Life Connected.

CITY COUNCIL SPECIAL MEETING AND WORKSESSION
CELINA COUNCIL CHAMBERS
112 N. COLORADO ST.
TUESDAY, MARCH 23, 2021
5:00 PM

AGENDA

I. CALL TO ORDER:

II. WORKSESSION:

A. Discussion regarding Boards and Commissions Membership Policy.

ACTION:

B. Consider and act upon acceptance of the 2019/2020 Fiscal Year Audit, Single Audit and presentation by BKD. (Bromiley)

C. Consider and act upon an ordinance of the City of Celina, Texas amending ordinance 2020-77 which adopted and approved the budget for fiscal year beginning October 1, 2020 and ending September 30, 2021, and make appropriations for each department, project and account, by adopting an amended 2020-2021 budget for the City of Celina, Texas, reallocating funds between accounts, attached hereto and incorporated into this ordinance. (Bromiley)

III. ADJOURN:

City Council Chambers is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf, or hearing impaired, or readers of large print, are requested to contact the City Secretary's Office at 972-382-2682, or fax 972-382-3736 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Chapter 551. "I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board at City Hall of the City of Celina, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: ___________________ at ____ p.m. and remained so posted continuously for at least 72 hours prior to the scheduled time of said meeting."

____
Vicki Tarrant, TRMC
City Secretary, City of Celina, TX

____
Date Notice Removed

Finance Department
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Robin Bromiley, Director of Finance
CC:	Jason Laumer, City Manager
Date:	March 23, 2021
Re:	FY20 Audit Acceptance

Action Requested:
Consider and act upon acceptance of the 2019/2020 Fiscal Year Audit, Single Audit and presentation by BKD. (Bromiley)

Background Information:
The Finance Department is providing the 2019-2020 Fiscal Year Audit and Single Audit.

Board Review/Citizen Input:
Audit Committee completed review

Alternatives:
N/A

Financial Considerations:
N/A

Legal Review:
N/A

Supporting Documents:
FY2019/2020 Comprehensive Annual Financial Report
FY2019/2020 Single Audit - SAFER

Staff Recommendation:
Approval

DRAFT

CITY OF CELINA, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

City of Celina, Texas
Comprehensive Annual Financial Report

CELINA
TEXAS
EST. 1876
Life Connected.

Fiscal Year Ended September 30, 2020

ELECTED OFFICIALS:

Sean Terry, Mayor

Chad Anderson, Mayor Pro-Tem, Place #6

Justin Steiner, Place #1

Wayne Nabors, Place #2

Andy Hopkins, Place #3

Wendie Wigginton, Place #4

Mindy Koehne, Place #5

CITY MANAGER OFFICE:

Jason Laumer, City Manager

Karla Stovall, Assistant City Manager

PREPARED BY:

Robin Bromiley, MSA, CGFO – Director of Finance

Stormy Johnson, CPA – Assistant Finance Director

City of Celina, Texas
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2020
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Fiscal Year Ended September 30, 2020
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City of Celina, Texas

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2020
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Introductory Section

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March __, 2021

To the Honorable Mayor and City Council, City Manager, and Residents of Celina, Texas:

The City's management staff is pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the City of Celina ("City") for the fiscal year ending September 30, 2020. Provided herein is a complete set of financial statements in conformity with generally accepted accounting principles accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards ("GAAS") by an independent licensed firm of certified public accountants.

The purpose of this report is to provide the council, management, staff, the public, and other interested parties with detailed information regarding the City's financial condition. State Law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of the fiscal year. This report is hereby submitted as mandated by both local ordinance and state statutes required for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City's various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to obtain an annual audit of the City's financial records and financial activities. BKD, LLP, a licensed, independent certified public accountants' firm, has audited the City's financial statements. The independent audit's goal is to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2020, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2020, and are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP"). The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and the two should be read in conjunction with each other.

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OUR HISTORY

In the northwest corner of Collin County, Celina 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, renamed the City after Celina, Tennessee. The Methodist church was built in 1880 and also doubled as the school for a while. By 1885, a general store, mill, and drug store opened in "Old Celina". When the railroad came through City in 1902, residents made an effort to move the city's actual main street eastward toward the tracks. The result is where the City square stands today. Celina has always been a Small City with a Big Vision!

An excerpt from the Celina Record of 1937 states: "If you are casting about for a good place to make your 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."

CURRENT DAY

It's an exhilarating time be in Celina! The estimated current population is 21,500 represents the city limits and not the service limits, has nearly tripled since 2010. This pace makes Celina one of the fastest-growing cities in the Dallas-Fort Worth Metroplex. Situated in high-growth Collin County and nestled between the major arteries of Preston Road to the east and the future Dallas North Tollway to the west, Celina's maximum projected buildout population is approximately 378,000.

In other words, Celina is positioned geographically, demographically and economically to quickly become a big player in the North Texas metropolitan community.

Celina's median household income is $92,000, with an average home value of $429,705. Residents are only minutes away from Frisco's "$5 Billion Mile," major hospitals, and the top ranked Prosper and Celina school districts.

COMMUNITY

Celina celebrates its authentic culture. The signature event, CajunFest, as well as several other family-oriented events including Friday Night Farmer's Markets, Movies on the Square, Splash and Blast 4th of July Celebration, Beware! Of the Square and Christmas on the Square, promote Celina's community identity. For the adults, several local wineries promote an interest in culture and good wine.

CELINA TEXAS EST. 1876
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CORE VALUES

EXCELLENCE

- ✓ We always do our best
- ✓ We embrace innovation and efficiency while remaining good stewards of City resources
- ✓ We are accountable and take pride in our work
- ✓ We seek opportunities to learn and expand our professional horizons

COMMUNITY

- ✓ We are a unified body and work as a team
- ✓ When we disagree, we resolve it according to our Core Values
- ✓ We value and respect all employees and our customers
- ✓ We foster a culture that includes understanding, support, balance, and a sense of humor
- ✓ We embrace openness, diversity, and inclusion

INTEGRITY

- ✓ We do the right thing at all times
- ✓ We are committed to building and maintaining creditability and trust both internally and externally
- ✓ We are accountable in our words and actions
- ✓ We question actions that may be inconsistent with our Core Values

SERVICE

- ✓ We are selfless public servants and believe in helping others
- ✓ We treat everyone the way we wish to be treated
- ✓ We are caring and empathetic in all we do
- ✓ We work to deliver excellent service to all we encounter

Life Connected

What does “Life Connected” mean?

Celina is literally wired for connectivity with high-speed fiber but also encourages personal connections through interconnected trails, open patios, and a thriving City square. Businesses and communities are built on these connections. Celina brings people together.

The list of Celina “Life Connected” accomplishments are as follows:

- Sharing Business Spotlight Videos
- Created a LifeInCelinaTX.com website that features sections for Live, Work, Play and Learn activities around Celina.
- Launched an official community podcast of Celina, “Life in Celina”. On every episode, we celebrate and share the stores behind the amazing people, businesses, and groups that make Celina Home.

Life Connected.

CELINA FAST FACTS

POPULATION

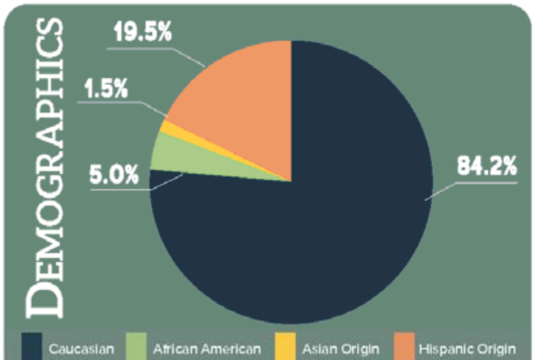
	City	Service Area
Population 2020	17,942	22,641
Population 2025	45,000	52,000

2019 Trade Area: 36,385
2019 Single Family Permits: 1252
Buildout Population: 350,000

Median Age
37

Median Household Income: $98,277
Average Home Value: $408,052

DEMOGRAPHICS

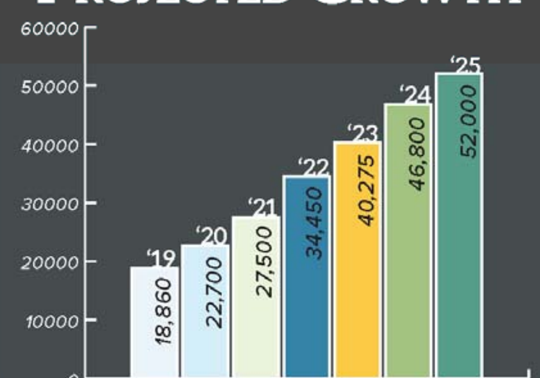


TRANSPORTATION

Airports:
Dallas Love Field Airport – 38.6 Miles/45 Min
DFW Airport – 37.4 Miles/45 Min

Major Highways:
N/S: Dallas North Tollway, US 289, FM 1385, FM 2478
E/W: FM 428, FM 455, Outer Loop *(Estimated Completion 2021-22)*

PROJECTED GROWTH



EDUCATION

48% Bachelor's Degree/Grad/Prof Degree
28% Some College
20% High School Graduate

Celina ISD - 1 High School, 2 Middle Schools, 3 Elementary Schools
Prosper ISD in Celina - 3 Elementary Schools
Future Collin College *(Estimated Completion 2021)*

www.celina-tx.gov

Life Connected.

PROFILE OF THE GOVERNMENT

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 City functions' performance.

The City of Celina provides a full range of services supported through the City's empowerment to levy property tax on both real and personal properties located within its boundaries and the ability to extend its corporate limits by annexation when deemed appropriate by the City Council. 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

Financial System and Budgetary Controls

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The contract of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues recorded when available and measurable, and expenditures being recorded when the services or goods received, and the liabilities incurred. Accounting records for the City's water and sewer and other proprietary activities are maintained on the accrual basis.

Life Connected.

City Council is required to adopt an annual operating budget no later than October 1st, the beginning of the fiscal year. The process begins with the staff of each department submitting their annual budget requests. A collaborative team made up of the City Manager, Executive Directors and Department Directors, all work together to ensure each proposed fund expense and revenue is balanced that comprise into the City Manager's Proposed Budget submitted to City Council for approval. The proposed budget receives additional scrutiny by City Council by holding workshop sessions. Prior to official adoption of the budget and tax rate by City Council, any required public hearings on the proposed tax rate and budget are held to allow for public input.

The objective of budgetary controls is to ensure compliance with legal provision contained in the annual budget approved by the City Council. The budget is developed on a departmental level and adopted at the fund level. The level of control at which expenditures may not exceed budget with our City Council approval is at the fund level. The City Manager has authority to approve individual departmental budget overages. This budgetary level serves as the foundation for the City's financial planning and control. The City Council approves any amendment or additional funding requests for appropriations when the budget is exceeded at the fund level or for any that were unforeseen during the regular budget process.

The accompanying Comprehensive Annual Financial Report incorporates funds of the City, includes all government activities, organizations, and functions for with the City is financially accountable including its component units. The City's component units are legally separate entities for which the City is financially accountable but are not part of the City's operations.

LOCAL ECONOMY

During the past year, Celina has experienced tremendous growth. The growth is primarily because of new residential developments coming into the City. These new developments will bring significant number of homes into Celina over the next several years. A total of 5,961 homes have been permitted between 2016 and 2020. The number of single-family construction permits has risen from 1,280 to 1,562 during the past fiscal year and another increase is expected in 2021, the current number of residential for FY 2021 as of March 2021 is 1,253, so a modest estimate for fiscal year end 2021 would be close to 1,900 additional permits. In 2020, Celina was named the #1 Fastest Growing City in North Texas by Dallas Business Journal for the second year in a row. This rate of growth will have a significant impact on the City, the counties and the school districts.

During fiscal year 2020, Celina welcomed Rollertown Brewery, All Storage, Little Wooden Penguin, along with 28 other businesses into the downtown area. With new retail development comes the expectation that sales tax revenue will increase.

The City felt the effect of COVID, however the local demand for online shopping and shop local campaigns, the City saw a 45% increase in sales tax during FY 2020 as compared to FY 2019 and is optimistic that there will be an increase in sales tax revenue during FY 2021. The City also supported it small businesses through its Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Celina ISD is in the process of renovating and expanding Celina Elementary school. Collin College Celina Campus schedule to open in fall of 2021. The college will provide much needed vocational training for the Celina as well as the region.

MAJOR INITIATIVES

The City has completed several studies and plans during fiscal year 2020. These plans and initiatives will shape the development of Celina for the next decade.

The list of these accomplishments are as follows:

- ✓ Completed the Parks and Trails Master Plans.
- ✓ Updated Zoning Ordinance
- ✓ Adopted Collin County Outer Loop Overlay District
- ✓ Developed a 10-year capital improvement project list for Downtown that focuses on improving drainage, roadways, and water and sewer infrastructure.
- ✓ The City became an official "Gigabit City" designation from the Officer of the Governor Greg Abbott in October 2020.

Public infrastructure improvement projects for the City of Celina, which are funded and contacted by the City, are called Capital Improvement Projects.

Capital Improvement Projects FY 2020 Highlights:

- ➢ Fire Station # 2 was completed and came online in FY 2020.
- ➢ Preston Road Water and Wastewater Line Improvements.
- ➢ Wastewater Treatment Plant Expansion.
- ➢ Land acquisitions were completed for the expansion of the Public Works service center, a new Police administration building and land for future park projects.
- ➢ A major renovation of the City Hall Annex building, Economic Development building and partial renovation of the existing City Hall was completed in FY 2020.
- ➢ City began major renovation and upgrades to Old Celina Park in FY 2020.
- ➢ Collin College and the Dallas North Tollway extension broke-ground in FY 2020. These two developments will continue to help attract new residents and businesses.
- ➢ A major renovation of the City Hall Annex building, Economic Development building and partial renovation of the existing City Hall was completed in FY 2020.

- City began major renovation and upgrades to Old Celina Park in FY 2020.
- Collin College and the Dallas North Tollway extension broke-ground in FY 2020. These two developments will continue to help attract new residents and businesses.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. We would also like to thank the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Celina's finances.

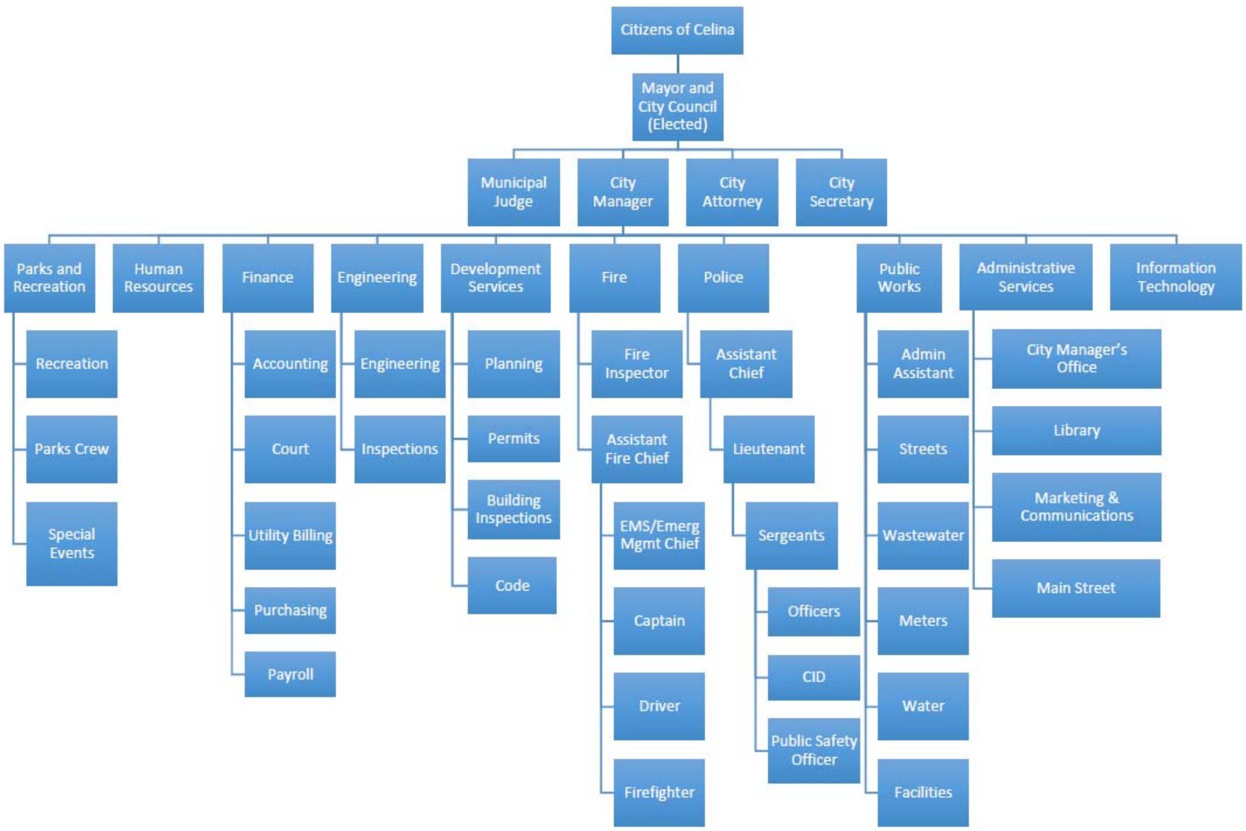
Respectfully submitted,

Robin Bromiley, MSA, CGFO

Director of Finance

City of Celina, Texas

Organizational Chart



Financial Section

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Independent Auditor's Report

Members of 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 the City of Celina (City), as of and for the year ended September 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the aggregate remaining fund information of the City as of September 30, 2020, 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 accordance 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, pension and other postemployment benefit information as listed in the table of contents 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's basic financial statements. The combining and individual fund financial statements and schedules, introductory and statistical sections as 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 fund financial statements and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated March __, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dallas, Texas
March __, 2021

Management's Discussion and Analysis

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City of Celina, Texas

Management's Discussion and Analysis

September 30, 2020

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Celina, Texas (the City), for the fiscal year ended September 30, 2020. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal in the introductory section and the City's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The capital assets represent the city's investment in infrastructure which increased this fiscal year to $69.87 million. Of this amount, governmental activities increased $34.62 million which brought the total of net assets to $102.8 million. The Business-type activities grew $35.3 million to a total net assets of $114.5 million.
- The City's total net position increased by $57.4 million during the fiscal year.
- The City's total amount of outstanding debt is $60.9 million. No bonds were issued in fiscal year 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts; management's discussion and analysis (this section), basic financial statements, required supplementary information and combining statements for nonmajor governmental funds and internal service funds.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are Government-Wide Financial Statements that provide information about both the short-term and long-term financial status of the City as a whole.

- The remaining statements are Fund Financial Statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the Government-Wide statements.

    - The Governmental Fund Statements take a short-term view and demonstrate how general government services like public safety were financed during the course of the fiscal year.

    - The Proprietary Fund Statements offer both short- and long-term financial information about the activities the government operates like businesses, such as the water and sewer system.

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

The financial statements also include notes that explain information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

Statement of Net Position. The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

- *Governmental Activities*. Most of the City's basic services are reported here, including general government, police and fire protection, municipal court, streets, drainage, park and recreational activities, cultural events, and library. Property taxes, sales taxes, and franchise taxes provide the majority of the financing for these activities.

- *Business-Type Activities*. Activities for which the City charges customers a fee to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection and solid waste collection and disposal.

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

Fund Financial Statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental Funds*. Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

  The City reports 29 individual governmental funds. Some funds are presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, and the Capital Fund. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary Funds*. When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

  Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services. These services are primarily provided to outside, or nongovernmental, customers.

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

Internal service funds accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse, mail and records management operations, for its employee health insurance program and for replacement of legacy IT systems. Because these services predominantly benefit governmental-type functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and solid waste collection and disposal. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

Other Information. In addition to the basic financial statements and accompanying notes, the City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension to its employees and retirees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of fiscal year 2020, the City's net position (assets exceeding liabilities) totaled $153.15 million. Total assets of the City at September 30, 2020 were $309.3 million, deferred outflows of resources were $670,475, total liabilities were $156.5 million and deferred inflows of resources were $333,014 resulting in a net position balance of $153.15 million, a 60% increase over the previous year. This analysis focuses on the net position and changes in net position.

Net Position. The largest portion of the City's net position, $69.87 million, reflects its investment in capital assets (land and improvements, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Celina, Texas

Management's Discussion and Analysis

September 30, 2020

Restricted portion of the City's net position, $2.23 million for debt and $2.45 million for capital projects, represents resources that are subject to external restrictions on how they may be used. The City's unrestricted net position of $78.31 million reflects commitments, not limited to, utility construction projects $36 million, 2019 bond issuance for capital projects $17.6 million, utility impact fees improvements $10.45 million, and street construction projects $6 million.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 50,629,515	$ 57,986,054	$ 41,412,884	$ 51,440,002	$ 92,042,399	$ 109,426,056
Capital assets, net	102,786,257	68,166,487	114,471,419	79,220,252	217,257,676	147,386,739
Total assets	153,415,772	126,152,541	155,884,303	130,660,254	309,300,075	256,812,795
Deferred Outflows of Resources	570,509	783,889	99,966	106,895	670,475	890,784
Liabilities						
Other liabilities	9,915,016	6,284,123	3,078,960	7,330,310	12,993,976	13,614,433
Long-term debt	61,885,285	65,033,495	81,612,805	83,278,445	143,498,090	148,311,940
Total liabilities	71,800,301	71,317,618	84,691,765	90,608,755	156,492,066	161,926,373
Deferred Inflows of Resources	283,173	41,880	49,841	5,711	333,014	47,591
Net Position						
Net investment in capital assets	19,806,721	20,672,418	50,062,796	30,124,340	69,869,517	50,796,758
Restricted for net pension asset	249,857	-	44,092	-	293,949	-
Restricted for debt service	2,228,648	2,497,665	-	-	2,228,648	2,497,665
Restricted for capital projects	2,446,829	1,481,974	-	-	2,446,829	1,481,974
Unrestricted	57,170,752	30,927,875	21,135,775	10,028,343	78,306,527	40,956,218
Total net position	$ 81,902,807	$ 55,579,932	$ 71,242,663	$ 40,152,683	$ 153,145,470	$ 95,732,615

Changes in Net Position. The government's overall net position increased $57.4 million over the prior fiscal year. The reasons for the overall increase is discussed in the following sections for governmental activities and business-type activities.

Government activities increased the City's net position by $26.3 million from the prior year. This was due in part to an increase in ad valorem tax revenues, building permit revenues and capital contributions. Key revenue and expense transactions are as follows:

The following details the increases/decreases in fund balances for each fund listed above:

- Major revenue increases over the previous year were property tax revenue of $822,670, building permit revenue $1.9 million and sales tax revenue of $575,525 due to an increase in the assessed value of taxable property from $1.5B to $2.1B and steady sales tax collections despite the impact of the COVID-19 pandemic.
- General government expenses increased approximately $6.3 million over last year due to a decrease in community events and departmental expenditure reductions.

City of Celina, Texas

Management's Discussion and Analysis

September 30, 2020

Business type activities increased net position by $31.1 million. Key elements to the change in net position are as follows:

- The unrestricted net position is $21.1 million. Of this amount $13.8 million is committed to Utility Impact Fee projects, Stormwater Drainage projects, Water Capital Recovery projects, and Sewer Capital Recovery projects.
- Water sales increased by $1.6 million, or 22%, over the previous fiscal year.
- Water sales and building permits increased at the same rate of 22%.
- Revenues for sewer sales were $6.16 million, this was an increase of $1.7 over the original $4.47 budgeted amount.
- Expenses increased by 16.8% due mainly to the $490,241 increased water purchasing cost, $193,937 increase in garbage collection cost, and $515,531 in staffing.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for services	$ 13,048,290	$ 11,837,197	$ 26,722,197	$ 21,133,549	$ 39,770,487	$ 32,970,7
Operating grants/contributions	2,764,624	1,291,079	-	-	2,764,624	1,291,0
Capital grants/contributions	15,870,800	180,890	23,622,709	-	39,493,509	180,8
General revenues:						
Ad valorem taxes	10,679,289	9,856,619	-	-	10,679,289	9,856,6
Sales taxes	1,823,693	1,248,168	-	-	1,823,693	1,248,1
Franchise taxes	602,603	516,777	-	-	602,603	516,7
Other	4,654,145	2,027,855	686,102	1,124,765	5,340,247	3,152,6
Total program revenues	49,443,444	26,958,585	51,031,008	22,258,314	100,474,452	49,216,8
Expenses						
Administration	4,676,077	3,613,202	-	-	4,676,077	3,613,2
Judicial	166,725	169,960	-	-	166,725	169,9
Fire and emergency services	5,406,951	4,516,435	-	-	5,406,951	4,516,4
Development services	6,177,019	2,844,946	-	-	6,177,019	2,844,9
Public works	2,888,942	1,625,818	-	-	2,888,942	1,625,8
Police department	3,729,439	3,219,436	-	-	3,729,439	3,219,4
Parks and recreation	1,853,913	1,480,614	-	-	1,853,913	1,480,6
Library	252,721	231,803	-	-	252,721	231,8
Infrastructure	-	1,010,684	-	-	-	1,010,6
Main Street project	142,972	61,612	-	-	142,972	61,6
Interest and fiscal charges	1,752,515	1,953,396	-	-	1,752,515	16,764,9
Water, Sewer and Sanitation Services	-	-	17,188,107	14,811,593	17,188,107	14,811,5
Total expenses	27,047,274	20,727,906	17,188,107	14,811,593	44,235,381	35,539,4
Excess before transfers	22,396,170	6,230,679	33,842,901	7,446,721	56,239,071	13,677,4
					-	
Contributions from component unit	1,173,784	-	-	-	1,173,784	
Transfers	2,752,921	527,000	(2,752,921)	(527,000)	-	
Change in Net Position	26,322,875	6,757,679	31,089,980	6,919,721	57,412,855	13,677,4
					-	
Net Position - Beginning of Year	55,579,932	48,822,253	40,152,683	33,232,962	95,732,615	82,055,2
Net Position - End of Year	$ 81,902,807	$ 55,579,932	$ 71,242,663	$ 40,152,683	$ 153,145,470	$ 95,732,6

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

FINANCIAL ANALYSIS OF THE FUNDS

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

Governmental Activities. Governmental activities increased net position by $26.3 million:

- **General Fund** – The General Fund is the main operating fund of the City. The fund balance was reduced by $2.26 million to $8.87 million from the prior year in order fund the vehicle replacement program. The General Fund revenues increased by $4.4 million due to permit fees exceeding expectations and therefore are a major contributing factor in an increase in General Fund balance. From an expense perspective, the General Fund's overall expenses increased 15% from last year by $2.4 million dollars. The city saw increase spread out amongst the different departments, Development Services increased 20%, Administration by 19%, Fire Department by 14% and Police by 13%.

- **Debt Fund** – The Debt Fund decreased $269,017 due to the increased debt payment of $1.2 million over the prior year. The ending fund balance is $2.25 million.

- **Street Construction Fund** – The Street Construction Fund decreased $18 million in the current fiscal year due to a transfer of $8.2 million into bond fund for reimbursement and another $9.8 million expended on capital assets.

Business-Type Activities. Business type activities increased net position by $31.1 million:

- **Water & Sewer Fund** – Water & Sewer Fund increased in the current year by $31.1 million due to the $23.6 million in capital contributions and $5.59 million in revenue. The revenues increase was due to water impact fund, capital replacement fees, and water and sewer sales.

City of Celina, Texas

Management's Discussion and Analysis

September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to $69.87 million (net of accumulated depreciation) as shown in the table below. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, infrastructure and construction in progress.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	$ 9,391,746	$ 3,637,345	$ 3,135,272	$ 1,328,043	$ 12,527,018	$ 4,965,388
Buildings	12,623,758	6,389,718	13,742	14,773	12,637,500	6,404,491
Parks	9,368,791	9,678,797	-	-	9,368,791	9,678,797
Infrastructure	45,806,900	28,595,685	92,597,064	34,299,842	138,403,964	62,895,527
Vehicles, machinery and equipment	6,185,301	3,850,541	1,392,881	1,571,680	7,578,182	5,422,221
Construction in progress	19,409,761	16,014,401	17,332,460	42,005,914	36,742,221	58,020,315
Total capital assets, net	$ 102,786,257	$ 68,166,487	$ 114,471,419	$ 79,220,252	$ 217,257,676	$ 147,386,739

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt: At the end of the current fiscal year, the City of Celina had total bonded debt outstanding of $134.1 million as shown. Of this amount, $58.1 million represents tax-supported bonds and $76.1 million represents self-supported bonds.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 7,115,000	$ 7,995,000	$ 1,305,000	$ 1,750,000	$ 8,420,000	$ 9,745,000
Certificates of obligation	50,940,200	52,890,000	74,769,800	76,675,000	125,710,000	129,565,000
Total Bonds Payable	$ 58,055,200	$ 60,885,000	$ 76,074,800	$ 78,425,000	$ 134,130,000	$ 139,310,000

Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Beginning in fiscal year 2020-2021 budget, the City's goal has been to successfully provide to City Council a collaborative budget that included departmental participation to collectively balance the budget. To promote transparency during the process the City implemented M-budget software. The following revenues and expenditures were important components of the budget.

Property taxes. According to the Collin and Denton County Central Appraisal District (DCAD), the certified taxable value after the homesteads with tax ceiling is estimated with appraisal review board grand totals is $2,110,342,718. This value is 26% or $440 million more in assessed valuation than the 2019 adjusted taxable value (as of 07/30/2020). Of this increase, $270 million is attributable to new taxable values added to the tax roll which includes improvements and personal property.

Building Permits growth. Revenues from permits in FY 2020-2021 are planned at $6.5 million with a 6.56% growth rate over the estimated FY 2019-2020 of $6.1 million. The projected total permits for FY 2020-2021 are 1,500.

The City of Celina continues to see strong population and economic growth. In the last 10 years, the population has grown from 6,028 in 2011 to 21,430 in 2020. The leading driver of the City's population growth is a strong local housing market. The City issued 1562 building permits increased by 22% over last year's 1,280. This is twice the increase from the previous year. Accordingly, permit fee collections have increased by $931,164 or 14% for the same period. For the fiscal year 2019-2020, the City collected $7.6 million in permit fees compared with $6.7 million for the same period last year. The increase in building permits and fees is a result of a strategic planning going back to 2011.

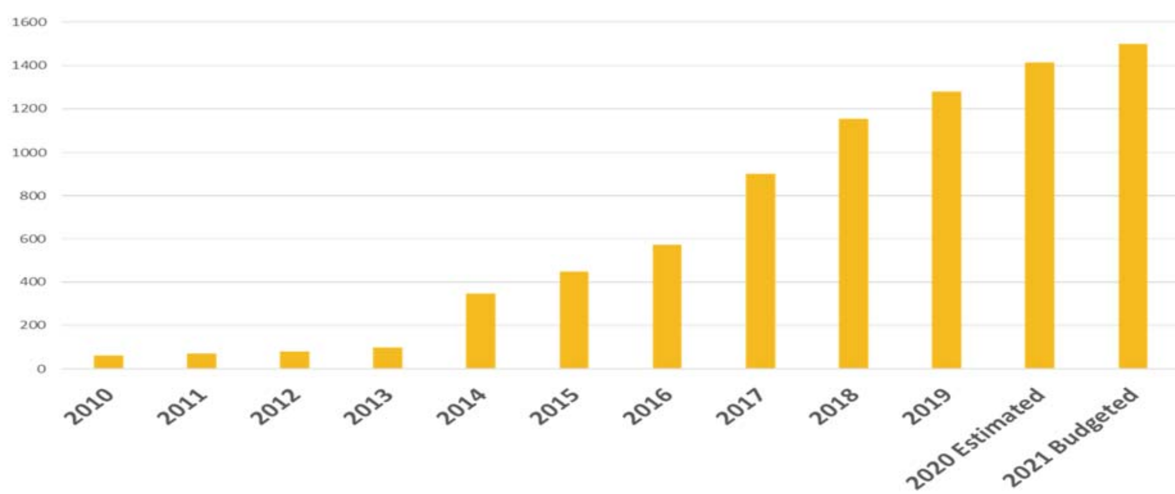
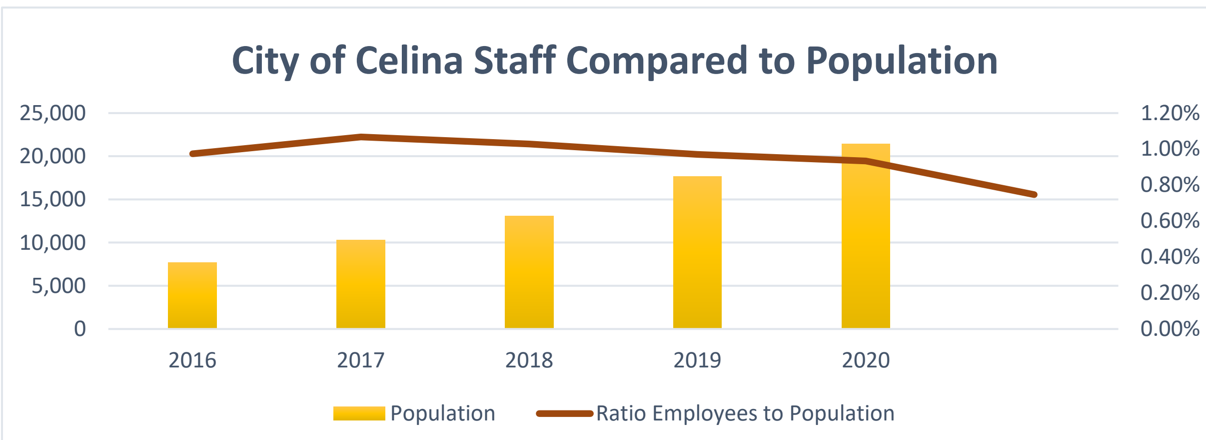


Figure 1 Residential Permits 10 Year Trend

City of Celina, Texas
Management's Discussion and Analysis
September 30, 2020

CARES Act. In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The act provides economic grants to offset some additional expenses and forgone revenue as a result response to COVID-19. The City received the COVID-19 federal grant of $675,997 in fiscal 2020 as pass-through grants from Collin and Denton Counties.

Staffing. The City's population growth has increased at an average pace of 125% over the last five years. Over the same period of time, the number of City employees compared to the number of residents has decreased making it challenging to keep up with the level of service demands. To meet the challenge in the FY 2020-2021 budget, 17 new, full-time position and a 3% step increase were included. The 17 new personnel including compensation and benefits cost $1.2 million and the compensation and benefit increase for existing personnel cost $1.8 million. In the March 2021 mid-year amendments another 11 positions were approved by Council to bring the number of full time equivalent employees (FTE) to 199.5.



Capital projects. The following capital projects are scheduled to start in FY2021:

Governmental:

- Law Enforcement Center, Phase I Design - $1,800,000
- Fire Station #3 Design - $1,000,000
- Downtown Patio Plaza design - $725,000
- Downtown Inner Loop Construction - $6,500,000
  - Colorado from Walnut to Maple
  - Pecan from Colorado to Arizona
  - Beech from Colorado to Louisiana
  - Ohio from Beech to Pecan
- Choate Parkway from Preston Road to Kinship Parkway - $3,600,000
- Frontier Parkway from Dallas Parkway to Preston Road - $5,700,000
- Legacy Road Bridge - $2,800,000

City of Celina, Texas
Management's Discussion and Analysis
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- Old Celina Park Playground Expansion - $2,000,000
- Park Land Acquisition - $7,300,000

Water/Wastewater:
- Six Million Gallon Above Ground Storage Tank - $9,500,000
- 24" Water Line on Coit Road from Sunset to CR 100 - $8,700,000
- 12" Water Line on N Preston Rd from Founders Lane to Settlers Ridge - $600,000
- Design for 1 MGD Wastewater Plant Expansion - $1,000,000
- Oklahoma Sewer Line Expansion - $1,000,000

PIDS/ TIRZ. Although cities have various tools at their disposal to generate growth, the City of Celina, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (PID Act), has used this tool with greater frequency and entered into a negotiation with several developers that were interested in developing large housing developments in the southern border of the City. The PID strategy necessitates a continual partnership between the City, the developer and subsequent homeowners. In 2014, the City created the first PID and issued its first Special Assessment Bonds for the district. As of September 30, 2020, the City of Celina has created eleven PIDs with a total bond principal outstanding of $125,045,000. In addition to the PID strategy, the City has developed a Tax Increment Reinvestment Zone (TIRZ) that will assist with encouraging economic development in the region. For more information on the City's PIDs visit https://www.municap.com/tx-city-of-celina.htm.

Fund Balance and Reserve. By ordinance, the City is required to maintain 25% of annual operating expenses, equal to a 90 days reserve, as a balance in the governmental fund account. Revenues from property taxes to pay for services are typically delayed due to the timing of new growth showing up on the tax rolls resulting in cost for new growth to be paid immediately, while the revenues follow a year later.

The City's proprietary fund, Water Wastewater Fund, practices a reserve of 40% or 146 days of working capital. The 40% reserve is applicable to the individual operating funds expenditures and excludes funds received that are dedicated to Capital Project or have been restricted. The main source of revenue is generated by water sales dependent on rate and consumption by customers; while cost is at a 'pay as you go'. This sole source revenue creates the need for a higher fund balance reserve. The reserve is designed to smooth out the low seasonal sales common in the winter months and even the occasional Texas 'wet' summers, in an effort to keep rate increases at a minimum.

Contacting the City's Financial Management:

This financial report 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 Robin Bromiley, Director of Finance, by phone at (972) 382-2682 or by e-mail at rbromiley@celina-tx.gov.

Basic Financial Statements

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Government-wide Financial Statements

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City of Celina, Texas

Statement of Net Position

September 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 48,659,345	$ 17,193,004	$ 65,852,349	$ 2,238,394
Investments	-	-	-	-
Property taxes receivable, net	27,545	-	27,545	-
Sales taxes receivable	357,465	-	357,465	361,528
Accounts receivable, net	75,739	2,277,448	2,353,187	-
Other receivables	1,201,217	-	1,201,217	-
Due from component units	24,108	-	24,108	-
Inventory	1,824	-	1,824	-
Prepaid items	5,786	-	5,786	-
Net pension asset	249,857	44,092	293,949	
Restricted assets				
Cash and cash equivalents	-	21,898,340	21,898,340	-
Property taxes receivable, net	26,629	-	26,629	-
Capital assets				
Land	9,391,746	3,135,272	12,527,018	-
Construction in progress	19,409,761	17,332,460	36,742,221	-
Capital assets, net	73,984,750	94,003,687	167,988,437	-
Total assets	153,415,772	155,884,303	309,300,075	2,599,922
Deferred Outflows of Resources				
Deferred pension outflows	534,744	94,366	629,110	-
Deferred OPEB outflows	35,765	5,600	41,365	-
Total deferred outflows of resources	570,509	99,966	670,475	-
Liabilities				
Accounts payable	4,097,034	1,353,487	5,450,521	-
Accrued salaries and benefits	820,601	100,930	921,531	11,820
Accrued interest	-	236,672	236,672	56,750
Unearned revenue	3,216,998	-	3,216,998	-
Meter deposits payable	-	1,057,791	1,057,791	-
Escrow deposits	1,605,527	-	1,605,527	-
Payable from restricted assets				
Accounts payable for capital projects	-	330,080	330,080	-
Accrued interest	174,856	-	174,856	-
Long-term liabilities				
Due within one year				
Compensated absences	71,364	36,623	107,987	-
Bonds payable	2,922,082	3,110,302	6,032,384	-
Note payable	-	-	-	74,822
Capital lease	86,529	-	86,529	-
Due in more than one year				
Total OPEB liability	114,866	18,699	133,565	-
Compensated absences	642,271	-	642,271	-
Note payable	-	-	-	759,467
Capital lease	98,876	-	98,876	-
Bonds payable	57,949,297	78,447,181	136,396,478	-
Total liabilities	71,800,301	84,691,765	156,492,066	902,859
Deferred Inflows of Resources				
Deferred pension inflows	273,598	48,282	321,880	-
Deferred OPEB inflows	9,575	1,559	11,134	-
Total deferred inflows of resources	283,173	49,841	333,014	-
Net Position				
Net investment in capital assets	19,806,721	50,062,796	69,869,517	-
Restricted for net pension asset	249,857	44,092	293,949	
Restricted for debt service	2,228,648	-	2,228,648	-
Restricted for capital projects	2,446,829	-	2,446,829	-
Unrestricted	57,170,752	21,135,775	78,306,527	1,697,063
Total net position	$ 81,902,807	$ 71,242,663	$ 153,145,470	$ 1,697,063

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

City of Celina, Texas

Statement of Activities

September 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
Administration	$ 4,676,077	$ -	$ -	$ -
Judicial	166,725	-	-	-
Fire and emergency services	5,406,951	1,627,366	636,372	-
Development services	6,177,019	232,805	-	-
Public works	2,888,942	8,643,113	-	-
Police department	3,729,439	70,274	2,128,252	-
Parks and recreation	1,853,913	2,474,732	-	-
Library	252,721	-	-	-
Infrastructure	-	-	-	15,870,800
Main Street project	142,972	-	-	-
Interest and fiscal charges	1,752,515	-	-	-
Total governmental activities	27,047,274	13,048,290	2,764,624	15,870,800
Business-type Activities				
Water and sewer services	17,188,107	26,722,197	-	23,622,709
Total Business-type Activities	17,188,107	26,722,197	-	23,622,709
Total Primary Government	$ 44,235,381	$ 39,770,487	$ 2,764,624	$ 39,493,509
Component Units				
Celina Economic Development Corp	$ 421,428	$ -	$ -	$ -
Celina Community Development Corp	1,019,602			-
Total component units	$ 1,441,030	$ -	$ -	$ -

General Revenues
Ad valorem taxes
Sales taxes
Franchise taxes
Miscellaneous
Unrestricted investment earnings
Contributions from component unit
Transfers

Total General Revenues and transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

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

Net (Expense) Revenue and Changes in Net Position				
	Governmental Activities	Business-type Activities	Total	Component Units
	$ (4,676,077)	$ -	$ (4,676,077)	$ -
	(166,725)	-	(166,725)	-
	(3,143,213)	-	(3,143,213)	-
	(5,944,214)	-	(5,944,214)	-
	5,754,171	-	5,754,171	-
	(1,530,913)	-	(1,530,913)	-
	620,819	-	620,819	-
	(252,721)	-	(252,721)	-
	15,870,800	-	15,870,800	-
	(142,972)	-	(142,972)	-
	(1,752,515)	-	(1,752,515)	-
	4,636,440	-	4,636,440	-
	-	33,156,799	33,156,799	-
	-	33,156,799	33,156,799	-
	$ 4,636,440	$ 33,156,799	$ 37,793,239	$ -
	$ -	$ -	$ -	$ (421,428)
	-	-	-	(1,019,602)
	$ -	$ -	$ -	$ (1,441,030)
	$ 10,679,289	$ -	$ 10,679,289	$ -
	1,823,693	-	1,823,693	1,722,918
	602,603	-	602,603	-
	3,658,884	-	3,658,884	7,500
	995,261	686,102	1,681,363	36,015
	1,173,784	-	1,173,784	-
	2,752,921	(2,752,921)	-	-
	21,686,435	(2,066,819)	19,619,616	1,766,433
	26,322,875	31,089,980	57,412,855	325,403
	55,579,932	40,152,683	95,732,615	1,371,660
	$ 81,902,807	$ 71,242,663	$ 153,145,470	$ 1,697,063

City of Celina, Texas

Balance Sheet – Governmental Funds

September 30, 2020

	General Fund	Debt Service Fund	Street Construction Fund	Facilities Improvement Fund	Parkland Fees Fund	Fire Improvement Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	$ 11,586,537	2,223,004	6,854,487	-	5,508,880	$ -	$ 10,736,204	$ 11,750,233	$ 48,659,345
Sales taxes receivable	357,465	-	-	-	-	-	-	-	357,465
Property taxes receivable, net	27,545	26,629	-	-	-	-	-	-	54,174
EMS receivable, net	75,739	-	-	-	-	-	-	-	75,739
Other receivables	1,175,376	-	-	-	-	-	-	25,841	1,201,217
Inventory	1,824	-	-	-	-	-	-	-	1,824
Prepaid items	5,786	-	-	-	-	-	-	-	5,786
Due from component units	24,108	-	-	-	-	-	-	-	24,108
Total assets	$ 13,254,380	$ 2,249,633	$ 6,854,487	$ -	$ 5,508,880	$ -	$ 10,736,204	$ 11,776,074	$ 50,379,658
Liabilities									
Accounts payable	$ 1,027,549	$ -	$ 1,280,431	$ -	$ 37,737	$ -	$ 453,303	$ 666,203	$ 3,465,223
Retainage payable	-	-	-	-	-	-	631,811	-	631,811
Accrued salaries and benefits	785,601	-	-	-	35,000	-	-	-	820,601
Escrowed funds	1,605,527	-	-	-	-	-	-	-	1,605,527
Unearned revenue	912,861	-	-	-	2,304,137	-	-	-	3,216,998
Total liabilities	4,331,538	-	1,280,431	-	2,376,874	-	1,085,114	666,203	9,740,160
Deferred Inflows of Resources									
Unavailable revenue	56,999	20,985	-	-	-	-	-	-	77,984
Total deferred inflows of resources	56,999	20,985	-	-	-	-	-	-	77,984
Fund Balances									
Nonspendable									
Prepaids	5,786	-	-	-	-	-	-	-	5,786
Restricted									
Capital projects	-	-	5,574,056	-	-	-	9,651,090	4,738,745	19,963,891
Debt service	-	2,228,648	-	-	-	-	-	-	2,228,648
Law enforcement	-	-	-	-	-	-	-	25,833	25,833
Courts	-	-	-	-	-	-	-	122,992	122,992
Grants	-	-	-	-	-	-	-	25,727	25,727
PEG	-	-	-	-	-	-	-	46,708	46,708
Hotel	-	-	-	-	-	-	-	12,823	12,823
Assigned for use in specific funds	-	-	-	-	3,132,006	-	-	6,137,043	9,269,049
Unassigned	8,860,057	-	-	-	-	-	-	-	8,860,057
Total fund balances	8,865,843	2,228,648	5,574,056	-	3,132,006	-	9,651,090	11,109,871	40,561,514
Total liabilities, deferred inflows of resources and fund balances	$ 13,254,380	$ 2,249,633	$ 6,854,487	$ -	$ 5,508,880	$ -	$ 10,736,204	$ 11,776,074	$ 50,379,658

City of Celina, Texas
Reconciliation of the Governmental Fund Balance Sheet
To the Statement of Net Position
September 30, 2020

Fund balances of governmental funds	$ 40,561,514
Amounts presented for governmental activities in the statement of net position are different because:	
Capital assets reported in the statement of net position are not financial resources and are not reported in the fund balance sheet.	102,786,257
Receivables not measurable and available within 60 days of year-end, and therefore are unavailable in the fund financial statements.	77,984
Net pension asset $249,857, the related deferred outflows of resources $534,744, and the related deferred inflows of resources ($273,598) are not available to pay current-period expenditures and therefore are not recorded in the funds.	511,003
Total OPEB liability ($144,866), the related deferred outflows of resources $35,765, and the related deferred inflows of resources ($9,575) are not due and payable in the current period and therefore are not recorded in the funds.	(88,676)
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	(174,856)
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.	(61,770,419)
Net Position of Governmental Activities	$ 81,902,807

City of Celina, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2020

	General Fund	Debt Service Fund	Street Construction Fund	Facilities Improvement Fund	Parkland Fees Fund	Fire Improvement Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues									
Ad valorem taxes	$ 7,135,018	$ 3,612,337	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,747,355
Franchise fees	602,603	-	-	-	-	-	-	-	602,603
Sales tax	1,823,693	-	-	-	-	-	-	-	1,823,693
Permits and inspection fees	8,643,113	-	-	-	-	-	-	-	8,643,113
Development fees	232,805	-	-	-	-	-	-	-	232,805
Developer contributions	43,600	-	-	-	-	-	75,878	-	119,478
Fire department, EMS, and police revenues	1,627,366	-	-	-	-	-	-	-	1,627,366
Fines	138,339	-	-	-	-	-	-	-	138,339
Special events and donations	25,058	-	-	-	-	-	-	106,424	131,482
Park fees	-	-	-	-	2,343,250	-	-	-	2,343,250
Impact and capital recovery fees	-	-	-	-	-	-	-	2,363,281	2,363,281
Other income	465,656	152	-	-	-	-	-	814,174	1,279,982
Interest	222,340	83,811	245,817	-	77,391	-	259,992	105,910	995,261
Federal, state & local grants	665,327	-	-	-	1,000,000	-	-	1,099,297	2,764,624
Total revenues	21,624,918	3,696,300	245,817	-	3,420,641	-	335,870	4,489,086	33,812,632
Expenditures									
Current									
Administration	3,849,702	-	-	-	-	23,365	-	379,452	4,252,519
Judicial	163,761	-	-	-	-	-	-	-	163,761
Fire and emergency services	4,490,395	-	-	-	-	-	-	-	4,490,395
Development services	3,361,403	-	-	-	-	-	-	313,500	3,674,903
Public works	1,343,564	-	72,579	30,211	-	-	-	1,261,108	2,707,462
Police department	3,318,987	-	-	-	-	-	-	194,329	3,513,316
Parks and recreation	1,125,035	-	-	-	251,000	-	-	-	1,376,035
Library	245,418	-	-	-	-	-	-	-	245,418
Main street project	-	-	-	-	-	-	-	62,944	62,944
Capital Outlay	-	-	9,837,874	809,624	3,868,536	333,354	7,899,901	788,320	23,537,609
Debt Service:									
Principal	-	2,829,800	-	82,211	-	-	-	-	2,912,011
Interest and fiscal charges	-	2,045,403	-	11,814	-	-	-	-	2,057,217
Total expenditures	17,898,265	4,875,203	9,910,453	933,860	4,119,536	356,719	7,899,901	2,999,653	48,993,590
Excess (deficiency) of revenues over (under) expenditures	3,726,653	(1,178,903)	(9,664,636)	(933,860)	(698,895)	(356,719)	(7,564,031)	1,489,433	(15,180,958)
Other Financing Sources (Uses)									
Capital contributions	-	-	-	-	-	-	-	140,196	140,196
Contributions from component unit	154,182	1,019,602	-	-	-	-	-	-	1,173,784
Transfers in	1,069,398	-	-	-	-	-	17,215,121	5,244,533	23,529,052
Transfers out	(7,210,697)	(109,716)	(8,340,616)	(1,241,897)	(623,414)	(2,432,553)	-	(817,238)	(20,776,131)
Total other financing sources (uses)	(5,987,117)	909,886	(8,340,616)	(1,241,897)	(623,414)	(2,432,553)	17,215,121	4,567,491	4,066,901
Net Change in Fund Balances	(2,260,464)	(269,017)	(18,005,252)	(2,175,757)	(1,322,309)	(2,789,272)	9,651,090	6,056,924	(11,114,057)
Fund Balances, Beginning of Year	11,126,307	2,497,665	23,579,308	2,175,757	4,454,315	2,789,272	-	5,052,947	51,675,571
Fund Balances, End of Year	$ 8,865,843	$ 2,228,648	$ 5,574,056	$ -	$ 3,132,006	$ -	$ 9,651,090	$ 11,109,871	$ 40,561,514

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, 2020

Net change in fund balances - total governmental funds	$ (11,114,057)
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of $23,537,609 exceeded depreciation expense of ($4,528,965).	19,008,644
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	15,626,747
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 $2,912,011.	2,912,011
Changes in the liabilities for compensated absences do not require the use of current resources and therefore are not recorded in the funds.	(260,859)
Changes in long term amounts for net pension liability $489,463, the related deferred outflows of resources ($235,796), and the related deferred inflows of resources ($238,001) are not recorded in the funds.	15,666
Changes in long term amounts for OPEB liability ($40,244), the related deferred outflows of resources $22,416, and the related deferred inflows of resources ($3,292) are not recorded in the funds	(21,120)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This includes the change in deferred inflows from ad valorem taxes of ($12,996), fines receivable of ($13,060) and grants receivable ($122,803)	(148,859)
Some revenues and 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 $297,696 and the decrease in accrued interest on debt $7,006	304,702
Change in net position - governmental activities	$ 26,322,875

City of Celina, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Ad valorem taxes	$ 7,119,647	$ 7,119,647	$ 7,135,018	$ 15,371
Franchise fees	352,791	352,791	602,603	249,812
Sales tax	1,292,500	1,292,500	1,823,693	531,193
Permits and inspection fees	5,040,000	5,586,500	8,643,113	3,056,613
Development fees	187,000	187,000	232,805	45,805
Developer contributions	112,500	112,500	43,600	(68,900)
Fire department, EMS, and police revenues	1,564,683	1,564,683	1,627,366	62,683
Fines	136,200	136,200	138,339	2,139
Special events and donations	50,000	50,000	25,058	(24,942)
Park fees and donations	185,500	185,500	-	(185,500)
Other income	129,449	129,449	465,656	336,207
Interest	245,000	245,000	222,340	(22,660)
Federal, state & local grants	1,076,384	1,146,867	665,327	(481,540)
Total revenues	17,491,654	18,108,637	21,624,918	3,516,281
Expenditures				
Current				
Administration	3,686,069	4,092,016	3,886,341	205,675
Judicial	185,817	185,817	163,761	22,056
Fire and emergency services	4,548,390	4,558,922	4,467,058	91,864
Development services	3,171,363	3,393,863	3,361,403	32,460
Public works	1,496,500	1,541,500	1,343,919	197,581
Police department	3,216,656	3,440,751	3,305,330	135,421
Parks and recreation	1,183,962	1,183,962	1,125,035	58,927
Library	272,884	272,884	245,418	27,466
Total expenditures	17,761,641	18,669,715	17,898,265	771,450
Excess (deficiency) of revenues over (under) expenditures	(269,987)	(561,078)	3,726,653	4,287,731
Other Financing Sources (Uses)				
Contributions from component unit	-	-	154,182	154,182
Transfers in	-	-	1,069,398	1,069,398
Transfers out	-	-	(7,210,697)	(7,210,697)
Total other financing sources (uses)	-	-	(5,987,117)	(5,987,117)
Net Change in Fund Balances	(269,987)	(561,078)	(2,260,464)	(1,699,386)
Fund Balances, Beginning of Year	11,126,307	11,126,307	11,126,307	4,070,134
Fund Balances, End of Year	$ 10,856,320	$ 10,565,229	$ 8,865,843	$ 2,370,748

Proprietary Fund Financial Statements

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City of Celina, Texas
Statement of Net Position – Proprietary Fund
September 30, 2020

	Water & Sewer Fund
Assets	
Current assets	
Cash and cash equivalents	$ 17,193,004
Cash and cash equivalents - restricted for capital projects	330,080
Accounts receivable, net	2,277,448
Total current assets	19,800,532
Noncurrent assets	
Cash and cash equivalents - restricted for capital projects	21,568,260
Net pension asset	44,092
Capital assets	
Land	3,135,272
Depreciable capital assets, net	94,003,687
Construction in progress	17,332,460
Capital assets, net	114,471,419
Total noncurrent assets	136,083,771
Total assets	155,884,303
Deferred Outflows of Resources	
Deferred pension outflows	94,366
Deferred OPEB outflows	5,600
Total deferred outflows of resources	99,966
Liabilities	
Current liabilities:	
Accounts payable	1,353,487
Accounts payable for capital projects	330,080
Accrued salaries and benefits	100,930
Bonds payable - current	3,110,302
Compensated absences - current	36,623
Accrued interest payable	236,672
Meter deposits payable	1,057,791
Total current liabilities	6,225,885
Noncurrent Liabilities	
Total OPEB liability	18,699
Bonds payable - long-term	78,447,181
Total noncurrent liabilities	78,465,880
Total liabilities	84,691,765
Deferred Inflows of Resources	
Deferred pension inflows	48,282
Deferred OPEB inflows	1,559
Total deferred inflows of resources	49,841
Net Position	
Net investment in capital assets	50,062,796
Unrestricted	21,179,867
Total net position	$ 71,242,663

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, 2020

	Water & Sewer Fund
Operating Revenues	
Water sales	$ 8,749,711
Sewer sales	6,164,461
Garbage fees	1,016,257
Penalties	169,623
Tap and reconnect fees	2,469,428
Impact fees	3,465,892
Capital recovery fees	3,026,848
Other revenues	1,659,977
Total operating revenues	26,722,197
Operating Expenses	
Salaries and benefits	1,694,868
Garbage fees	945,442
Materials and supplies	2,393,084
Postage	69,685
Repairs and facility maintenance	357,887
General insurance	27,895
Utilities and telephone	257,399
Water purchases and related fees	4,112,313
UTRWD facilities charges	1,074,720
Developer incentives	1,350
Depreciation	2,735,084
Other expense	717,896
Total operating expenses	14,387,623
Operating Income	12,334,574
Nonoperating Revenues (Expenses)	
Interest income	686,102
Interest and fiscal charges	(2,800,484)
Total nonoperating revenues (expenses)	(2,114,382)
Income (loss) before contributions and transfers	10,220,192
Capital contributions	23,622,709
Transfers in (out)	(2,752,921)
Change in Net Position	31,089,980
Net Position, Beginning of Year	40,152,683
Net Position, End of Year	$ 71,242,663

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, 2020

	Water & Sewer Fund
Cash Flows from Operating Activities	
Cash received from customers and users	$ 26,698,763
Cash paid to suppliers	(9,381,013)
Cash paid to employees	(1,594,000)
Net cash provided by operating activities	15,723,750
Cash Flows from Noncapital Financing Activities	
Change in customer deposits	223,712
Transfers to other funds	(2,752,921)
Net cash used by noncapital financing activities	(2,529,209)
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	(19,506,880)
Proceeds from notes payable	1,151,000
Principal payments on bonds	(2,350,200)
Interest paid on bonds and other long-term obligations	(3,269,207)
Net cash used by capital and related financing activities	(23,975,287)
Cash Flows from Investing Activities	
Investment income	686,102
Net cash provided by investing activities	686,102
Net Decrease in Cash and Cash Equivalents	(10,094,644)
Cash and Cash Equivalents, Beginning of Year	49,185,988
Cash and Cash Equivalents, End of Year	$ 39,091,344

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

City of Celina, Texas

Statement of Cash Flows - Proprietary Fund (Continued)

Year Ended September 30, 2020

	Water & Sewer Fund
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and cash equivalents	$ 17,193,004
Restricted cash and cash equivalents	
Current	330,080
Noncurrent	21,568,260
Total cash and cash equivalents	$ 39,091,344
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 12,334,574
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	2,735,084
(Increases) decreases in assets and deferred outflows	
Accounts receivable (net)	(23,434)
Net pension asset	(76,766)
Deferred pension outflows	10,708
Deferred OPEB outflows	(3,779)
Increases (decreases) in liabilities and deferred inflows:	
Accounts payable	576,658
Accrued expenses	97,848
Total OPEB liability	8,523
Compensated absences	20,204
Deferred pension inflows	43,428
Deferred OPEB inflows	702
Total adjustments	3,389,176
Net Cash Provided by Operating Activities	$ 15,723,750
Supplemental Disclosure of Noncash Investing, Capital and Financing Activities	
Contributions of capital assets	$ 23,622,709
Additions to capital assets included in accounts payable	330,080

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

Combining Discretely Presented Component Units

Financial Statements

Life Connected.

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City of Celina, Texas

Combining Statement of Net Position – Discretely Presented Component Units

September 30, 2020

	Celina Economic Development Corporation	Celina Community Development Corporation	Total Aggregate Component Units
Assets			
Cash and cash equivalents	$ 1,071,200	$ 1,167,194	$ 2,238,394
Sales taxes receivable	182,795	178,733	361,528
Total assets	1,253,995	1,345,927	2,599,922
Liabilities			
Accrued interest	56,750	-	56,750
Accrued payroll	11,820	-	11,820
Note Payable	834,289	-	834,289
Total liabilities	902,859	-	902,859
Net Position (Deficit)			
Unrestricted	351,136	1,345,927	1,697,063
Total net position (deficit)	$ 351,136	$ 1,345,927	$ 1,697,063

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

City of Celina, Texas

Combining Statement of Activities – Discretely Presented Component Units

Year Ended September 30, 2020

	Celina Economic Development Corporation	Celina Community Development Corporation	Total Aggregate Component Units
Functions/Programs			
Economic development	$ (421,428)	$ -	$ (421,428)
Community development	-	(1,019,602)	(1,019,602)
Total expenses	(421,428)	(1,019,602)	(1,441,030)
General Revenues			
Sales taxes	861,459	861,459	1,722,918
Miscellaneous	2,500	5,000	7,500
Unrestricted investment earnings	19,325	16,690	36,015
Total general revenues	883,284	883,149	1,766,433
Change in Net Position	461,856	(136,453)	325,403
Net Position (Deficit) - Beginning of Year	(110,720)	1,482,380	1,371,660
Net Position - End of Year	$ 351,136	$ 1,345,927	$ 1,697,063

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

Notes to Financial Statements

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City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 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, 2020.

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, 2020:

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units:

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

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

Neither CEDC nor CCDC prepare separate financial statements.

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. 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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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 nonmajor funds.

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.

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 granter 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, capital lease principal, pension and other postemployment benefit obligations, compensated absences and interest which are reported as expenditures in the year due.

Major revenue 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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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.

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.

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.

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.

Bond Fund – accounts for the acquisition or construction of streets and other capital projects being financed through bond proceeds, or transfers from other funds.

Additionally, the City maintains the following nonmajor governmental funds:

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

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

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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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

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

Stabilization Fund - established to help the City maintain resiliency by ensuring adequate balance to cash flow requirements during economic turbulence.

Developer Capital Fees Fund – to account for Developer Fees paid to build capital projects per the agreements.

Court Special Revenue Fund – to account for the receipt and expenditure of court security and technology funds. Fund resources are provided primarily through contributions, donations and court security fees.

Other Special Revenue Funds – to account for various grants, PEG fees, Law Enforcement, and Contributions/Donations to the City.

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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position 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 investments.

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

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

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

Inventories and Prepaids

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

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government reports deferred outflows related to pension and OPEB in the government-wide statement of net position.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the government reports deferred inflows related to pension and OPEB in the government-wide statement of net position.

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. Donated assets are reported at acquisition value. These assets are reported in the government-wide financial statements in the applicable governmental or business-type column or in the proprietary fund. The City maintains infrastructure asset records consistent with all other capital assets. 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 reported.

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

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 are capitalized and amortized over the shorter term of the old or new bonds using the straight-line method. Bond premiums are capitalized and amortized over the life of the new bonds using the effective interest method. Issuance costs are expensed.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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.

Defined Benefit Other Postemployment Benefit Plans

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan (Plan). For purposes of measuring the total OPEB liability for the Plan, deferred outflows of resources and deferred inflows of resources related to the OPEB plan, and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms for the Plan.

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; therefore, no monetary obligation exists.

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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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:

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

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

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

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

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

The City Council delegates the responsibility to assign funds to the City Manager, Director of Finance, or other designees.

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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 1: Introduction and Summary of Significant Accounting Policies (Continued)

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.

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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

Note 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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 3: Deposits and Investments (Continued)

Deposits of City of Celina, Texas (primary government) and CCDC were fully insured or collateralized with securities held by the City, CCDC, its agent, or by the pledging financial institution's trust department or agent in the name of the City or CCDC, respectively. Deposits of CEDC were not fully insured or collateralized with securities held by CEDC, its agent, or by the pledging financial institution's trust department or agent in the name of CEDC throughout the year. Deposits of the CEDC were materially secured as of September 30, 2020.

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 Finance Director. 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, 2020, 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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

banking procurement process. All transactions shall be executed on a delivery versus payment basis.

Note 4: Receivables

Proprietary Fund Receivables, Uncollectible Accounts and Unearned Revenue

Significant receivables include amounts due from customers primarily for utility services. 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.

The following is the detail of the Proprietary Fund receivables and the related allowance for uncollectible accounts:

Accounts receivable, gross	2,452,763
Less: allowance for uncollectible accounts	(175,315)
Net accounts receivable	$ 2,277,448

Property Taxes Receivable, Unearned Revenues and the Property Tax Calendar

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. The Appraisal Board of Review establishes appraised values at 100.00% for estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches. Taxes are due on October 1 immediately following the levy date and are delinquent after the following January 31st.

The property tax rate for the year ended September 30, 2020 was .645 per $100 of the assessed valuation on taxable property.

The following is a summary of the overall tax rate as levied by fund:

Maintenance and operations - General Fund	.4536
Interest and sinking - Debt Service Fund	.1914
Total tax rate	.6450

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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 4: Receivables (Continued)

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 10.00% allowance for estimated uncollectible amounts regardless of when cash is received. Over time substantially all property taxes are collected.

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 (10.00%) 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 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.

The following is the detail of the governmental fund receivables and the related allowance for uncollectible accounts:

	General Fund	Debt Service Fund	Other Governmental Fund	Total Governmental Funds
Sales taxes	$ 357,465	$ -	$ -	$ 357,465
Property taxes	32,406	31,328	-	63,734
EMS	397,321	-	-	397,321
Other	1,863,670	-	25,841	1,889,511
Less: Allowance for doubtful accounts	(1,014,737)	(4,699)	-	(1,019,436)
Total	$ 1,636,125	$ 26,629	$ 25,841	$ 1,688,595

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 5: Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning	Increases	Decreases	Ending
Governmental Activities				
Nondepreciable capital assets:				
Land	$ 3,637,345	$ 5,754,401	$ -	$ 9,391,746
Construction in progress	16,014,401	14,721,566	11,326,206	19,409,761
Total nondepreciable capital assets	19,651,746	20,475,967	11,326,206	28,801,507
Depreciable capital assets				
Buildings and improvements	7,320,952	6,557,124	-	13,878,076
Parks	12,240,281	112,167	-	12,352,448
Road infrastructure	34,548,884	19,697,538	-	54,246,422
Furniture and equipment	3,431,277	559,617	-	3,990,894
Vehicles	4,267,739	3,072,528	-	7,340,267
Total depreciable capital assets	61,809,133	29,998,974	-	91,808,107
Total capital assets	81,460,879	50,474,941	11,326,206	120,609,614
Less: accumulated depreciation				
Buildings and improvements	931,234	323,084	-	1,254,318
Parks	2,561,484	422,173	-	2,983,657
Road infrastructure	5,953,199	2,486,323	-	8,439,522
Furniture and equipment	1,924,087	409,681	-	2,333,768
Vehicles	1,924,388	887,704	-	2,812,092
Total accumulated depreciation	13,294,392	4,528,965	-	17,823,357
Capital assets, net	$ 68,166,487	$ 45,945,976	$ 11,326,206	$ 102,786,257

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 5: Capital Assets (Continued)

	Beginning	Increases	Decreases	Ending
Business-Type Activities				
Nondepreciable capital assets:				
Land	$ 1,328,043	$ 1,807,229	$ -	$ 3,135,272
Construction in progress	42,005,914	6,990,185	(31,663,639)	17,332,460
Total nondepreciable capital assets	43,333,957	8,797,414	(31,663,639)	20,467,732
Depreciable capital assets				
Buildings and improvements	43,769	-	-	43,769
Water & Sewer infrastructure	44,070,063	60,819,096	-	104,889,159
Vehicles	860,247	-	-	860,247
Equipment	1,705,867	33,380	-	1,739,247
Total depreciable capital assets	46,679,946	60,852,476	-	107,532,422
Total capital assets	90,013,903	69,649,890	(31,663,639)	128,000,154
Less: accumulated depreciation				
Buildings and improvements	28,996	1,031	-	30,027
Water & Sewer infrastructure	9,770,221	2,521,874	-	12,292,095
Vehicles	476,184	116,857	-	593,041
Equipment	518,250	95,322	-	613,572
Total accumulated depreciation	10,793,651	2,735,084	-	13,528,735
Capital assets, net	$ 79,220,252	$ 66,914,806	$ (31,663,639)	$ 114,471,419

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

Administration	$ 144,517
Fire and emergency services	916,556
Road infrastructure	2,502,116
Public works	181,480
Parks	477,878
Police department	216,123
Development services	80,028
Library	7,303
Court	2,964
Total	$ 4,528,965

Depreciation expense recorded in business -type activities and the Proprietary Fund was $2,735,084.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 6: Long-Term Obligations

The following is a summary of long-term debt transactions for the City for the year ended September 30, 2020:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	$ 7,995,000	$ -	$ (880,000)	$ 7,115,000	$ 780,000
Tax and Waterworks and Sewer System certificates of obligation	52,890,000	-	(1,949,800)	50,940,200	1,852,300
	60,885,000	-	(2,829,800)	58,055,200	2,632,300
Issuance premium	3,113,875	-	(297,696)	2,816,179	289,782
Total bonds payable	63,998,875	-	(3,127,496)	60,871,379	2,922,082
Capital leases	267,616	-	(82,211)	185,405	86,529
Compensated absences	452,776	332,223	(71,364)	713,635	71,364
Governmental Activities Long-Term Debt	$ 64,719,267	$ 332,223	$ (3,281,071)	$ 61,770,419	$ 3,079,975
Business-type Activities					
Bonds Payable					
General obligation bonds	$ 1,750,000	$ -	$ (445,000)	$ 1,305,000	$ 465,000
Tax and Waterworks and Sewer System certificates of obligation	76,675,000	-	(1,905,200)	74,769,800	2,202,700
	78,425,000	-	(2,350,200)	76,074,800	2,667,700
Issuance premium	4,794,176	-	(462,493)	4,331,683	442,602
Total bonds payable	83,219,176	-	(2,812,693)	80,406,483	3,110,302
Note Payable	-	1,151,000	-	1,151,000	
Compensated absences	16,419	20,204	-	36,623	36,623
Business-type Activities Long-Term Debt	$ 83,235,595	$ 1,171,204	$ (2,812,693)	$ 81,594,106	$ 3,146,925

Long-term Obligations Supporting Governmental Activities

The government issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities and are direct obligations and pledge the full faith and credit of the government. These bonds and certificates generally are issued as serial bonds with equal amounts of principal maturing each year with maturities of 20 years. General obligation bonds and certificates of obligation are to be repaid with property taxes levied for debt service and recorded by 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 and Facilities Improvement Fund.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 6: Long-Term Obligations (Continued)

Interest expense for governmental activities was $1,752,515 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.

The City entered into an agreement during fiscal year 2020 with Marilee Special Utility District, formerly known as Gunter Special Utility District, for purchase of 2,225 acres of the Marilee CCN for a total of $1,151,000. Five annual installments will be made beginning in fiscal year 2021 with no interest applied.

Interest expense for business-type activities and the Proprietary (water and sewer) Fund was $2,800,484 for the year.

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 and Water and Sewer Fund.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 6: Long-Term Obligations (Continued)

Debt Service Requirements to Maturity

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

Year ending September 30	Governmental Activities Bond Principal	Bond Interest	Capital Lease Principal	Capital Lease Interest	Total Required
2021	$ 2,632,300	$ 2,098,266	86,529	7,496	$ 4,824,591
2022	2,640,000	2,001,191	91,074	2,951	4,735,216
2023	2,950,000	2,103,491	7,802	33	5,061,326
2024	3,095,000	1,994,501	-	-	5,089,501
2025	3,220,000	1,867,686	-	-	5,087,686
2026-2030	17,470,000	7,439,669	-	-	24,909,669
2031-2035	16,745,000	4,418,825	-	-	21,163,825
2036-2039	9,302,900	1,859,225	-	-	11,162,125
Totals	$ 58,055,200	$ 23,782,855	$ 185,405	$ 10,480	$ 82,033,940

Year ending September 30	Business-type Activities Bond Principal	Bond Interest	Total Required
2021	$ 2,667,700	$ 2,840,066	$ 5,507,766
2022	2,825,000	2,739,474	5,564,474
2023	3,735,000	2,628,361	6,363,361
2024	3,890,000	2,484,916	6,374,916
2025	3,740,000	2,317,256	6,057,256
2026-2030	21,200,000	9,089,581	30,289,581
2031-2035	25,405,000	4,806,456	30,211,456
2036-2039	12,612,100	820,163	13,432,263
Totals	$ 76,074,800	$ 27,726,274	$ 103,801,074

Special Assessment Revenue Bond

From time to time the City issues Special Assessment Revenue Bonds. Below is a schedule of the Special Assessment Revenue Bonds the City has issued with their original issue value. Total bond principal outstanding for these issues is $125,045,000 at year-end.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 6: Long-Term Obligations (Continued)

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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 6: Long-Term Obligations (Continued)

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

Note 7: Component Unit Debt Obligations

CEDC has the following debt obligation:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Note Payable	$ 1,044,263	$ -	$ 209,974	$ 834,289	$ 74,822

In March 2020, CEDC entered in to a note payable agreement with Lamar National Bank in the principal amount of $ 1,044, 263 with a fixed rate of interest equal to 3.75% to refinance a loan with a predecessor bank. Interest only payments are due monthly until March 22, 2030 when the entire principal balance is due. The note payable is unsecured but is expected to be paid out of the sales and use taxes that will be levied and collected by the City of Celina, Collin County, Texas pursuant to the *Development Corporation Act*, Chapter 501, 502 and 504 of the Texas Local Government Code. At September 30, 2020, the outstanding CEDC note balance was $834,289.

The following is the annual debt service requirements to maturity for the note payable:

Year ending September 30	Principal	Interest	Total Required
2021	$ 74,822	$ 30,660	$ 105,482
2022	77,243	27,791	105,034
2023	80,223	24,812	105,035
2024	83,316	21,718	105,034
2025	86,529	18,504	105,033
2026-2030	432,156	40,088	472,244
Totals	$ 834,289	$ 163,573	$ 997,862

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 8: Defined Benefit Pension Plans

Plan Description

The City of Celina, Texas participates as one of 887 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 (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 40 I (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at *www.tmrs.com.* All eligible employees of the City are required to participate in TMRS.

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 75.00% 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	20 years at any age, 5 years at age 60 and above
Updated service credit	0%
Annuity increase to retirees	0% of CPI

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 8: Defined Benefit Pension Plans (Continued)

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	96
Active employees	159
	272

Contributions

The contribution rates for employees in TMRS are either 5.00%, 6.00% or 7.00% of employee gross earnings, and the City matching percentages are either 100.00%, 150.00% or 200.00%, 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 of the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.47% and 6.34% in calendar years 2020 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were $772,301 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of position plan investment expense, including inflation

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 8: Defined Benefit Pension Plans (Continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

City of Celina, Texas

Notes to Financial Statements

September 30, 2020

Note 8: Defined Benefit Pension Plans (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
None-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.00%
Real Estate	10.00%	3.85%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate

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

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 8: Defined Benefit Pension Plans (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A - B)
Balance at October 1, 2019	$ 7,333,945	$ 7,061,665	$ 272,280
Changes for the year:			
Service Cost	1,389,740		1,389,740
Interest	532,994		532,994
Difference between expected and actual experience	(31,250)		(31,250)
Contributions - employer		650,019	(650,019)
Contributions - employee		717,947	(717,947)
Net investment income		1,095,951	(1,095,951)
Benefit payments, including refunds of employee contributions	(265,215)	(265,215)	-
Administrative expense		(6,169)	6,169
Other changes	(150)	(185)	35
Net changes	1,626,119	2,192,348	(566,229)
Balance at September 30, 2020	$ 8,960,064	$ 9,254,013	$ (293,949)

Sensitivity of The Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) 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 (asset)	$ 1,241,135	$ (293,949)	$ (1,527,787)

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 at *www.tmrs.com.*

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 8: Defined Benefit Pension Plans (Continued)

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

For the year ended September 30, 2020, the City recognized pension expense of $726,216.

At September 30, 2020, 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	$ 5,447	$ 55,418
Changes in actuarial assumptions	41,120	128
Difference between projected and actual investment earnings	-	266,334
Contributions subsequent to the measurement date	582,543	-
Total	$ 629,110	$ 321,880

$582,543 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2020	$ (60,635)
2021	(68,411)
2022	(10,389)
2023	(128,402)
2024	(4,192)
Thereafter	(3,284)
Total	$ (275,313)

City of Celina, Texas

Notes to Financial Statements

September 30, 2020

Note 9: Postemployment Benefits Other Than Pensions (OPEB)

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

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

Employees Covered by Benefit Terms

At the December 31, 2019 actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	11
Active employees	159
Total	183

Contributions

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

The City's SDBF contribution rate for all covered employees of the City in calendar years 2020 and 2019 was .13%. The City's contributions for all covered employees to the TMRS SDBF for the fiscal years ended September 30, 2020 and September 30, 2019, were $25,370 $12,798, respectively, which equaled the required contributions for each year. The retiree portion of this contribution rate (OPEB portion) was 0.00% of covered payroll in calendar years 2020 and 2019 respectively.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 9: Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Total OPEB Liability

The City's total OPEB liability (TOL) of $133,565 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50% per year
Salary Increase	3.50% to 11.50% including inflation
Discount Rate	2.75% (3.71% in prior year)
Retirees Share of Benefit Costs	$0

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the 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 Table with Blue Collar Adjustment is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2019 valuation were developed primarily from an actuarial experience study of the four-year period December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the entry-age normal actuarial cost method.

The current year discount rate used to measure the total OPEB liability was 3.71% and was based upon the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2019. The prior year discount rate used to measure the total OPEB liability was 3.31% and was based upon the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2017.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 9: Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at October 1, 2019	$ 84,798
Changes for the year:	
Service cost	21,538
Interest on total OPEB liability	3,527
Differences between expected & actual experience	(5,434)
Changes in assumptions and other inputs	30,162
Benefit payments*	(1,026)
Net changes	48,767
Balance at September 30, 2020	**$ 133,565**

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

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

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1 % Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	$ 170,066	$ 133,565	$ 106,480

City of Celina, Texas

Notes to Financial Statements

September 30, 2020

Note 9: Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $27,592. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 121	$ 4,857
Changes in assumptions and other inputs	31,647	6,277
Contributions made subsequent to measurement date	9,597	
Total	$ 41,365	$ 11,134

$9,597 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	Amount
2020	$ 2,527
2021	2,527
2022	2,527
2023	2,527
2024	2,527
Thereafter	7,999
Total	$ 20,634

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 10: Transfers and Payments Within the Reporting Entity

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:

Fund	Transfers In	Transfers Out
General Fund	$ 1,069,398	$ 7,210,697
Debt Service Fund	-	109,716
Street Construction Fund	-	8,340,616
Facilities Improvement Fund	-	1,241,897
Parkland Fees Fund	-	623,414
Fire Improvement Fund	-	2,432,553
Bond Fund	17,215,121	-
Nonmajor Governmental Funds	5,244,533	817,238
Water and Sewer Fund	-	2,752,921
	$ 23,529,052	$ 23,529,052

The majority of the transfers out relate to the $17.2 million transfer to the Bond Fund. The purpose was to reallocate construction funds into bond issuance series for improved oversight and controls. In addition, $3.8 million was transferred as part of the Nonmajor Governmental Funds for the Vehicle Replacement Program and another $731,612 was a transfer for services from the Water Wastewater Fund to the General Fund.

Note 11: 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, 2020, 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.

City of Celina, Texas
Notes to Financial Statements
September 30, 2020

Note 12: UTRWD Facilities Charges

The 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:

Year Ending 9/30	Annual Requirement
2021	$ 1,185,062
2022	837,728
2023	835,698
2024	835,698
2025	835,698
Thereafter	10,111,831
Total required	$ 14,641,715

Note 13: Subsequent Events

On December 30, 2020, the City received a COVID-19 Coronavirus Relief Fund grant of approximately $396,000 from Collin County.

On January 21, 2021, the City of Celina issued $62,000,000 in Series 2021 Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2021 bonds.

Required Supplementary Information

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City of Celina, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 1,389,740	$ 1,074,389	$ 760,238	$ 634,724	$ 477,763	$ 349,532
Interest (on the Total Pension Liability)	532,994	434,173	356,068	297,354	246,793	204,236
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(31,250)	6,080	(3,776)	(42,188)	(33,873)	11,213
Change of assumptions	(150)	-	-	-	164,970	-
Benefit payments, including refunds of employee contributions	(265,215)	(151,399)	(73,590)	(92,022)	(16,986)	(25,289)
Net Change in Total Pension Liability	1,626,119	1,363,243	1,038,940	797,868	838,667	539,692
Total Pension Liability - Beginning	7,333,945	5,970,702	4,931,762	4,133,894	3,295,227	2,755,535
Total Pension Liability - Ending	$ 8,960,064	$ 7,333,945	$ 5,970,702	$ 4,931,762	$ 4,133,894	$ 3,295,227
Plan Fiduciary Net Position						
Contributions - employer	$ 650,019	$ 504,822	$ 357,923	$ 241,159	$ 188,960	$ 96,209
Contributions - employee	717,947	558,331	393,323	325,261	258,850	201,034
Net Investment income	1,095,951	(190,540)	691,169	285,732	5,594	190,520
Benefit payments, including refunds of employee contributions	(265,215)	(151,399)	(73,590)	(92,022)	(16,986)	(25,289)
Administrative expense	(6,169)	(3,673)	(3,576)	(3,223)	(3,406)	(1,988)
Other	(185)	(191)	(181)	(174)	(168)	(163)
Net Change in Plan Fiduciary Net Position	2,192,348	717,350	1,365,068	756,733	432,844	460,323
Plan Fiduciary Net Position - Beginning	7,061,665	6,344,315	4,979,247	4,222,514	3,789,670	3,329,347
Plan Fiduciary Net Position - Ending	$ 9,254,013	$ 7,061,665	$ 6,344,315	$ 4,979,247	$ 4,222,514	$ 3,789,670
Net Pension Liability (Asset) - Ending	$ (293,949)	$ 272,280	$ (373,613)	$ (47,485)	$ (88,620)	$ (494,443)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.28%	96.29%	106.26%	100.96%	102.14%	115.00%
Covered Payroll	$ 10,256,387	$ 7,976,159	$ 5,618,903	$ 4,646,591	$ 3,697,854	$ 2,871,910
Net Pension Liability as a Percentage of Covered Payroll	-2.87%	3.41%	-6.65%	-1.02%	-2.40%	-17.22%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

City of Celina, Texas
Schedule of Contributions
Last Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 772,301	$ 624,122	$ 459,895	$ 324,728	$ 237,763	$ 162,349
Contributions in relation to the actuarially determined contribution	772,301	624,122	459,895	324,728	237,763	162,349
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,996,779	$ 9,844,203	$ 7,245,746	$ 5,230,520	$ 4,486,771	$ 3,388,197
Contributions as a percentage of covered payroll	6.44%	6.34%	6.35%	6.21%	5.30%	4.79%

Schedule Notes:

Valuation Dates:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

The information in this schedule has been determined as of the City's most recent fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

City of Celina, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Two Fiscal Years

	Actuarial Valuation & Measurement Date December 31, 2019	2018	2017
Total OPEB Liability			
Service cost	$ 21,538	$ 19,940	$ 12,362
Interest on the total OPEB liability	3,527	2,646	2,074
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(5,434)	155	-
Changes in assumptions or other inputs	30,162	(8,000)	6,931
Benefit payments	(1,026)	-	-
Net Change in Total OPEB Liability	48,767	14,741	21,367
Total OPEB Liability - Beginning	84,798	70,057	48,690
Total OPEB Liability - Ending	$ 133,565	$ 84,798	$ 70,057
Covered Payroll	$ 10,256,387	$ 7,976,159	$ 5,618,903
Total OPEB Liability as a Percentage of Covered Payroll	1.30%	1.06%	1.25%

Schedule Notes:

Plan information:

Single-employer unfunded OPEB plan	There are no assets accumulated in a trust that meets the criteria in GASB Statement No.75 paragraph four to pay related benefits.
Actuarial Valuation & Measurement Date:	December 31

Significant actuarial assumptions used to measure the total OPEB liability:

Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount Rate	2.75% (Based on Fidelity Index's "20-year Municipal GO AA Index" rate as of 12/31/19). 3.71% in prior year.
Retiree's Share of Benefit-related Costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No.68
Mortality - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

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

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

Combining and Individual Fund Financial Statements and Schedules

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Major Governmental Funds

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Major Governmental Funds
Debt Service Fund
Capital Projects Funds

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.

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

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.

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.

Bond Fund - to account for the acquisition or construction of streets and other capital projects being financed through bond proceeds, or transfers from other funds.

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Life Connected.

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City of Celina, Texas
Budgetary Comparison Schedule (GAAP Basis)
Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Property Tax	$ 3,448,479	$ 3,448,479	$ 3,612,337	$ 163,858
Component Unit Contributions	1,097,537	1,097,537	-	(1,097,537)
Other Income	-	-	152	152
Interest	40,000	40,000	83,811	43,811
Total revenues	4,586,016	4,586,016	3,696,300	(889,716)
Expenditures				
Principal	2,790,000	2,790,000	2,829,800	(39,800)
Interest and Fiscal Charges	2,340,921	2,340,921	2,045,403	295,518
Total expenditures	5,130,921	5,130,921	4,875,203	255,718
Excess (deficiency) of revenues over (under) expenditures	(544,905)	(544,905)	(1,178,903)	(633,998)
Other Financing Sources (Uses)				
Contributions from component unit	-	-	1,019,602	1,019,602.00
Transfers in (out)	-	-	(109,716)	(109,716.00)
Total Other Financing Sources (Uses)	-	-	909,886	909,886.00
Net Change in Fund Balance	(544,905)	(544,905)	(269,017)	275,888
Fund Balance, Beginning of Year	2,497,665	2,497,665	2,497,665	-
Fund Balance, End of Year	$ 1,952,760	$ 1,952,760	$ 2,228,648	$ 275,888

City of Celina, Texas
Budgetary Comparison Schedule (GAAP Basis)
Parkland Fees Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget-Positive (Negative)
Revenues				
Park Fees	$ 1,050,000	$ 1,050,000	$ 2,343,250	$ 1,293,250
Interest	50,000	50,000	77,391	27,391
Intergovermental	-	-	1,000,000	1,000,000
Total revenues	1,100,000	1,100,000	3,420,641	2,320,641
Expenditures				
Parks and Recreation	-	1,600,000	251,000	1,349,000
Capital Outlay	-	-	3,868,536	(3,868,536)
Total expenditures	-	1,600,000	4,119,536	(2,519,536)
Excess (deficiency) of revenues over (under) expenditures	1,100,000	(500,000)	(698,895)	(198,895)
Other Financing Sources (Uses) - Transfers Out	-	-	(623,414)	(623,414)
Total other financing sources (uses)	-	-	(623,414)	(623,414)
Net Change in Fund Balance	1,100,000	(500,000)	(1,322,309)	(822,309)
Fund Balance, Beginning of Year	4,454,315	4,454,315	4,454,315	-
Fund Balance, End of Year	$ 5,554,315	$ 3,954,315	$ 3,132,006	$ (822,309)

City of Celina, Texas
Budgetary Comparison Schedule (GAAP Basis)
Bond Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget-Positive (Negative)
Revenues				
Other Income	$ -	$ -	$ 75,878	$ 75,878
Interest	-	-	259,992	259,992
Total revenues	-	-	335,870	335,870
Expenditures				
Capital Outlay	16,672,309	16,672,309	7,899,901	8,772,408
Total expenditures	16,672,309	16,672,309	7,899,901	8,772,408
Excess (deficiency) of revenues over (under)	(16,672,309)	(16,672,309)	(7,564,031)	(8,436,538)
Other Financing Sources (Uses) - Transfer In	-	-	17,215,121	17,215,121
Total other financing sources (uses)	-	-	17,215,121	17,215,121
Net Change in Fund Balance	(16,672,309)	(16,672,309)	9,651,090	26,323,399
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	$ (16,672,309)	$ (16,672,309)	$ 9,651,090	$ 26,323,399

Nonmajor Governmental Funds

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Nonmajor Governmental Funds

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

Capital Equipment Replacement Fund – to account for public safety capital replacements including vehicles and equipment.

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

Roadway Capital Recovery Fees Fund- to account for roadway capital recovery fees paid by developers to the City for roadway construction.

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

Stabilization Fund – Established to help the City maintain resiliency by ensuring adequate balance to cash flow requirements during economic turbulence.

Developer Capital Fees Fund - to account for Developer Fees paid to build capital projects per the agreements.

Court Special Revenue Fund - to account for the restricted Court fees to be used to pay for technology expenses and security expenses specific to the Court.

Other Special Revenue Funds - to account for various grants, PEG fees, Law Enforcement, and Contributions/Donations to the City.

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City of Celina, Texas
Combining Balance Sheet
Other Governmental Funds
September 30, 2020

	Roadway Impact Fees	Capital Equipment Replacement	Capital Acquisition	Roadway Capital Recovery Fees	Technology	Stabilization
Assets						
Cash and cash equivalents	$ 2,121,767	$ 4,288,462	$ 1,983,189	$ 1,789,739	$ 175,659	$ 500,000
Accounts receivable	-	-	-	-	-	-
Total assets	$ 2,121,767	$ 4,288,462	$ 1,983,189	$ 1,789,739	$ 175,659	$ 500,000
Liabilities						
Accounts payable	$ 145,080	$ -	$ -	204,084	$ -	$ -
Total liabilities	$ 145,080	$ -	$ -	$ 204,084	$ -	$ -
Fund Balances						
Restricted for						
Capital projects	$ 1,976,687	$ -	$ 1,983,189	$ -	$ -	$ 500,000
Law enforcement	-	-	-	-	-	-
Courts	-	-	-	-	-	-
Grants	-	-	-	-	-	-
PEG	-	-	-	-	-	-
Hotel	-	-	-	-	-	-
Assigned	-	4,288,462	-	1,585,655	175,659	-
Total fund balances	1,976,687	4,288,462	1,983,189	1,585,655	175,659	500,000
Total liabilities and fund balances	$ 2,121,767	$ 4,288,462	$ 1,983,189	$ 1,789,739	$ 175,659	$ 500,000

See auditor’s report on supplementary information

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City of Celina, Texas
Combining Balance Sheet
Other Governmental Funds (continued)
September 30, 2020

Developer Capital Fees	Court Special Revenue	Other Special Revenue Funds	Total Nonmajor Governmental Funds
$ 297,575	$ 122,992	$ 470,850	$ 11,750,233
-	-	25,841	25,841
$ 297,575	$ 122,992	$ 496,691	$ 11,776,074
$ 286,000	$ -	$ 31,039	$ 666,203
$ 286,000	$ -	$ 31,039	$ 666,203
$ 11,575	$ -	$ 267,294	$ 4,738,745
-	-	25,833	25,833
-	122,992	-	122,992
-	-	25,727	25,727
-	-	46,708	46,708
-	-	12,823	12,823
-	-	87,267	6,137,043
11,575	122,992	465,652	11,109,871
$ 297,575	$ 122,992	$ 496,691	$ 11,776,074

City of Celina, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Other Governmental Funds

September 30, 2020

	Roadway Impact Fees	Capital Equipment Replacement	Capital Acquisition	Roadway Capital Recovery Fees	Technology	Stabilization
Revenues						
Special events and donations	$ -	$ -	$ -	$ -	$ -	$ -
Impact and capital recoery fees	937,630	-	-	1,425,651	-	-
Other income	-	-	-	-	275,000	-
Interest	27,225	20,024	24,003	26,177	1,490	-
Federal, state & local grants	-	-	421,223	-	-	-
Total revenues	964,855	20,024	445,226	1,451,828	276,490	-
Expenditures						
Current						
Administration	-	-	104,500	-	166,400	-
Development services	-	-	-	-	-	-
Public works	383,341	-	32,315	845,452	-	-
Police department	-	-	-	-	-	-
Main street project	-	-	-	-	-	-
Capital Outlay	-	258,679	340,367	-	-	-
Total expenditures	383,341	258,679	477,182	845,452	166,400	-
Excess (deficiency) of revenues over expenditures	581,514	(238,655)	(31,956)	606,376	110,090	-
Other Financing Sources (Uses)						
Capital contribution	-	-	-	-	-	-
Transfers in	-	3,835,889	532,520	-	-	500,000
Transfers out	(86,801)	-	-	(186,335)	(53,500)	-
Total other financing sources (uses)	(86,801)	3,835,889	532,520	(186,335)	(53,500)	500,000
Net Change in Fund Balance	494,713	3,597,234	500,564	420,041	56,590	500,000
Fund Balance, Beginning of Year	1,481,974	691,228	1,482,625	1,165,614	119,069	-
Fund Balance, End of Year	$ 1,976,687	$ 4,288,462	$ 1,983,189	$ 1,585,655	$ 175,659	$ 500,000

See auditor's report on supplementary information

Developer Capital Fees	Court Special Revenue	Other Special Revenue Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ 106,424	$ 106,424
-	-	-	2,363,281
324,400	9,537	205,237	814,174
675	1,253	5,063	105,910
-	-	678,074	1,099,297
325,075	10,790	994,798	4,489,086
-	2,121	106,431	379,452
313,500	-	-	313,500
-	-	-	1,261,108
-	-	194,329	194,329
-	-	62,944	62,944
-	-	189,274	788,320
313,500	2,121	552,978	2,999,653
11,575	8,669	441,820	1,489,433
-	-	140,196	140,196
-	-	376,124	5,244,533
-	-	(490,602)	(817,238)
-	-	25,718	4,567,491
11,575	8,669	467,538	6,056,924
-	114,323	(1,886)	5,052,947
$ 11,575	$ 122,992	$ 465,652	$ 11,109,871

Statistical Section (Unaudited)

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Statistical Section

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.	1-5
Revenue Capacity These tables contain information to help the reader assess the City's two most significant revenue sources-property and sales taxes.	6-9
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.	10-14
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.	15-16
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.	17-19

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

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City of Celina, Texas

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in capital assets	$ 7,968,691	$ 5,724,939	$ 7,800,853	$ 7,667,954	$ 8,693,312	$ 13,138,978	$ 13,184,763	$ 32,376,605	$ 20,672,418	$ 19,806,721
Restricted	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173	5,848,514	6,361,057	3,979,639	4,925,334
Unrestricted	1,372,081	742,974	2,086,188	3,900,225	6,325,979	7,893,951	11,575,127	10,218,998	30,927,875	57,170,752
Total governmental activities net position	10,025,108	10,363,389	12,447,886	16,103,690	19,694,335	26,373,102	30,608,404	48,956,660	55,579,932	81,902,807
Business-type Activities										
Net Investment in capital assets	6,830,370	6,717,653	7,485,220	9,589,572	11,575,656	12,078,113	13,079,265	18,675,162	30,124,340	50,062,796
Restricted	-	-	-	-	-	-	-	-	-	44,092
Unrestricted	43,166	344,272	887,007	1,103,837	2,120,144	1,733,702	3,171,397	5,862,371	10,028,343	21,135,775
Total business-type activities net position	6,873,536	7,061,925	8,372,227	10,693,409	13,695,800	13,811,815	16,250,662	24,537,533	40,152,683	71,242,663
Primary Government										
Net Investment in capital assets	14,799,061	12,442,592	15,286,073	17,257,526	20,268,968	25,217,091	26,264,028	51,051,767	50,796,758	69,869,517
Restricted	684,336	3,895,476	2,560,845	4,535,511	4,675,044	5,340,173	5,848,514	6,361,057	3,979,639	4,969,426
Unrestricted	1,415,247	1,087,246	2,973,195	5,004,062	8,446,123	9,627,653	14,746,524	16,081,369	40,956,218	78,306,527
Total primary government net position	$ 16,898,644	$ 17,425,314	$ 20,820,113	$ 26,797,099	$ 33,390,135	$ 40,184,917	$ 46,859,066	$ 73,494,193	$ 95,732,615	$ 153,145,470

City of Celina, Texas

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 2

	2011	2012	2013	2014	2015
Expenses					
Governmental activities					
Administration	$ 993,291	$ 799,116	$ 950,109	$ 1,203,576	$ 1,170,613
Judicial	70,205	70,066	79,863	88,531	84,853
Fire and emergency services	1,169,196	1,176,359	1,541,465	1,213,416	1,453,477
Development services	363,133	472,329	417,119	708,220	529,067
Public works	369,952	366,560	515,098	725,922	824,527
Police Department	938,031	749,274	803,634	806,191	1,114,266
Parks and Recreation	362,409	503,298	556,654	448,202	886,212
Library	126,482	126,116	134,625	134,815	140,104
Infrastructure	418,484	207,097	203,273	202,699	198,868
Bond issuance costs	-	99,726	135,388	26,869	70,510
Main street program	57,880	-	399,992	72,326	-
Interest and fiscal charges	326,153	358,718	457,748	585,469	635,090
Total governmental activities expenses	5,195,216	4,928,659	6,194,968	6,216,236	7,107,587
Business Type Activities					
Water, sewer and sanitation services	3,306,335	3,572,057	3,464,334	3,496,782	4,284,806
Total business-type activities expenses	3,306,335	3,572,057	3,464,334	3,496,782	4,284,806
Total primary government expenses	8,501,551	8,500,716	9,659,302	9,713,018	11,392,393
Program Revenues					
Governmental activities					
Charges for services	733,947	1,042,829	1,113,468	2,082,694	3,755,293
Operating grants/contributions	295,140	231,301	-	61,432	214,115
Capital grants/contributions	391,623	-	2,344,763	2,403,093	625,237
Total governmental activities program revenues	1,420,710	1,274,130	3,458,231	4,547,219	4,594,645
Business-type Activities					
Charges for services					
Water, sewer and sanitation services	4,190,142	4,377,926	4,781,510	6,154,311	7,518,331
Capital grants/contributions	-	-	-	-	45,289
Total business-type activities program revenues	4,190,142	4,377,926	4,781,510	6,154,311	7,563,620
Total primary governmental program revenues	5,610,852	5,652,056	8,239,741	10,701,530	12,158,265
Net (Expense) Revenues					
Governmental activities	(3,774,506)	(3,654,529)	(2,736,737)	(1,668,747)	(2,512,942)
Business-type activities	883,807	875,869	1,317,176	2,657,529	3,278,811
Total primary government program revenues net expenses	(2,890,699)	(2,778,660)	(1,419,561)	988,782	765,869
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Ad valorem	2,967,206	3,021,800	3,129,835	3,333,015	3,739,841
Sales	290,835	338,053	384,289	505,221	603,949
Franchise	355,576	299,999	325,167	320,805	364,763
Other	264,332	479,886	636,943	817,733	438,820
Transfers	75,000	95,000	345,000	348,050	395,000
Contributions from component unit	-	-	-	-	-
Total governmental activities	3,952,949	4,234,738	4,821,234	5,324,824	5,542,373
Business-type activities					
Other	10,075	28,306	38,126	11,703	39,470
Transfers	(75,000)	(95,000)	(325,000)	(348,050)	(395,000)
Total business-type activities	(64,925)	(66,694)	(286,874)	(336,347)	(355,530)
Total primary governmental revenues	3,888,024	4,168,044	4,534,360	4,988,477	5,186,843
Changes in Net Position					
Governmental activities	178,443	580,209	2,084,497	3,656,077	3,029,431
Business-type activities	818,882	809,175	1,030,302	2,321,182	2,923,281
Total primary government program net expenses	$ 997,325	$ 1,389,384	$ 3,114,799	$ 5,977,259	$ 5,952,712

City of Celina, Texas

Government Activities - Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 3

	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
Administration	$ 1,592,794	$ 2,624,918	$ 3,305,724	$ 3,613,202	$ 4,676,077
Judicial	102,803	155,521	173,809	169,960	166,725
Fire and emergency services	1,957,077	2,414,778	2,898,525	4,516,435	5,406,951
Development services	683,599	887,990	1,812,852	2,844,946	6,177,019
Public works	1,080,661	1,104,523	5,760,436	1,625,818	2,888,942
Police Department	1,532,829	1,877,574	2,598,590	3,219,436	3,729,439
Parks and Recreation	1,084,077	1,263,538	1,284,123	1,480,614	1,853,913
Library	152,664	169,326	230,781	231,803	252,721
Infrastructure	211,300	353,119	823,826	1,010,684	-
Bond issuance costs	65,279	55,176	59,285	61,612	-
Main street program	-	-	-	1,953,396	142,972
Interest and fiscal charges	710,249	787,001	840,645	-	1,752,515
Total governmental activities expenses	9,173,332	11,693,464	19,788,596	20,727,906	27,047,274
Business Type Activities					
Water, sewer and sanitation services	8,508,496	10,811,473	12,887,075	14,811,593	17,188,107
Total business-type activities expenses	8,508,496	10,811,473	12,887,075	14,811,593	17,188,107
Total primary government expenses	17,681,828	22,504,937	32,675,671	35,539,499	44,235,381
Program Revenues					
Governmental Activities					
Charges for Services	4,265,112	6,391,343	7,865,830	11,837,197	13,048,290
Operating Grants/Contributions	368,784	356,258	201,610	1,291,079	2,764,624
Capital Grants/Contributions	2,578,809	1,011,625	20,365,689	180,890	15,870,800
Total Governmental Activities Program Revenues	7,212,705	7,759,226	28,433,129	13,309,166	31,683,714
Business-type Activities					
Charges for services					
Water, sewer and sanitation services	10,057,113	13,590,654	16,506,407	21,133,549	26,722,197
Capital grants/contributions	800,100	-	3,432,870	-	23,622,709
Total business-type activities program revenues	10,857,213	13,590,654	19,939,277	21,133,549	50,344,906
Total primary governmental program revenues	18,069,918	21,349,880	48,372,406	34,442,715	82,028,620
Net (Expense) Revenues					
Governmental activities	(1,960,627)	(3,934,238)	8,644,533	(7,418,740)	4,636,440
Business-type activities	2,348,717	2,779,181	7,052,202	6,321,956	33,156,799
Total primary government program revenues net expenses	388,090	(1,155,057)	15,696,735	(1,096,784)	37,793,239
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Ad valorem	4,458,401	5,362,919	7,464,462	9,856,619	10,679,289
Sales	733,881	958,350	1,150,663	1,248,168	1,823,693
Franchise	429,102	370,949	420,352	516,777	602,603
Other	671,241	985,322	1,613,911	2,027,855	4,654,145
Transfers	2,346,769	492,000	(907,706)	527,000	2,752,921
Contributions from component unit	-	-	-	-	1,173,784
Total governmental activities	8,639,394	8,169,540	9,741,682	14,176,419	21,686,435
Business-type activities					
Other	114,067	151,666	332,227	1,124,765	686,102
Transfers	(2,346,769)	(492,000)	907,706	(527,000)	(2,752,921)
Total business-type activities	(2,232,702)	(340,334)	1,239,933	597,765	(2,066,819)
Total primary governmental revenues	6,406,692	7,829,206	10,981,615	14,774,184	19,619,616
Changes in Net Position					
Governmental activities	6,678,767	4,235,302	18,386,215	6,757,679	26,322,875
Business-type activities	116,015	2,438,847	8,292,135	6,919,721	31,089,980
Total primary government program net expenses	$ 6,794,782	$ 6,674,149	$ 26,678,350	$ 13,677,400	$ 57,412,855

City of Celina, Texas

Government Activities - Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 3

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Total
2011	$ 2,975,142	$ 290,835	$ 355,576	$ 3,621,553
2012	$ 3,019,885	$ 338,053	$ 299,999	$ 3,657,937
2013	$ 3,154,251	$ 384,289	$ 325,167	$ 3,863,707
2014	$ 3,314,591	$ 505,221	$ 320,805	$ 4,140,617
2015	$ 3,754,816	$ 603,949	$ 364,763	$ 4,723,528
2016	$ 4,453,862	$ 733,881	$ 429,102	$ 5,616,845
2017	$ 5,374,888	$ 958,350	$ 370,949	$ 6,704,187
2018	$ 7,454,528	$ 1,150,663	$ 420,352	$ 9,025,543
2019	$ 9,856,619	$ 1,248,168	$ 516,777	$ 11,621,564
2020	$ 10,679,289	$ 1,823,693	$ 602,603	$ 13,105,585

City of Celina, Texas

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 4

	2011	2012	2013	2014	2015
General Fund					
Nonspendable					
Prepaids	$ -	$ -	$ -	$ 20,784	$ 19,941
Unassigned	1,052,641	1,684,945	2,187,130	3,037,176	4,585,888
Total general fund	$ 1,052,641	$ 1,684,945	$ 2,187,130	$ 3,057,960	$ 4,605,829
All Other Government Funds					
Restricted for					
Debt Service	$ 473,465	$ 453,145	$ 515,274	$ 541,370	$ 646,075
Capital Projects	214,348	2,309,071	6,144,848	10,880,463	7,021,861
Law Enforcement	-	-	-	-	-
Courts	-	-	-	-	-
Grants	-	-	-	-	-
PEG	-	-	-	-	-
Hotel	-	-	-	-	-
Assigned for use in specific funds	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 687,813	$ 2,762,216	$ 6,660,122	$ 11,421,833	$ 7,667,936

City of Celina, Texas

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 4(Continued)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable					
Prepaids	$ 2,230	$ 3,013	$ 7,322	$ 14,827	$ 5,786
Unassigned	7,130,005	6,562,842	8,903,854	10,924,630	8,860,057
Total general fund	$ 7,132,235	$ 6,565,855	$ 8,911,176	$ 10,939,457	$ 8,865,843
All Other Government Funds					
Restricted for					
Debt Service	$ 901,524	$ 1,369,343	$ 1,813,530	$ 2,497,665	$ 2,228,648
Capital Projects	7,083,988	13,033,951	29,063,864	30,026,311	19,963,891
Law Enforcement	-	-	-	22,542	25,833
Courts	-	-	-	114,323	122,992
Grants	-	-	-	10,948	25,727
PEG	-	-	-	90,354	46,708
Hotel	-	-	-	-	12,823
Assigned for use in specific funds	-	-	-	7,973,971	9,269,049
Unassigned	-	168,342	623,156	-	-
Total all other governmental funds	$ 7,985,512	$ 14,571,636	$ 31,500,550	$ 40,736,114	$ 31,695,671

City of Celina, Texas

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 5

	2011	2012	2013	2014	2015
Revenues					
Property taxes	$ 2,975,142	$ 3,019,885	$ 3,154,251	$ 3,314,591	$ 3,754,816
Franchise taxes	355,576	299,999	325,167	320,805	364,763
Sales taxes	290,835	338,053	384,289	505,221	603,949
Permits/inspection fees	257,605	340,547	455,454	1,321,510	1,767,856
Component unit contributions	165,000	340,000	320,000	170,000	320,000
Development fees	16,286	56,411	124,743	239,739	924,249
Fire Department/EMS fees	262,435	244,505	174,678	196,753	241,005
Fines	95,016	186,302	197,248	155,962	254,370
Special events and donations	155,935	175,346	142,682	305,430	221,696
Park fees	18,907	85,111	161,345	169,000	602,626
Other income	319,381	120,005	85,140	296,867	92,349
Interest income	16,574	43,706	63,021	90,424	111,901
Grants	294,205	32,760	2,344,763	2,404,258	519,701
Total revenues	5,222,897	5,282,630	7,932,781	9,490,560	9,779,281
Expenditures					
Administration	979,059	774,209	870,419	1,106,865	1,133,574
Judicial	70,205	70,066	79,863	88,531	84,853
Fire and EMS	1,140,328	1,062,174	1,057,979	1,083,464	1,316,275
Development services	363,133	472,329	417,119	702,862	524,712
Public works	568,890	373,302	508,439	505,659	806,788
Police department	913,898	729,737	741,361	770,254	1,046,160
Parks and Rec	176,313	288,239	349,742	443,625	667,908
Library	126,482	126,116	134,625	135,315	140,857
Main street	57,880	99,726	135,388	26,869	70,510
Capital outlay	1,464,171	1,938,419	3,977,688	1,421,925	5,253,351
Debt service					
Principal retirement	257,590	363,145	500,525	510,445	678,366
Interest and fiscal charges	312,974	379,859	490,987	610,693	669,480
Bond issuance costs	33,292	159,933	399,992	72,326	-
Total expenditures	6,464,215	6,837,254	9,664,127	7,478,833	12,392,834
Other Financing Sources (Uses)					
Sales of Assets	48,381	30,403	26,100	15,279	12,525
Capital Leases	-	-	30,752	-	-
Note/Bond Proceeds	1,400,000	4,146,558	5,719,585	3,257,485	-
Contributions from component unit	-	-	-	-	-
Capital contributions	-	-	-	-	-
Transfers in (out)	75,000	95,000	345,000	348,050	395,000
Total other financing sources (uses)	1,523,381	4,271,961	6,121,437	3,620,814	407,525
Net Changes in Fund Balances	$ 282,063	$ 2,717,337	$ 4,390,091	$ 5,632,541	$ (2,206,028)
Debt Service as a percentage of Non-Capital Expenditures	12.98%	18.59%	23.09%	23.05%	23.27%

City of Celina, Texas

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 5(Continued)

	2016	2017	2018	2019	2020
Revenues					
Property taxes	$ 4,453,862	$ 5,374,888	$ 7,454,528	$ 9,864,233	$ 10,747,355
Franchise taxes	429,102	370,949	420,352	516,777	602,603
Sales taxes	733,881	958,350	1,150,663	1,248,168	1,823,693
Permits/inspection fees	2,357,289	3,959,914	5,982,027	6,716,762	8,643,113
Component unit contributions	200,000	200,000	200,000	360,000	-
Development fees	509,870	1,245,943	119,344	110,486	232,805
				180,890	119,478
Fire Department/EMS fees	910,360	817,691	1,031,818	1,075,263	1,627,366
Fines	283,758	209,806	142,332	137,299	138,339
Special events and donations	373,421	250,214	165,188	129,814	131,482
Park fees	2,215,582	1,178,028	1,624,159	2,855,844	2,343,250
Other income	397,657	508,311	1,427,017	1,765,739	3,643,263
Interest income	111,776	183,077	436,017	1,031,375	995,261
Grants	518,784	1,570	1,610	808,276	2,764,624
Total revenues	13,495,342	15,258,741	20,155,055	26,800,926	33,812,632
Expenditures					
Administration	1,458,673	2,433,180	3,036,201	3,451,032	4,252,519
Judicial	99,803	153,213	172,610	166,197	163,761
Fire and EMS	1,731,896	2,041,407	2,445,213	3,930,238	4,490,395
Development services	675,267	868,862	1,787,306	2,799,375	3,674,903
Public works	1,023,572	943,895	5,604,030	1,411,826	2,707,462
Police department	1,414,488	1,688,094	2,374,037	2,935,005	3,513,316
Parks and Rec	819,539	959,343	978,479	1,104,513	1,376,035
Library	153,752	165,768	230,090	229,797	245,418
Main street	65,279	55,176	59,285	61,612	62,944
Capital outlay	8,542,536	3,656,718	3,837,902	14,435,482	23,537,609
Debt service					
Principal retirement	841,124	1,005,685	1,436,110	2,028,202	2,912,011
Interest and fiscal charges	724,025	782,253	908,016	2,151,331	2,057,217
Bond issuance costs	-	74,569	146,002	-	-
Total expenditures	17,549,954	14,828,163	23,015,281	34,704,610	48,993,590
Other Financing Sources (Uses)					
Sales of Assets	41,825	634,597	-	-	-
Capital Leases	-	-	-	340,818	-
Note/Bond Proceeds	4,510,000	4,462,569	23,042,167	18,014,140	-
Contributions from component unit	-	-	-	-	1,173,784
Capital contributions	-	-	-	-	140,196
Transfers in (out)	2,346,769	492,000	(907,706)	527,000	2,752,921
Total other financing sources (uses)	6,898,594	5,589,166	22,134,461	18,881,958	4,066,901
Net Changes in Fund Balances	$ 2,843,982	$ 6,019,744	$ 19,274,235	$ 10,978,274	$ (11,114,057)
Debt Service as a percentage of Non-Capital Expenditures	21.03%	19.21%	14.05%	25.98%	19.52%

City of Celina, Texas

Assessed Value of Taxable Property
(Per $100 Of Assessed Value)
Last Ten Fiscal Years (Unaudited)

Table 6

Fiscal Year	Land/Improvements	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value[a]
2011	$ 464,984,895	$ 18,883,787	$ 29,804,195	$ 454,064,487
2012	$ 470,581,213	$ 23,777,505	$ 32,233,764	$ 462,124,954
2013	$ 492,268,497	$ 28,803,142	$ 38,276,037	$ 482,795,602
2014	$ 527,994,375	$ 25,373,941	$ 44,142,297	$ 509,226,019
2015	$ 575,171,296	$ 29,266,740	$ 48,889,169	$ 555,548,867
2016	$ 734,250,874	$ 34,259,626	$ 106,840,408	$ 661,670,092
2017	$ 951,809,128	$ 39,416,023	$ 117,402,829	$ 873,822,322
2018	$ 1,191,727,090	$ 49,306,703	$ 132,932,108	$ 1,108,101,685
2019	$ 1,641,821,879	$ 57,224,752	$ 194,483,109	$ 1,504,563,522
2020	$ 2,013,074,011	$ 71,064,516	$ 217,620,776	$ 1,866,517,751

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

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

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

City of Celina, Texas

Direct and Overlapping Property Tax Rates Per $100 Of Assessed Value
Last Ten Fiscal Years (Unaudited)

Table 7

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Celina ISD	Prosper ISD	Collin County	Denton County	Collin County Community College
2011	0.5849	0.0601	0.6450	1.6400	1.6300	0.2400	0.2773	0.0863
2012	0.5652	0.0798	0.6450	1.6400	1.6700	0.2400	0.2829	0.0863
2013	0.4755	0.1695	0.6450	1.6400	1.6700	0.2400	0.2849	0.0863
2014	0.4652	0.1834	0.6486	1.6400	1.6700	0.2375	0.2722	0.0836
2015	0.4327	0.2123	0.6450	1.6400	1.6700	0.2350	0.2620	0.0820
2016	0.4335	0.2115	0.6450	1.6400	1.6700	0.2250	0.2484	0.0820
2017	0.4233	0.2217	0.6450	1.6400	1.6700	0.2250	0.2378	0.0820
2018	0.4278	0.2172	0.6450	1.6400	1.6700	0.1922	0.2255	0.0798
2019	0.4537	0.1913	0.6450	1.5489	1.5684	0.1750	0.2253	0.0812
2020	0.4531	0.1919	0.6450	1.5489	1.4927	0.1725	0.2250	0.0812

Source: Collin County Appraisal District and Denton County Appraisal District

City of Celina, Texas

Principal Property Tax Payers
Current Year and Nine Years Ago (Unaudited)
(Total $)

Table 8

	2020				2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Celina 682 Partners	$ 10,781,396	1	0.65%	Brookshire Grocery Co	$ 4,895,663	1	0.010781867
Calatlantic Homes of Texas Inc	$ 10,732,537	2	0.65%	FINI Enterprises Inc	$ 4,356,404	2	0.009594241
Highland Homes	$ 9,132,831	3	0.55%	TXI Operations LP	$ 4,052,335	3	0.00892458
TXI Operations LP	$ 8,399,361	4	0.51%	Prusak Family Ltd Ptp	$ 3,845,391	4	0.008468821
First Texas Homes Inc	$ 6,817,819	5	0.41%	289/Carter Ranch Retail Ltd	$ 3,660,793	5	0.008062276
American Legend Homes	$ 6,739,400	6	0.41%	Celina Town Center Ltd	$ 3,604,284	6	0.007937824
Celina Town Center Ltd	$ 6,674,286	7	0.40%	All Star Storage	$ 3,423,738	7	0.007540202
Tollway/Outer Loop LP	$ 6,589,992	8	0.40%	Celina Real Estate LP	$ 3,040,410	8	0.006695987
CADG Ownsby Farms LLC	$ 6,287,798	9	0.38%	TXI Operations LP	$ 2,779,795	9	0.006122027
Chemtrade Sulfate Chemicals, Inc	$ 5,967,928	10	0.36%	BNSF RR Co	$ 2,600,972	10	0.0057282
Total	$ 78,123,348		4.19%	Total	$ 36,259,785		7.99%
Total Assessed Valuation	$ 1,866,517,751				$ 454,064,487		

Source: Collin County Appraisal District

Notes: Tax Payers are assessed on January 1, 2019 for the 2020 fiscal year and January 1, 2010 for the 2011 fiscal year.

The majority of the property taxes are collected in Collin County; therefore, those principal taxpayers are shown above.

City of Celina, Texas

Property Tax Levies and Collections

(Unaudited)

Table 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011	$ 2,909,444	$ 2,924,749	100.53%	$ 64,258	$ 2,989,007	102.73%
2012	$ 2,947,702	$ 2,957,229	100.32%	$ 73,041	$ 3,030,270	102.80%
2013	$ 3,102,260	$ 3,106,333	100.13%	$ 59,620	$ 3,165,953	102.05%
2014	$ 3,263,030	$ 3,267,776	100.15%	$ 56,603	$ 3,324,379	101.88%
2015	$ 3,552,946	$ 3,629,138	102.14%	$ 146,946	$ 3,776,084	106.28%
2016	$ 4,167,646	$ 4,261,734	102.26%	$ 218,253	$ 4,479,987	107.49%
2017	$ 5,076,585	$ 5,396,743	106.31%	$ 161,449	$ 5,558,192	109.49%
2018	$ 6,998,817	$ 7,129,348	101.87%	$ 474,542	$ 7,603,890	108.65%
2019	$ 9,398,258	$ 10,292,771	109.52%	$ 387,476	$ 10,680,247	113.64%
2020	$ 11,940,010	$ 10,679,289	89.44%	$ -	$ 11,897,363	99.64%

Source: Collin County Tax Assessor Collector and Denton County Tax Assessor Collector

City of Celina, Texas

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

(Unaudited)

Table 10

	Governmental Activities					Business-Type Activities							
Fiscal Year	General Obligation Bonds	Certificate of Obligation	Capital Lease	Bond Premiums	Other Obligations	General Obligation Bonds	Certificate of Obligation	Bond Premiums	Other Obligations	Note Payable	Total Primary Government	% of Personal Income	Per
2011	746,206	7,391,807	-	-	156,069	1,943,799	6,403,194	-	-	-	16,641,075	4.85%	$
2012	783,243	11,013,120	-	-	44,859	5,771,762	2,536,881	-	-	-	20,149,865	5.67%	$
2013	5,027,505	11,866,865	-	-	27,080	5,452,494	2,313,136	-	-	-	24,687,080	6.42%	$
2014	4,952,607	14,531,170	-	-	12,228	5,127,393	4,393,829	-	-	-	29,017,227	6.98%	$
2015	4,606,322	14,211,317	-	-	-	4,558,678	5,798,682	-	45,957	-	29,220,956	N/A	$
2016	4,249,490	18,237,025	-	-	-	3,965,510	26,047,975	-	18,704	-	52,518,704	N/A	$
2017	3,880,431	22,013,573	-	-	-	3,359,570	30,731,425	-	-	-	59,984,999	N/A	$
2018	9,030,000	36,860,000	-	-	-	2,185,000	59,620,000	-	-	-	107,695,000	N/A	$
2019	7,995,000	52,890,000	-	-	-	1,750,000	76,675,000	-	-	-	139,310,000	N/A	$
2020	7,115,000	50,940,200	185,405	2,816,179	-	1,305,000	74,769,800	4,331,683	-	1,151,000	142,614,267	N/A	$

Source: City of Celina Audit Reports
N/A - Information not available for the most current year

Notes: Details regarding the City's outstanding debt is found in the notes to the financial statements. Bond premiums and Capital Lease were included beginning in fiscal year 2020 and will be included on a go forward basis.

*See Table 15 for personal income and population data

City of Celina, Texas

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years (Unaudited)

Table 11

Fiscal Year	Assessed Property Value (1)	Gross Bonded Debt (2)	% Bonded Debt to Assessed Property Value	Bonded Debt Per Capita
2011	464,984,895	16,485,006	3.55%	2,711
2012	470,581,213	20,105,006	4.27%	3,212
2013	492,268,497	24,660,000	5.01%	3,817
2014	527,994,375	29,004,999	5.49%	4,355
2015	575,171,296	29,220,956	5.08%	3,992
2016	734,250,874	52,500,000	7.15%	6,069
2017	951,809,129	59,984,999	6.30%	5,818
2018	1,191,727,090	107,695,000	9.04%	8,227
2019	1,641,821,879	139,310,000	8.49%	7,880
2020	2,013,074,011	142,614,267	7.08%	8,066

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

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The amounts presented are net of bond premiums.

See Table 15 for population data.

City of Celina, Texas

Legal Debt Margin Information Last Ten Fiscal Years
(Unaudited)

Table 12

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450	0.6450
Available tax rate	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86	$ 1.86

Notes: 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, 2020
(Unaudited)

Table 13

Governmental Unit	Gross Bonded Debt	% of Debt Applicable to Area[a]	Celina Share of Overlapping Debt
Debt Repaid with Property Taxes			
Celina ISD	$ 173,188,038	52.09%	$ 90,213,649
Collin County	487,405,000	1.18%	5,751,379
Collin County CCD	524,590,000	1.18%	6,190,162
Denton County	611,835,000	0.10%	611,835
Prosper ISD	918,647,985	7.24%	66,510,114
Subtotal, overlapping debt	2,715,666,023		169,277,139
City of Celina (direct debt)	134,130,000	100%	134,130,000
Total direct and overlapping debt			$ 303,407,139

Notes: Details regarding the City's outstanding debt is found in the notes to the financial statements. The amounts presented are net of bond premiums.

[a] 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, 2020 (Unaudited)
Last Ten Fiscal Years

Table 14

Water and Sewer System Revenue Bonds

Fiscal Year	Total Revenue[a]	Less: Operating Expense[b]	Net Available Revenue	Annual Requirement	Times Coverage
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
2017	$ 13,742,320	$ 8,982,382	$ 4,759,938	$ 1,892,430	2.52
2018	$ 20,271,504	$ 10,604,055	$ 9,667,449	$ 1,520,733	6.36
2019	$ 22,258,314	$ 10,927,759	$ 11,330,555	$ 3,398,343	3.33
2020	$ 27,408,299	$ 11,652,539	$ 15,755,760	$ 4,880,253	2.53

a Includes operating revenues and investment income

b Includes operating expenses minus depreciation

c Includes Principal and Interest (represents average annual requirement)

City of Celina, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Table 15

Fiscal Year	Estimated Population[a]	Personal Income[b]	Per Capita Income[e]	Average Household Income[f]	School Enrollment[c]	Unemployment Rate[d]
2011	6,028	$ 319,303,160	$ 52,970	N/A	1,953	6.9%
2012	6,209	$ 342,798,890	$ 55,210	N/A	2,013	5.6%
2013	6,457	$ 355,283,511	$ 55,023	N/A	2,035	5.4%
2014	6,715	$ 384,339,740	$ 57,236	N/A	2,075	4.4%
2015	6,984	$ 415,771,488	$ 59,532	$ 124,375	2,201	3.6%
2016	7,683	N/A	N/A	$ 124,375	2,353	3.8%
2017	10,310	$ 376,036,630	$ 36,473	$ 124,375	2,425	3.2%
2018	13,090	$ 538,967,660	$ 41,174	$ 124,375	2,568	3.3%
2019	17,680	$ 625,394,640	$ 35,373	$ 124,375	2,723	3.3%
2020	21,430	$ 896,974,080	$ 41,856	$ 134,428	2,831	3.2%

[a] **Source:** North Central Texas Council of Governments April 2020 publication

[b] Personal Income calculated by multiplying estimated population by per capita income.

[c] **Source:** Celina Independent School District

[d] **Source:** Texas Workforce Commission calendar year 2020 for Collin County

[e] **Source:** North Central Council of Governments for 2020

[f] **Source:** North Central Council of Governments and U.S. Census Bureau

City of Celina, Texas
Top Employers
Fiscal Year Ended September 30, 2020 (Unaudited)

Table 16

Major Employers in Celina, Texas

Employer	# of Employees
Celina ISD	349
City of Celina	159.5
Settlers Ridge Care Center	100
Gold Star Team - Keller Williams	100
Brookshire	63
Chemtrade Logistics	30
Redi-Mix Inc	25
Texas Seasons Nursery	21

Source: Respective entities

City of Celina, Texas

Full Time Equivalent City Government Employees by Function/Program

As of September 30, 2020 (Unaudited)

Last Ten Fiscal Years

Table 17

Function/Program	Dept.	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GIS	101	0	0	0	0	0	0	0	0	1	1
Facilities	102	0	0	0	0	0	0	0	0	1	1
Information Technology	103	0	0	0	0	0	0	0	0	3	2
Finance	104	0	0	0	0	0	0	0	0	8	7
Library	105	1	1	2	2	2	2.5	2.5	3.5	3.5	3.5
City Secretary	106	1	1	1	1	1	2	3	4	2	1
Development Services	107	2.75	4.5	5	6	6	9	10	16	20	18
Administration	108	3	2	4	4	5	6	6	9	4	5
Municipal Court	109	1	1	1	1	1	1	2	2	3	2
Fire & EMS	110	11.5	11	11	11	11	16	19	22	41	41
Streets	111	4	3.5	4	4	6	7	7	7	7	5
Police	112	9	6	8	8	12	17	19	21	27	30
Parks	113	3	3	4	4	5	5	7	7	8	7
Community Relations/Marketing	114	0	0	0	0	1	1	1	1	1	2
Engineering	115	0	0	0	0	0	4	6	6	9	8
Human Resources	116	0	0	0	0	0	0	0	0	2	3
Main Street	127	0	0	1	1	1	1	1	1	1	1
Total general fund		36.25	33	41	42	51	71.5	83.5	99.5	141.5	137.5
Water	118	4	4	4	4	8	10	10.5	14	14	12
Wastewater	119	3	2	2	2	3	4	5.5	7	8	7
Utility billing	120	0	0	0	0	0	0	3.5	4	3	3
Total water and wastewater fund		7	6	6	6	11	14	19.5	25	25	22
Total FTE-all funds		43.25	39	47	48	62	85.5	103	124.5	166.5	159.5

City of Celina, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Table 18

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of police officers	9	6	8	8	12	16	20	21	27	30
Average response time (in minutes)	1	6	7	6	6	6	6	5	8	9
Calls for service	11,013	13,729	12,839	10,882	18,322	18,414	13,422	14,852	17,231	20,402
Fire										
Number of calls answered	1,037	1,114	870	892	932	946	1,174	1,422	1,516	1,686
Number of firefighters	9	-	-	9	9	14	15	19	41	41
Number of EMS runs	555	613	477	480	457	521	641	704	796	885
Development Services										
Number of inspections	N/A	N/A	N/A	N/A	5,000	9,350	34,628	40,009	46,069	49,018
Total number of permits issued (all types)	N/A	N/A	N/A	N/A	1,126	1,688	3,021	2,925	2,548	2,908
Municipal Court										
Number of new cases filed	N/A	N/A	N/A	1,271	1,803	2,520	2,000	1,214	1,260	1,258
Fines & fees collected	N/A	N/A	N/A	259,496	311,869	471,843	400,000	222,750	196,932	211,828
Streets										
Miles of streets	N/A	N/A	N/A	124	138	154	213	241	352	370
Miles of storm sewer	N/A	N/A	N/A	31	35	39	48	48	67	82
Acres of drainage right of way	N/A	N/A	N/A	7	8	9	9	9	9	11
Regulatory and warning signs	N/A	N/A	N/A	594	660	733	753	800	880	947
Water										
Gallons of water treated (in million gal.)	N/A	N/A	N/A	365	446	508	671	792	815	959
Miles of water lines	N/A	N/A	N/A	90	100	112	134	168	175	184
Number of valves	N/A	N/A	N/A	1,514	1,666	1,833	2,504	3,581	4,060	4,585
Number of fire hydrants	N/A	N/A	N/A	517	569	626	998	1,352	1,415	1,536
Number of water meters	N/A	N/A	N/A	2,986	3,351	3,875	4,598	5,948	6,862	8,135
Wastewater										
Gallons of WW treated (in million gal.)	N/A	N/A	N/A	132	147	85	180	209	229	194
Miles of sewer lines	N/A	N/A	N/A	61	67	74	94	122	138	142
Number of lift stations	N/A	N/A	N/A	13	12	11	11	11	11	11
Utilities										
Number of active customers	2,339	2,380	2,497	2,860	3,337	3,902	4,584	5,955	6,862	8,141
Number of new customers	481	506	569	956	1,273	1,597	2,054	2,464	2,682	3,764

*NA - Information not available

Source: City Departments

City of Celina, Texas

Capital Asset Statistics by Function /Program

Last Ten Fiscal Years

(Unaudited)

Table 19

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	1	1	1	1	2
Library	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Park Acreage	45.7	45.7	115.7	115.7	145.7	164.7	164.7	164.7	215.9	436.3
Public Parks	3	3	3	3	3	3	3	3	3	3
Streets										
Miles of Streets	N/A	N/A	N/A	124	138	154	213	241	352	370
Water and Wastewater										
Miles of Water Lines	N/A	N/A	N/A	90	100	112	134	168	175	184
Miles of Sewer Lines	N/A	N/A	N/A	61	67	74	94	122	138	142
Number of Lift Stations	N/A	N/A	N/A	13	12	11	11	11	11	11

Source: City Departments

City of Celina, Texas

Single Audit Reports

September 30, 2020

City of Celina, Texas

September 30, 2020

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City of Celina, Texas

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Direct Program:				
Violence Against Women Formula Grants	16.588	N/A	$ -	$ 28,955
Total U.S. Department of Justice			**-**	**28,955**
U.S. Department of the Treasury				
Passed through from:				
Collin County				
COVID-19 - Coronavirus Relief Fund	21.019	None Provided	126,000	656,582
Denton County				
COVID-19 - Coronavirus Relief Fund	21.019	None Provided	-	19,415
Total U.S. Department of the Treasury			**126,000**	**675,997**
Department of Homeland Security				
Direct Program:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	-	1,152,815
Total Department of Homeland Security			**-**	**1,152,815**
Total Federal Awards Expended			**$ 126,000**	**$ 1,857,767**

The accompanying notes are an integral part of this Schedule.

City of Celina, Texas

Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2020

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Celina, Texas (City) under programs of the federal government for the year ended September 30, 2020.

   The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement or other regulatory framework. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. The City did not have any federal loan programs during the year ended September 30, 2020.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Celina, Texas
Celina, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Celina, Texas (City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March __, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dallas, Texas
March ___, 2021

Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Celina, Texas
Celina, Texas

Report on Compliance for the Major Federal Program

We have audited the City of Celina, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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 the City of Celina, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements. We issued our report thereon dated March __, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Dallas, Texas
March ___, 2021

City of Celina, Texas

Schedule of Findings and Questioned Costs

Year Ended September 30, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

   Significant deficiency(ies)? ☐ Yes ☒ None reported

   Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

   ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal award program disclosed:

   Significant deficiency(ies)? ☐ Yes ☒ None reported

   Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for the major federal award program was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

   ☐ Yes ☒ No

City of Celina, Texas

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2020

7. The City's major federal program was:

Cluster/Program	CFDA Number
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083

8. The threshold used to distinguish between Type A and Type B programs was $750,000.

9. The Organization qualified as a low-risk auditee?

☐ Yes ☒ No

City of Celina, Texas

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2020

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding

No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding

No matters are reportable.

City of Celina, Texas

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2020

Reference Number	Summary of Finding	Status
2019-001	**Finding:** Year-End Closing Process We suggest that the City develop policies and procedures with respect to year-end close, including assigning individuals responsible for each item. In addition, monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim financial statements. In order to provide more accurate and timely accounting information, we recommend the City establish more effective reconciliation policies and review procedures. This would involve monthly reconciliations of general ledger accounts and providing interim reports to both management and the City Council throughout the year.	Implemented. See separate auditee document for detail of corrective action taken.

Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Robin Bromiley, Director of Finance
CC:	Jason Laumer, City Manager
Date:	March 23, 2021
Re:	FY21 Budget Amendment

Action Requested:
Consider and act upon an ordinance of the City of Celina, Texas amending ordinance 2020-77 which adopted and approved the budget for fiscal year beginning October 1, 2020 and ending September 30, 2021, and make appropriations for each department, project and account, by adopting an amended 2020-2021 budget for the City of Celina, Texas, reallocating funds between accounts, attached hereto and incorporated into this ordinance. (Bromiley)

Background Information:
A FY2021 budget amendment is requested to amend the General Fund, and Drainage Fund.
Fund 102- General Fund - Amend Cajun Fest $63,380 as revenue and expenditure offset. Add additional $25,000 to July 4th Splash in Blast to upgrade fireworks program.
Fund 208 - Drainage - Amend Drainage construction for Doe Branch $250,000 as revenue and expenditure offset. Add additional funding for Choate Drainage project.

Board Review/Citizen Input:
N/A

Alternatives:
N/A

Financial Considerations:
Budget Amendment

Legal Review:
Completed

Supporting Documents:
Ordinance
Exhibit A

Staff Recommendation:
Approval

CITY OF CELINA, TEXAS
ORDINANCE NO. 2021-

AN ORDINANCE OF THE CITY OF CELINA, TEXAS AMENDING ORDINANCE 2020-77, WHICH ADOPTED AND APPROVED THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021, AND MAKE APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT AND ACCOUNT, BY ADOPTING AN AMENDED FISCAL YEAR 2020-2021 BUDGET FOR THE CITY OF CELINA, TEXAS, REALLOCATING FUNDS BETWEEN ACCOUNTS PURSUANT TO EXHIBIT "A", ATTACHED HERETO AND INCORPORATED INTO THIS ORDINANCE; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR FILING OF THE AMENDED BUDGET AND ORDINANCE; PROVIDING A CUMULATIVE CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is conducting business pursuant to a budget for fiscal year 2020-2021, heretofore previously adopted by Ordinance 2020-77; and

WHEREAS, Section 102.010 of the Texas Local Government Code authorizes the governing body of a municipality to make changes in the budget for municipal purposes; and

WHEREAS, the City Council has reviewed various line items within the budget and has determined that a valid municipal purpose is served by reallocating funds between various budget line items; and

WHEREAS, a proposed amendment to the budget has been placed on file with the City Secretary of the City of Celina, Texas.

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

SECTION 1. The above and foregoing premises are incorporated into the body of this Ordinance as if copied herein in their entirety.

SECTION 2. The City's budget for the fiscal year ending September 30, 2021, heretofore previously adopted by Ordinance 2020-77 duly enacted by the City Council of the City of Celina on the 8th day of September, 2020, be and is hereby amended as set out in Exhibit "A" attached hereto and incorporated herein, which amendment is hereby, in all respects, finally approved and adopted as so changed; the remainder of the budget being unchanged and remaining in full force and effect as originally adopted.

SECTION 3. That the amounts specified in Exhibit "A" be hereby appropriated and reallocated as specified for those purposes designated in Exhibit "A".

SECTION 4. The City Manager shall file or cause to be filed a true and correct copy of the amended budget, along with this Ordinance, with the City Secretary and in the office of the County Clerk of Collin County, Texas and Denton County, Texas.

SECTION 5. This Ordinance shall be cumulative of all provisions of Ordinances of the City of Celina, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event the conflicting provisions of such Ordinances are hereby repealed.

SECTION 6. The provisions of this Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole, or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decision or enactment.

SECTION 7. The City Secretary of the City of Celina is hereby directed to publish in the official newspaper of the City of Celina, the descriptive caption and effective date of this ordinance as required by Section 52.013 of the Local Government Code.

SECTION 8. The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive caption in the minutes of the City Council and by filing this ordinance in the ordinance records of the City.

SECTION 9. This Ordinance shall become effective from and after its date of passage in accordance with law.

IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, this the 23rd day of March, 2021.

____
Sean Terry, Mayor

ATTEST:

____
Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

____
City Attorney

Exhibit A

Meeting date: March 23, 2021
FY2021 Budget Amendment Detail

Account #	Account Name	Description	Adjustment
102-400-000-4621	Cajun Fest Revenue	Special event Cajun Fest Revenue	(63,360.00)
102-113-000-6750	Cajun Fest Expense	Cajun Fest Expenditures	63,360.00
208-400-000-4611	Contributions	DA funding allocated to Doe Branch	(250,000.00)
208-124-000-8502	Construction	Doe Branch Project	250,000.00
		Revenue and Expense Offset to Zero	**-**
102-31-3050	Fund Balance	General Fund Balance	(25,000.00)
102-113-000-6760	July 4th Splash in Blast	Add funding to July 4th Splash in Blast	25,000.00
208-31-3050	Fund Balance	Stormwater Drainage Fund Balance	(123,000.00)
208-124-000-8502	Construction	Add funding for D30 Choate	123,000.00