</b>
<b>Total Primary Government Expenses</b>	<b>8,500,716</b>	<b>9,659,302</b>	<b>9,713,018</b>	<b>11,392,396</b>	<b>17,681,828</b>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities</b>					
Charges for Services	1,042,829	1,113,468	2,082,964	3,755,293	4,265,112
Operating Grants/Contributions	231,301		61,432	214,115	368,784
Capital Grants/Contributions		2,344,763	2,403,093	625,237	2,578,809
<b>Total Governmental Activities Program Revenues</b>	<b>1,274,130</b>	<b>3,458,231</b>	<b>4,547,489</b>	<b>4,594,645</b>	<b>7,212,705</b>
<b>Business Type Activities</b>					
Charges for Services:					
Water, Sewer and Sanitation Services	4,377,926	4,781,510	6,154,311	7,518,331	10,057,113
Capital Grants/Contributions	70,000			45,289	800,100
<b>Total Business Type Activities Program Revenues</b>	<b>4,447,926</b>	<b>4,781,510</b>	<b>6,154,311</b>	<b>7,563,620</b>	<b>10,857,213</b>
<b>Total Primary Government Program Revenues</b>	<b>5,722,056</b>	<b>8,239,741</b>	<b>10,701,800</b>	<b>12,158,265</b>	<b>18,069,918</b>
<b>NET (EXPENSE) REVENUES</b>					
Governmental Activities	(3,654,529)	(2,736,737)	(1,668,747)	(2,512,942)	(1,960,627)
Business Type Activities	875,869	1,317,176	2,657,529	3,278,811	2,348,717
<b>Total Primary Government Program Revenues</b>					
<b>Net Expenses</b>	<b>(2,778,660)</b>	<b>(1,419,561)</b>	<b>988,782</b>	<b>765,869</b>	<b>388,090</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
<b>Governmental Activities</b>					
Taxes:					
Ad Valorem	3,021,800	3,129,835	3,333,015	3,739,841	4,458,401
Sales	338,053	384,289	505,221	603,949	733,881
Franchise	299,999	325,167	320,805	364,763	429,102
Other	479,886	636,943	817,733	438,820	671,241
Transfers	95,000	345,000	348,050	395,000	2,346,769
<b>Total Governmental Activities</b>	<b>4,234,738</b>	<b>4,821,234</b>	<b>5,324,824</b>	<b>5,542,373</b>	<b>8,639,394</b>
<b>Business Type Activities</b>					
Other	28,306	38,126	11,703	39,470	114,067
Transfers	(95,000)	(345,000)	(348,050)	(395,000)	(2,346,769)
<b>Total Business Type Activities</b>	<b>(66,694)</b>	<b>(306,874)</b>	<b>(336,347)</b>	<b>(355,530)</b>	<b>(2,232,702)</b>
<b>Total Primary Government Revenues</b>	<b>4,168,044</b>	<b>4,514,360</b>	<b>4,988,477</b>	<b>5,186,843</b>	<b>6,406,692</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	580,209	2,084,497	3,656,077	3,029,431	6,678,767
Business Type Activities	809,175	1,010,302	2,321,182	2,923,281	116,015
<b>Total Primary Government Program Net Expenses</b>	<b>1,389,384</b>	<b>3,094,799</b>	<b>5,977,259</b>	<b>5,952,712</b>	<b>6,794,782</b>

**CITY OF CELINA, TEXAS**  
**GOVERNMENT ACTIVITIES - TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
 (Accrual basis of accounting)  
 (Unaudited)

Table 4

<b>FISCAL YEAR</b>	<b>PROPERTY TAX</b>	<b>SALES TAX</b>	<b>FRANCHISE TAX</b>	<b>TOTAL</b>
2007	\$ 2,024,167	\$ 277,445	\$ 193,642	\$ 2,495,254
2008	2,772,674	284,026	213,333	\$ 3,270,033
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

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

Table 5

	<b>FISCAL YEAR</b>									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable:										
Prepays		105,827					20,784	19,941	2,230	
Unassigned	23,094	543,297	775,120	864,793	1,052,641	1,694,945	2,187,130	3,037,176	4,585,888	7,130,005
<b>Total General Fund</b>	<b>23,094</b>	<b>649,124</b>	<b>775,120</b>	<b>864,793</b>	<b>1,052,641</b>	<b>1,694,945</b>	<b>2,187,130</b>	<b>3,057,960</b>	<b>4,605,829</b>	<b>7,132,235</b>
All Other Government Funds										
Restricted for:										
Debt Service	450,108	671,693	458,260	593,598	473,465	453,145	515,274	541,370	646,075	901,524
Capital Projects					214,348	2,309,071	6,144,848	10,880,463	7,021,861	7,083,988
<b>Total All Other Governmental Funds</b>	<b>450,108</b>	<b>671,693</b>	<b>458,260</b>	<b>593,598</b>	<b>687,813</b>	<b>2,762,216</b>	<b>6,660,122</b>	<b>11,421,833</b>	<b>7,667,936</b>	<b>7,985,512</b>

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

Table 6

	<b>FISCAL YEAR</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>REVENUES</b>					
Property Taxes	2,024,167	2,772,674	3,042,225	3,015,507	2,975,142
Franchise Taxes	193,642	213,333	222,257	253,500	355,576
Sales Taxes	277,445	284,026	249,661	271,670	290,835
Permits/Inspection Fees	329,013	169,678	94,524	172,173	257,605
Component Unit Contributions	-			165,000	165,000
Development Fees	27,853	118,616	12,533	45,894	16,286
Fire Department/EMS Fees	-	157,133	224,373	180,203	262,435
Fines	249,884	133,407	109,891	93,867	95,016
Special Events and Donations	256,082	237,342	150,211	134,565	155,935
Park Fees	14,330	17,983	18,135	24,786	18,907
Other Income	72,611	557,072	75,563	185,459	319,381
Interest Income	55,712	48,317	33,459	19,175	16,574
Grants	-	14,418	238,314	149,284	294,205
<b>Total Revenues</b>	<b>3,500,739</b>	<b>4,723,999</b>	<b>4,471,146</b>	<b>4,711,083</b>	<b>5,222,897</b>
<b>EXPENDITURES</b>					
Administration	1,378,017	1,101,213	956,157	880,101	979,059
Judicial	63,303	69,664	73,299	70,102	70,205
Fire and EMS	333,443	778,751	1,060,228	1,049,716	1,140,328
Development Services		291,431	381,151	329,794	363,133
Public Works	519,826	245,448	392,020	392,527	568,890
Police Department	605,315	594,680	780,835	865,304	913,898
Parks and Rec	259,803	224,295	235,149	222,959	176,313
Library				129,637	126,482
Main Street	48,048	142,224	47,976	60,868	57,880
Capital Outlay	151,301	274,290	213,594	474,465	1,464,171
Debt Service:					
Principal Retirement	205,497	426,980	372,216	251,798	257,590
Interest and Fiscal Charges	380,649	359,310	348,759	331,881	312,974
Bond Issuance Costs		100,885			33,292
<b>Total Expenditures</b>	<b>3,945,202</b>	<b>4,609,171</b>	<b>4,861,384</b>	<b>5,059,152</b>	<b>6,464,215</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Assets		18,798	2,801	73,283	48,381
Capital Leases	76,950	316,986		174,797	
Note/Bond Proceeds		97,003			1,400,000
Transfers In (Out)	104,838	300,000	300,000	325,000	75,000
<b>Total Other Financing Sources (Uses)</b>	<b>181,788</b>	<b>732,787</b>	<b>302,801</b>	<b>573,080</b>	<b>1,523,381</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(262,675)</b>	<b>847,615</b>	<b>(87,437)</b>	<b>225,011</b>	<b>282,063</b>
Debt Service as a percentage of Non-Capital Expenditures	15.45%	20.47%	15.51%	12.73%	12.08%

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.)

	<b>FISCAL YEAR</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>					
Property Taxes	3,019,885	3,154,251	3,314,591	3,754,816	4,453,862
Franchise Taxes	299,999	325,167	320,805	364,763	429,102
Sales Taxes	338,053	384,289	505,221	603,949	733,881
Permits/Inspection Fees	340,547	455,454	1,321,510	1,767,856	2,357,289
Component Unit Contributions	340,000	320,000	170,000	320,000	200,000
Development Fees	56,411	124,743	239,739	924,249	509,870
Fire Department/EMS Fees	244,505	174,678	196,753	241,005	910,360
Fines	186,302	197,248	155,962	254,370	283,758
Special Events and Donations	175,346	142,682	305,430	221,696	373,421
Park Fees/Developer Contributions	85,111	161,345	169,000	602,626	2,215,582
Other Income	120,005	85,140	296,867	92,349	397,657
Interest Income	43,076	63,021	90,424	111,901	111,776
Grants	32,760	2,344,763	2,404,258	519,701	518,784
<b>Total Revenues</b>	<b>5,282,000</b>	<b>7,932,781</b>	<b>9,490,560</b>	<b>9,779,281</b>	<b>13,495,342</b>
<b>EXPENDITURES</b>					
Administration	774,209	870,419	1,106,865	1,133,574	1,458,673
Judicial	70,066	79,863	88,531	84,853	99,803
Fire and EMS	1,062,174	1,057,979	1,083,464	1,316,275	1,731,896
Development Services	472,329	417,119	702,862	524,712	675,267
Public Works	373,302	508,439	505,659	806,788	1,023,572
Police Department	729,737	741,361	770,254	1,046,160	1,414,488
Parks and Rec	288,239	349,742	443,625	667,908	819,539
Library	126,116	134,625	135,315	140,857	153,752
Main Street	99,726	135,388	26,869	70,510	65,279
Capital Outlay	1,938,419	3,977,688	1,421,925	5,253,351	8,542,536
Debt Service:					
Principal Retirement	363,145	500,525	510,445	678,366	841,124
Interest and Fiscal Charges	379,859	490,987	610,693	669,480	724,025
Bond Issuance Costs	159,933	399,992	72,326	-	
<b>Total Expenditures</b>	<b>6,837,254</b>	<b>9,664,127</b>	<b>7,478,833</b>	<b>12,392,834</b>	<b>17,549,954</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Assets	30,403	26,100	15,279	12,525	41,825
Capital Leases		30,752			
Note/Bond Proceeds	4,146,558	5,719,585	3,257,485	-	4,510,000
Transfers In (Out)	95,000	345,000	348,050	395,000	2,346,769
<b>Total Other Financing Sources (Uses)</b>	<b>4,271,961</b>	<b>6,121,437</b>	<b>3,620,814</b>	<b>407,525</b>	<b>6,898,594</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,716,707</b>	<b>4,390,091</b>	<b>5,632,541</b>	<b>(2,206,028)</b>	<b>2,843,982</b>
Debt Service as a percentage of Non-Capital Expenditures	18.43%	24.47%	19.70%	18.88%	17.38%

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Lots, Land and Other Personal Property</b>	<b>Less: Tax- Exempt Property</b>	<b>Total Taxable Assessed Value <sup>a</sup></b>
2007	\$ 199,332,855	\$ 38,883,922	\$ 168,319,517	\$ 121,688,996	\$284,847,298
2008	\$ 306,966,493	\$ 54,654,199	\$ 201,218,964	\$ 144,014,968	\$418,824,688
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

*Source: Collin County Central 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.

<sup>a</sup> Includes adjustments to certified rolls  
 Fiscal Year reports Certified Tax Report from prior calendar year

**CITY OF CELINA, TEXAS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 PER \$100 OF ASSESSED VALUE  
 LAST TEN FISCAL YEARS (UNAUDITED)**

**Table 8**

Fiscal Year	City Direct Rates			Overlapping Rates			
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Celina ISD	Prosper ISD	Collin County	Collin County Community College
2007*							
2008	\$ 0.5071	\$ 0.1479	\$ 0.6550	\$ 1.5190	\$ 1.6700	\$ 0.2450	\$ 0.0870
2009	0.5415	0.1035	\$ 0.6450	1.5400	1.6700	0.2425	0.0865
2010	0.5274	0.1176	\$ 0.6450	1.5400	1.6400	0.2425	0.0863
2011	0.5849	0.0601	\$ 0.6450	1.6400	1.6300	0.2400	0.0863
2012	0.5652	0.0798	\$ 0.6450	1.6400	1.6700	0.2400	0.0863
2013	0.4755	0.1695	\$ 0.6450	1.6400	1.6700	0.2400	0.0863
2014	0.4652	0.1834	\$ 0.6450	1.6400	1.6700	0.2375	0.0836
2015	0.4327	0.2123	\$ 0.6450	1.6400	1.6700	0.2350	0.0820
2016	0.4335	0.2115	\$ 0.6450	1.6400	1.6700	0.2250	0.0820

*\*information not available*

Source: Collin County Appraisal District

CITY OF CELINA, TEXAS  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Table 9

		2016			2007		
Taxpayer	Assessed Value	Rank	Percentage of Taxable		Taxable Assessed Value	Rank	Assessed Value
			Assessed Value	Assessed Value			
Celina Town Center LTD	\$ 5,985,214	1	0.91%		\$ 4,167,178	1	1.46%
Celina 682 Partners LP	\$ 5,835,900	2	0.88%		\$ 4,033,232	2	1.42%
Chemtrade Sulfate Chemicals	\$ 5,223,562	3	0.79%		\$ 2,768,352	3	0.97%
First Texas Homes Inc	\$ 4,214,411	4	0.64%		\$ 2,613,600	4	0.92%
Bhakhthari LLC	\$ 4,200,000	5	0.64%		\$ 2,203,619	5	0.77%
TXI Operations	\$ 4,021,900	6	0.61%		\$ 2,162,728	6	0.76%
Brookshire Grocery Co	\$ 3,913,153	7	0.59%		\$ 1,944,344	7	0.68%
DR Horton-Texas LTD	\$ 3,867,277	8	0.59%		\$ 1,937,610	8	0.68%
Bobcat Crossings	\$ 3,839,768	9	0.58%		\$ 1,703,309	9	0.60%
CTMGT Frontier 80 LLC	\$ 3,805,355	10	0.58%		\$ 1,498,762	10	0.53%
<b>TOTAL</b>	<b>\$ 44,906,540</b>		<b>6.80%</b>		<b>\$ 25,032,734</b>		<b>8.79%</b>

Total Assessed Valuation	\$ 660,868,270	\$ 284,847,298
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Source: Collin County Appraisal District  
 Notes: Tax Payers are assessed on January 1, 2015 for the 2016 fiscal year and January 1, 2006 for the 2007 fiscal year.

**CITY OF CELINA, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**(UNAUDITED)**

Table 10

Fiscal Year	Total Tax Levy for Fiscal Year	<u>Collected within the Fiscal Year of the Levy</u>		Collections in Subsequent Years	<u>Total Collections to Date</u>	
		Amount	% of Levy		Amount	% of Levy
2007	\$ 1,966,616	\$ 1,950,782	99.19%	\$ 83,016	\$ 2,033,797	103.42%
2008	\$ 2,744,300	\$ 2,741,184	99.89%	\$ 40,383	\$ 2,781,566	101.36%
2009	\$ 2,966,311	\$ 2,954,699	99.61%	\$ 104,285	\$ 3,058,984	103.12%
2010	\$ 2,921,020	\$ 2,972,226	101.75%	\$ 54,764	\$ 3,026,990	103.63%
2011	\$ 2,909,571	\$ 2,924,749	100.52%	\$ 64,205	\$ 2,988,954	102.73%
2012	\$ 2,947,783	\$ 2,957,229	100.32%	\$ 72,899	\$ 3,030,128	102.79%
2013	\$ 3,102,330	\$ 3,106,333	100.13%	\$ 59,493	\$ 3,165,825	102.05%
2014	\$ 3,263,030	\$ 3,267,776	100.15%	\$ 49,606	\$ 3,317,382	101.67%
2015	\$ 3,549,295	\$ 3,629,138	102.25%	\$ 135,675	\$ 3,764,813	106.07%
2016	\$ 4,164,231	\$ 4,261,734	102.34%	\$ 196,388	\$ 4,458,122	107.06%

Source: Collin County Tax Assessor Collector

CITY OF CELINA, TEXAS  
 RATIO OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Table 11

Fiscal Year	Governmental Activities					Business - Type Activities					% of Personal Income	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Revenue Bonds	Total Primary Government		
2007		\$7,714,303		\$ 169,130		\$8,360,701				\$ 16,244,134	6.30%	\$3,228
2008	841,909	6,644,793		332,369	2,193,091	10,100,212			250,000	\$ 20,362,374	7.72%	\$4,007
2009	819,717	6,427,684		199,454	2,135,288	9,617,317			185,000	\$ 19,384,460	7.98%	\$3,776
2010	796,138	6,199,465		262,421	2,073,867	6,925,536				\$ 16,257,427	6.17%	\$3,016
2011	746,206	7,391,807		156,069	1,943,799	6,403,194				\$ 16,641,075	5.21%	\$2,761
2012	783,243	11,013,120		44,859	5,771,762	2,536,881				\$ 20,149,865	5.88%	\$3,245
2013	5,027,505	11,866,865		27,080	5,452,494	2,313,136				\$ 24,687,080	6.95%	\$3,823
2014	4,952,607	14,531,170		12,228	5,127,393	4,393,829				\$ 29,017,227	7.55%	\$4,321
2015	4,606,322	14,211,317			4,558,678	5,798,682	45,957			\$ 29,220,956	7.03%	\$4,184
2016	4,249,490	18,237,025			3,965,510	26,047,975	18,704			\$ 52,518,704	N/A	\$6,836

\*See Table 16 for personal income and population data  
 Source: City of Celina Audit Reports  
 N/A - Information not available for the most current year

**CITY OF CELINA, TEXAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Table 12**

<b>Fiscal Year</b>	<b>Assessed Property Value (1)</b>	<b>Gross Bonded Debt (2)</b>	<b>% Bonded Debt to Assessed Property Value</b>	<b>Bonded Debt Per Capita</b>
2007	\$ 284,847,298	\$ 16,075,004	5.64%	\$ 3,143
2008	418,824,688	20,030,005	4.78%	3,453
2009	463,326,983	19,185,006	4.14%	3,198
2010	464,198,797	15,995,006	3.45%	2,653
2011	454,064,487	16,485,006	3.63%	2,711
2012	461,631,888	20,105,006	4.36%	3,212
2013	482,230,390	24,660,000	5.11%	3,817
2014	508,695,836	29,004,999	5.70%	4,355
2015	554,892,312	29,220,956	5.27%	3,992
2016	660,868,270	52,500,000	7.94%	6,069

Source: (1) Collin County Appraisal District  
(2) Schedule of Bonds Payable and Total bonds for fiscal year

Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See Table 16 for population data.

**CITY OF CELINA, TEXAS  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**Table 13**

	<b>FISCAL YEAR</b>									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Rate Limit	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Current Tax Rate		0.6550	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450
Available Tax Rate	N/A	\$ 1.85	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.86

Note: The City Charter of the City of Celina, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law.

**CITY OF CELINA, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2016 (UNAUDITED)**

**TABLE 14**

<u>Governmental Unit</u>	<u>Gross Bonded Debt</u>	<u>% of Debt Applicable to Area</u> <sup>a</sup>	<u>Celina Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Collin County	395,590,000	0.58%	2,294,422
Collin County Community College	19,366,467	0.57%	110,389
Celina ISD	89,147,775	66.79%	59,541,799
Subtotal, overlapping debt	\$ 504,104,242		\$ 61,946,610
City of Celina (direct debt)	52,500,000	100%	52,500,000
Total Direct and Overlapping Debt			<u>\$ 114,446,610</u>

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values (before freeze loss). Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF CELINA, TEXAS  
 PLEDGED REVENUE COVERAGE  
 AS OF SEPTEMBER 30, 2016 (UNAUDITED)  
 LAST TEN FISCAL YEARS**

**Table 15**

**Water and Sewer System Revenue Bonds**



<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>a</sup>	<u>Less: Operating</u>		<u>Net Available</u>	<u>Annual</u>	<u>Times</u>
		<u>Expenses</u> <sup>b</sup>	<u>Revenue</u>			
2007	\$ 2,335,916	\$ 1,473,361	\$ 862,555	\$ 754,159	1.14	
2008	3,140,470	2,042,101	1,098,369	766,811	1.43	
2009	3,237,226	2,118,534	1,118,692	1,107,262	1.01	
2010	3,368,661	2,325,473	1,043,188	652,408	1.60	
2011	4,199,387	2,366,785	1,832,602	659,938	2.78	
2012	4,406,232	2,633,213	1,773,019	543,005	3.27	
2013	4,819,636	2,720,198	2,099,438	559,408	3.75	
2014	6,164,464	2,690,720	3,473,744	808,862	4.29	
2015	7,557,801	3,326,739	4,231,062	1,158,447	3.65	
2016	10,171,180	7,059,651	3,111,529	1,697,450	1.83	

<sup>a</sup> Includes operating revenues and investment income

<sup>b</sup> Includes operating expenses minus depreciation

<sup>c</sup> Includes Principal and Interest (represents average annual requirement)

**CITY OF CELINA, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

Table 16

<b>Year</b>	<b>Estimated Population</b> <sup>a</sup>	<b>Personal Income</b> <sup>b</sup>	<b>Per Capita Income</b> <sup>e</sup>	<b>Average Age</b> <sup>f</sup>	<b>School Enrollment</b> <sup>c</sup>	<b>Unemployment Rate</b> <sup>d</sup>
2007	5,032	\$ 257,718,912	\$ 51,216	36	N/A	3.9%
2008	5,082	\$ 263,837,112	\$ 51,916	33	N/A	4.7%
2009	5,133	\$ 243,042,417	\$ 47,349	33	N/A	7.9%
2010	5,390	\$ 263,355,400	\$ 48,860	33	1,904	7.0%
2011	6,028	\$ 319,303,160	\$ 52,970	33	1,953	6.9%
2012	6,209	\$ 342,798,890	\$ 55,210	33	2,013	5.6%
2013	6,457	\$ 355,283,511	\$ 55,023	33	2,035	5.4%
2014	6,715	\$ 384,339,740	\$ 57,236	34	2,075	4.4%
2015	6,984	\$ 415,771,488	\$ 59,532	34	2,201	3.6%
2016	7,683	N/A	N/A	36	2,353	3.8%

<sup>a</sup> Source: Prior Years City of Celina Budgets

<sup>b</sup> Personal Income calculated by multiplying estimated population by per capita income.

<sup>c</sup> Source: Celina Independent School District

<sup>d</sup> Source: Texas Workforce Commission for month ending September of each year for Collin County

<sup>e</sup> Source: Texas Workforce Commission data for Collin County

<sup>f</sup> Source: North Central Council of Governments and U.S. Census Bureau (2006-2010 report); (2008-2012 report);

N/A Information not available for the most current year

Top Employers

Fiscal Year Ended September 30, 2016 (unaudited)

<u>Employer</u>		<u># Of Employees</u>
Celina ISD	School District	330
City of Celina	Municipality	84
Brookshire's	Grocery Store	70
Dickerson	Construction	31
ChemTrade	Chemical Plant	27
Independent Bank	Bank	20
Celina Ready Mix	Concrete	16
Texas Star Bank	Bank	10
		<b>588</b>

Note: Total employment within City not available.

Data from 2007 not available.

Sources: Respective entities

**CITY OF CELINA, TEXAS**  
**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**AS OF SEPTEMBER 30, 2016 (UNAUDITED)**  
**LAST EIGHT FISCAL YEARS\***

**TABLE 18**

Function/Program	Dept.	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Library	508	0	1	1	1	2	2	2	2.5
General Services	509	1	1	1	1	1	1	1	2
Development Services	510	2	2.75	2.75	4.5	5	6	6	9
Administration	511	3	3	3	2	4	4	5	6
Municipal Court	512	1	1	1	1	1	1	1	1
Fire & EMS	513	11.5	11.5	11.5	11	11	11	11	16
Streets	514	3	3.5	4	3.5	4	4	6	7
Police	515	7	9	9	6	8	8	12	16
Parks	516	3	3	3	3	4	4	5	5
Main Street	517	1	0.5	0	0	1	0	0	0
Marketing	519	0	0	0	0	0	0	1	2
Engineering	520	0	0	0	0	0	0	0	4
<b>Total General Fund</b>		<b>32.5</b>	<b>36.25</b>	<b>36.25</b>	<b>33</b>	<b>41</b>	<b>41</b>	<b>50</b>	<b>70.5</b>
Water	521	4	4	4	4	4	4	8	10
Wastewater	522	2	2	3	2	2	2	3	4
<b>Total Water and Wastewater Fund</b>		<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>11</b>	<b>14</b>
<b>Total FTE -All Funds</b>		<b>38.5</b>	<b>42.25</b>	<b>43.25</b>	<b>39</b>	<b>47</b>	<b>47</b>	<b>61</b>	<b>84.5</b>

\*The Main Street Director is budgeted under the Marketing Department. Two positions were budgeted in the Marketing Department.

\*During FY 2016, the Marketing Director position was eliminated.

\*Due to rapid growth, the City added additional positions to the Police and Fire/EMS departments.

\*In FY 2016, the Human Resources Manager position was moved from Administration to the General Services department.

Note: Data for FY 2007 and FY 2008 was not available.

CITY OF CELINA, TEXAS  
 OPERATING INDICATORS BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Table 19

FUNCTION/PROGRAM	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Number of Police Officers	NA	NA	7	9	9	6	8	8	12	16
Average Response Time (in minutes)	NA	NA	NA	8	7	6	7	6	6	6
Calls for Service	NA	NA	NA	11,339	11,013	13,729	12,839	10,882	18,322	18,414
<b>Fire</b>										
Number of calls answered	942	1164	1091	1085	1037	1114	870	892	932	946
Number of firefighters			9	9	9			9	9	14
Number of EMS Runs	34	48	353	570	555	613	477	480	457	521
<b>Development Services</b>										
Number of Inspections	NA	NA	NA	NA	NA	NA	NA	NA	5,000	9,350
Total Number of Permits Issued (all types)	NA	NA	NA	NA	NA	NA	NA	NA	1,126	1,688
<b>Municipal Court</b>										
Number of new cases filed	NA	NA	NA	NA	NA	NA	NA	1,271	1,803	2,520
Fines & Fees Collected	NA	NA	NA	NA	NA	NA	NA	\$ 259,496	\$ 311,869	\$ 471,843
<b>Streets</b>										
Miles of Streets	NA	NA	NA	NA	NA	NA	NA	124	138	154
Miles of Storm Sewer	NA	NA	NA	NA	NA	NA	NA	31	35	39
Acres of Drainage Right of Way	NA	NA	NA	NA	NA	NA	NA	7	8	9
Regulatory and Warning Signs	NA	NA	NA	NA	NA	NA	NA	594	660	733
<b>Water</b>										
Gallons of Water Treated (in million gal.)	NA	NA	NA	NA	NA	NA	NA	365	446	508
Miles of Water Lines	NA	NA	NA	NA	NA	NA	NA	90	100	112
Number of Valves	NA	NA	NA	NA	NA	NA	NA	1,514	1,666	1,833
Number of Fire Hydrants	NA	NA	NA	NA	NA	NA	NA	517	569	626
Number of Water Meters	NA	NA	NA	NA	NA	NA	NA	2,986	3,351	3,875
<b>Wastewater</b>										
Gallons of WW Treated (in million gal.)	NA	NA	NA	NA	NA	NA	NA	132	147	85
Miles of Sewer Lines	NA	NA	NA	NA	NA	NA	NA	61	67	74
Number of Lift Stations	NA	NA	NA	NA	NA	NA	NA	13	12	11
<b>Utilities</b>										
Number of Active Customers	1,968	2,031	2,059	2,122	2,239	2,380	2,497	2,860	3,337	3,902
Number of New Customers	514	438	373	402	481	506	569	956	1,273	1,597

\*NA - Information not available

Source: City Departments

CITY OF CELINA, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION /PROGRAM  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Table 20

FUNCTION/PROGRAM	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Library</b>										
	0	0	1	1	1	1	1	1	1	1
<b>Parks and Recreation</b>										
Park Acreage	45.7	45.7	45.7	45.7	45.7	45.7	115.7	115.7	145.7	164.7
Public Parks	3	3	3	3	3	3	3	3	3	3
<b>Streets</b>										
Miles of Streets	NA	NA	NA	NA	NA	NA	NA	124	138	154
<b>Water and Wastewater</b>										
Miles of Water Lines										
Storage Capacity	NA	NA	NA	NA	NA	NA	NA	90	100	112
Gallons of WW Treated (in million gal.)										
Miles of Sewer Lines	NA	NA	NA	NA	NA	NA	NA	132	147	85
Number of Lift Stations	NA	NA	NA	NA	NA	NA	NA	61	67	74
	NA	NA	NA	NA	NA	NA	NA	13	12	11

\*NA - Information not available

Source: City Departments