

City of Corsicana, Texas
**Comprehensive Annual
Financial Report**



**For the Fiscal Year Ended
September 30, 2018**

CITY OF CORSICANA, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2018

Issued By:

Connie Standridge, City Manager
Cathy McMullan, Acting Director of Finance

CITY OF CORSICANA, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2018

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INTRODUCTORY SECTION



March 29, 2019

To the Honorable Mayor, Members of the City Council and Citizens of the City of Corsicana:

State and Federal regulations require that local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) for the City of Corsicana (City) is published to fulfill those requirements for the fiscal year ended September 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Yeldell, Wilson, Wood, and Reeve, P.C., Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Corsicana’s financial statements for the year ended September 30, 2018. The independent auditors’ report is located at the front 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF CORSICANA

The City of Corsicana, incorporated in 1848, is located in north central Texas, 50 miles southeast of Dallas. It currently occupies 23.7377 square miles and serves an estimated population of 24,200. The City of Corsicana is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Corsicana is a Home Rule City that has operated under the City Manager/City Council form of government since the Charter was adopted 1917. The Charter was last amended by election in 2007. Policy-making and legislative authority are vested in the City Council (Council) consisting of the Mayor, who is elected at –large, and four other members, all of whom are elected by Precinct. Council members serve two-year terms, with two members elected every year. The Mayor is also elected for a two-year term. The Council appoints the City of Corsicana’s manager, who in turn appoints its department heads.

200 N 12th Street

Corsicana, TX 75110

903-654-4800

The City of Corsicana provides a full range of services, including public safety (police and fire protection); water and wastewater services; sanitation services; emergency medical services; planning and zoning; inspection services; licenses and permits; the construction and maintenance of streets and other infrastructure; municipal court services; library services; and recreational and cultural activities.

The Council is required to adopt an initial budget for the fiscal year during September of each year for the new budget year, beginning on October 1. This annual budget serves as the foundation for the City of Corsicana's financial planning and control. The budget is prepared by fund and department. The City Manager is authorized by ordinance to make intra-departmental and inter-departmental fund transfers within a fund as becomes necessary in order to avoid over-expenditure of a particular account or department.

LOCAL ECONOMY

The City of Corsicana is close enough to the Dallas-Fort Worth Metroplex to take advantage of its extensive resources, while being just far enough away to also enjoy lower business operating and living costs. Corsicana is a community where you can grow a business, pursue a meaningful career, and raise a family all at the same time. Corsicana is home to a world renowned bakery, known best for its fruitcake. Corsicana is also the birthplace of the Texas oil industry and a world famous chili company. Corsicana is home to over 60 industries, including information technology, manufacturers, processors, and distribution centers. Our industrial partners include a Global Top 60 Company and several Fortune 500 Companies call Corsicana their home. These manufacturing facilities produce and distribute glass, consumer and food service packaging, bedding and furniture, roofing products, plastics, rubber, chemicals, iron castings, pecans, candies, baked goods and other foods. Also located within the government's boundaries or in close proximity include a college, a hospital and cancer treatment center, numerous retail stores and restaurants, and several financial institutions and insurance companies. The college, school district, and City of Corsicana also have a significant economic presence, employing in total more than 1,600 teachers, professionals, and support staff.

Prior to the recession in 2008, unemployment had been relatively stable in Corsicana. During the past ten years, the unemployment rate rose from 5.3 percent (2007) to a decade high of 8.5 percent (2011). The current unemployment rate of 6 percent (2018) is consistent with the overall improvement to local, state and national economy. Based on economic forecasts, this improvement in the local unemployment rate is anticipated to continue in calendar year 2019.

Due to its strong and healthy local economy, the City of Corsicana has a tax bond credit rating of A1 from Moody's Investor Service and AA- from Standard & Poor's. Revenue bond ratings for the City are A2 from Moody's Investor Service and A from Standard & Poor's.

The City of Corsicana is experiencing a period of significant economic growth and investment. New development and re-development throughout the downtown and surrounding areas, has allowed Corsicana to become a hub for the dining, entertainment, and medical needs of the north central Texas region. This development, combined with the presence of retail and service industries, the presence of recreational, educational and health facilities has even further strengthened the City of Corsicana's already strong economic base. Thanks to the diversity of its commercial base, the City of Corsicana expects a full recovery in all sectors of its local economy as the national economy improves.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

By charter, the City of Corsicana maintains a Capital Improvement Plan which serves to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This plan is prepared and budgeted in conjunction with the operating budget, and gives the City of Corsicana the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. Major capital improvements will normally be funded through the issuance of long-term debt, as opposed to being funded via appropriations in the operating budget.

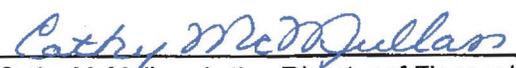
RELEVANT FINANCIAL POLICIES

The City of Corsicana has adopted a comprehensive financial policy, which was revised during fiscal year 2013 and reviewed during fiscal year 2014. One of these policies remains particularly relevant. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 28.7 percent of total general fund operating budget for fiscal year 2016 and was a decrease from the same percentage from fiscal year 2015, which was 35.5 percent. This change was due to an intentional spend-down of fund balance by the Council, to fund several large projects. More information on this spend-down of fund balance is included in Management's Discussion and Analysis.

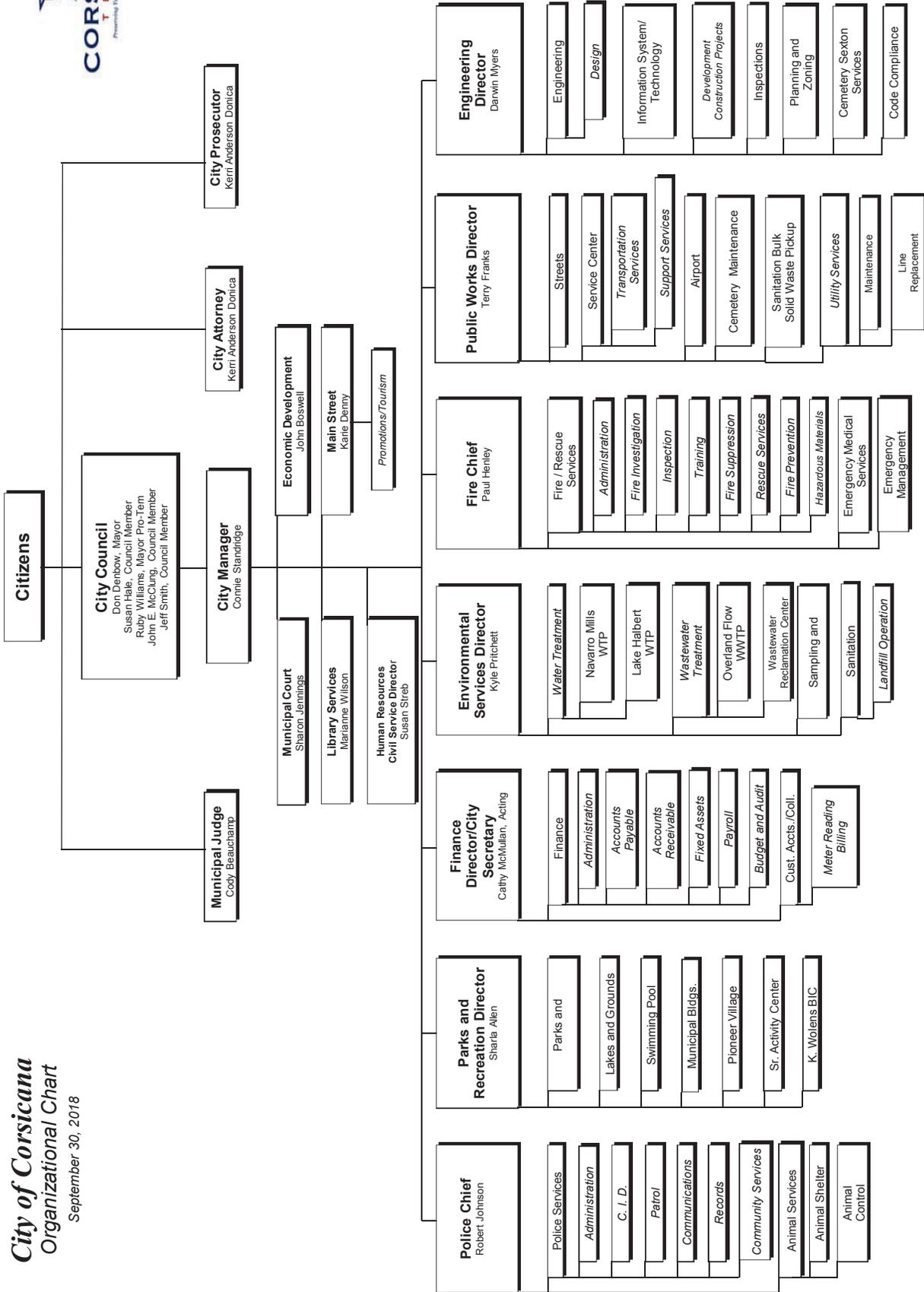
After the intentional spend-down of fund balance, the General Fund's fund balance remains healthy at September 30, 2018 and exceeds the minimum fund balance policy guideline set by the Council for budgetary and planning purposes (i.e., 25 percent of general fund operating budget). This is particularly impressive, because in 2003 the City began aggressively pursuing this goal, after the general fund's fund balance had reached an all-time low of just over \$50,000.

Respectfully submitted,


Connie Standridge, City Manager


Cathy McMullan, Acting Director of Finance/
City Secretary

City of Corsicana
 Organizational Chart
 September 30, 2018



CITY OF CORSICANA, TEXAS
LIST OF ELECTED AND APPOINTED CITY OFFICIALS
September 30, 2018

Elected Officials

Mayor	Don Denbow
Council Member, Precinct 1	Susan Hale
Mayor Pro Tem, Precinct 2	Ruby Williams
Council Member, Precinct 3	John E. McClung
Council Member, Precinct 4	Jeff Smith
City Attorney	Kerri Anderson Donica
Municipal Court Judge	Cody Beauchamp

Appointed Officials

City Manager	Connie Standridge
Chief of Police	Robert Johnson
Parks and Recreation Director	Sharla Allen
Director of Finance/City Secretary	Cathy McMullan, Acting
Director of Environmental Services	Kyle Pritchett
Fire Chief	Paul Henley
Director of Public Works	Terry Franks
Director of Engineering	Darwin Myers
Municipal Court Administrator	Sharon Jennings
Economic Development Director	John Boswell
Library Director	Marianne Wilson
Main Street Director	Karie Denny
Human Resources / Civil Service Director	Susan Streb

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council of
City of Corsicana, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corsicana, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corsicana, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, net pension liability information, and total OPEB liability information on pages 11-19 and 81-85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Honorable Mayor and City Council
City of Corsicana, Texas
Page Three

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

Yeldell, Wilson, Wood & Reeve, P.C.

Yeldell, Wilson, Wood & Reeve, P.C.
Certified Public Accountants

Ennis, Texas
March 29, 2019

CITY OF CORSICANA, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Corsicana, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages 2-4 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81,908,214 (*net position*). Of this amount \$(9,817,692) represents unrestricted net position (deficit).
- The City's total net position increased by \$3,336,242.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$12,296,170, an increase of \$2,653,988 in comparison with the prior year. Approximately 40.6% of this amount (\$4,993,286) is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,556,276, or approximately 32.9% of the total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, community support services, public works, cultural and recreational and building and vehicle maintenance. The business-type activities of the City include utility operations, sanitation and emergency medical services.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements. 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 essentially the same functions reported as *governmental activities* in the government-wide financial 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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains forty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are considered to be major funds. Data from the other thirty-nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23-28 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its utility operations, sanitation and emergency medical services.

Proprietary funds 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 Utility Operations, Sanitation and Emergency Medical Services funds, which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-79 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 81-85 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 90-133 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$81,908,214, at the close of the most recent fiscal year.

CITY OF CORSICANA'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 16,134,529	\$ 12,713,152	\$ 6,444,799	\$ 9,647,508	\$ 22,579,328	\$ 22,360,660
Capital assets	69,586,661	66,754,670	63,888,773	63,808,686	133,475,434	130,563,356
Total assets	<u>85,721,190</u>	<u>79,467,822</u>	<u>70,333,572</u>	<u>73,456,194</u>	<u>156,054,762</u>	<u>152,924,016</u>
Deferred outflows of resources	<u>1,781,857</u>	<u>3,652,406</u>	<u>1,403,946</u>	<u>2,516,391</u>	<u>3,185,803</u>	<u>6,168,797</u>
Long term liabilities	39,283,932	37,889,966	31,894,637	37,386,089	71,178,569	75,276,055
Other liabilities	2,530,563	1,898,127	1,715,764	2,453,497	4,246,327	4,351,624
Total liabilities	<u>41,814,495</u>	<u>39,788,093</u>	<u>33,610,401</u>	<u>39,839,586</u>	<u>75,424,896</u>	<u>79,627,679</u>
Deferred inflows of resources	<u>1,250,846</u>	<u>518,617</u>	<u>656,609</u>	<u>374,545</u>	<u>1,907,455</u>	<u>893,162</u>
Net position:						
Net investment in capital assets	46,531,239	45,436,934	42,244,429	38,624,251	88,775,668	84,061,185
Restricted	2,699,207	2,642,079	251,031	963,143	2,950,238	3,605,222
Unrestricted	(4,792,740)	(5,265,495)	(5,024,952)	(3,828,940)	(9,817,692)	(9,094,435)
Total net position	<u>\$ 44,437,706</u>	<u>\$ 42,813,518</u>	<u>\$ 37,470,508</u>	<u>\$ 35,758,454</u>	<u>\$ 81,908,214</u>	<u>\$ 78,571,972</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, equipment, and vehicles, infrastructure, and improvements), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.6%) represents resources that are subject to external restrictions on how they may be used.

The City's total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded capital related debt issued, depreciation and retirements.

CITY OF CORSICANA'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 2,014,507	\$ 2,140,487	\$ 23,678,250	\$ 22,677,658	\$ 25,692,757	\$ 24,818,145
Operating grants and contributions	1,136,412	704,816	189,701	506,638	1,326,113	1,211,454
Capital grants and contributions	492,689	52,348	8,542	1,880,594	501,231	1,932,942
General revenues:						
Property taxes	8,663,754	8,305,309	-	-	8,663,754	8,305,309
Sales taxes	6,456,406	6,497,484	-	-	6,456,406	6,497,484
Franchise taxes	2,150,662	2,053,150	-	-	2,150,662	2,053,150
Hotel occupancy taxes	581,701	556,176	-	-	581,701	556,176
Alcoholic beverage taxes	50,223	46,782	-	-	50,223	46,782
Investment earnings	85,927	51,291	20,717	13,302	106,644	64,593
Gain on sale of capital assets	23,543	16,282	19,069	129,034	42,612	145,316
Miscellaneous	272,497	159,775	-	-	272,497	159,775
Total revenues	<u>21,928,321</u>	<u>20,583,900</u>	<u>23,916,279</u>	<u>25,207,226</u>	<u>45,844,600</u>	<u>45,791,126</u>
Expenses:						
General government	1,496,155	2,825,532	-	-	1,496,155	2,825,532
Judicial	520,020	658,221	-	-	520,020	658,221
Public safety	11,038,626	9,769,024	-	-	11,038,626	9,769,024
Community support services	515,574	522,514	-	-	515,574	522,514
Public works	5,084,510	5,255,798	-	-	5,084,510	5,255,798
Cultural and recreational	2,439,116	2,412,918	-	-	2,439,116	2,412,918
Building and vehicle maintenance	526,821	488,138	-	-	526,821	488,138
Interest on long-term debt	795,291	719,760	-	-	795,291	719,760
Utility operations	-	-	13,637,200	12,343,943	13,637,200	12,343,943
Sanitation	-	-	2,821,251	3,040,602	2,821,251	3,040,602
Emergency medical services	-	-	3,633,794	3,415,787	3,633,794	3,415,787
Total expenses	<u>22,416,113</u>	<u>22,651,905</u>	<u>20,092,245</u>	<u>18,800,332</u>	<u>42,508,358</u>	<u>41,452,237</u>
Change in net position before transfers	(487,792)	(2,068,005)	3,824,034	6,406,894	3,336,242	4,338,889
Transfers	2,111,980	1,089,532	(2,111,980)	(1,089,532)	-	-
Change in net position	<u>1,624,188</u>	<u>(978,473)</u>	<u>1,712,054</u>	<u>5,317,362</u>	<u>3,336,242</u>	<u>4,338,889</u>
Net position - beginning, as restated	<u>42,813,518</u>	<u>43,791,991</u>	<u>35,758,454</u>	<u>30,441,092</u>	<u>78,571,972</u>	<u>74,233,083</u>
Net position - ending	<u>\$ 44,437,706</u>	<u>\$ 42,813,518</u>	<u>\$ 37,470,508</u>	<u>\$ 35,758,454</u>	<u>\$ 81,908,214</u>	<u>\$ 78,571,972</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$1,624,188 from the prior fiscal year for an ending balance of \$44,437,706. This decrease is primarily due to the intentional spend-down of funds in the General Fund. This will be discussed further in the Governmental Funds section, below. Total revenues from governmental activities increased from the prior year primarily due to increases in grant revenues, as several large grant projects were completed in the current year. In addition, property taxes increased by \$358,445 (4.32%) in the current year. Overall, expenses were up in most categories. Public Safety continues to be areas of focus for the Council.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year resulted in a net increase in net position to an ending balance of \$37,470,508. The total increase in net position for business-type activities (utility operations, sanitation and emergency medical services) was \$1,712,054 or 4.8% from the prior fiscal year. Revenues were higher in the current year than in the previous year. Expenses increased overall, as well, compared to the prior year. For more information, see the proprietary funds section below.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental 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 may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2018, the City's governmental funds reported combined fund balances of \$12,296,170, an increase of \$2,653,988 in comparison with the prior year. Approximately 40.6% of this amount (\$4,993,286) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$138,343), 2) restricted for particular purposes (\$6,774,291), 3) committed for particular purposes (\$306,068) or 4) assigned for particular purposes (\$84,182).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,556,276, while total fund balance increased to \$5,741,936. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 32.9% of total general fund expenditures, while total fund balance represents approximately 34.0% of that same amount.

The fund balance in the City's general fund increased by \$399,723 during the current fiscal year. Revenues increased slightly over the prior year. Expenditures increased from the prior year by \$1,077,885 (6.82%). The City's goal of 90 days operating expenses in fund balance was able to be met for the year.

The debt service fund, a major fund, had an increase in fund balance during the current year of \$24,949 to bring the year end fund balance to \$225,856.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) of the Utility Operations, Sanitation, and Emergency Medical Services funds at the end of the year amounts to \$(1,588,572), \$(940,894) and \$(2,495,486). Net position increased (decreased) in 2018 by \$1,268,054, \$809,863, and (\$365,863), respectively. For utility operations, the increase is \$2,655,591 less than the increase in the prior year. For sanitation operations, net position increased by \$809,863. Operating revenues increased for the fund, as did operating expenses. However, operating income overall increased by \$980,312, which contributed to the increase in net position. Emergency Medical Services fund experienced a positive change in net position primarily due to cash receipts for the 1115 Waiver Program. Participation in this program has greatly impacted the net position of the fund. The City hopes that the program will continue to be funded and plans to continue participation in the program. The negative unrestricted net position of the fund, which was caused by the recognition of 50% of the Firefighter's Relief and Retirement pension fund's liability in fiscal year 2015.

General Fund Budgetary Highlights

Final budget compared to actual results. General fund actual revenues of \$15,883,375 exceeded budgeted revenues of \$15,814,630 by \$68,745. The main component that experienced an increase was franchise tax, which increased \$79,162 over budget. This increase offset negative variances in both property tax and licenses and permits, as well as fines and forfeitures.

Budgeted general fund expenditures of \$17,450,433 exceeded actual expenditures of \$16,880,772. This \$569,661 positive variance in expenditures was achieved largely due to vacancies in staffing in the police and fire departments.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$133,475,434 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, machinery, equipment, and vehicles, infrastructure, and improvements. The total increase in capital assets for the current fiscal year was approximately 2.23%.

City of Corsicana's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 40,758,642	\$ 40,350,512	\$ 3,628,703	\$ 3,628,703	\$ 44,387,345	\$ 43,979,215
Construction in progress	365,918	2,408,402	181,598	4,825,450	547,516	7,233,852
Buildings	4,327,463	3,437,872	1,017,241	1,060,337	5,344,704	4,498,209
Machinery, equipment, and vehicles	3,973,296	3,064,254	11,326,380	11,808,614	15,299,676	14,872,868
Infrastructure	20,161,342	17,493,630	-	-	20,161,342	17,493,630
Improvements	-	-	47,734,851	42,485,582	47,734,851	42,485,582
Total	\$ 69,586,661	\$ 66,754,670	\$ 63,888,773	\$ 63,808,686	\$ 133,475,434	\$ 130,563,356

Major capital asset events during the current fiscal year included the following:

- Infrastructure improvements of approximately \$3,800,000 were comprised of street improvement projects in the City.
- Improvements of approximately \$6,500,000 for utility line improvement and relocation.
- Machinery and equipment additions of approximately \$2,200,000 were comprised of several vehicles, a fire engine, heavy equipment, and other smaller acquisitions.

Additional information on the City's capital assets can be found in Note 2.E on pages 47-48 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$43,450,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises notes payable, line of credit, and capital leases.

City of Corsicana's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Certificates of obligation	\$ 1,810,000	\$ -	\$ 6,350,000	\$ 7,495,000	\$ 8,160,000	\$ 7,495,000
General obligation	21,358,470	19,739,317	13,931,530	12,955,683	35,290,000	32,695,000
Revenue bonds	-	-	-	3,840,000	-	3,840,000
Notes payable	632,130	666,907	-	-	632,130	666,907
Line of credit	-	87,464	-	-	-	87,464
Capital leases	2,142,278	1,662,851	2,101,642	2,385,322	4,243,920	4,048,173
Total	\$ 25,942,878	\$ 22,156,539	\$ 22,383,172	\$ 26,676,005	\$ 48,326,050	\$ 48,832,544

The City's total debt decreased by \$506,494 (1.04%) during the current fiscal year due to regularly scheduled principal reductions on the existing outstanding debt.

The City maintains a tax bond rating of "AA-" from Standard & Poor's and a "A1" rating from Moody's Investors Service.

Additional information on the City's long term-debt can be found in Note 2.K on pages 52-58 of this report.

Economic Factors and Next Year's Budgets and Rates

In the 2019 Budget, General Fund revenues and transfers in are budgeted to increase 1.92% from the 2018 budget year with general property taxes making up about 33.08% of general fund budgeted revenues. The local economy continues to improve, and several new businesses have opened, expanded, or are under construction. These new businesses have already helped the City's tax base to recover some of the valuation losses from prior years. The City's budgets for all funds continue to be impacted positively by growth in the economy.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 200 N. 12th Street, Corsicana, Texas 75110.

BASIC FINANCIAL STATEMENTS

CITY OF CORSICANA, TEXAS
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,365,825	\$ 1,982,596	\$ 12,348,421
Restricted cash and cash equivalents	-	952,459	952,459
Receivables (net of allowance for uncollectibles)	3,641,517	4,849,184	8,490,701
Intergovernmental receivables	472,448	55,369	527,817
Internal balances	1,516,396	(1,516,396)	-
Inventories	58,094	1,865	59,959
Prepaid items	80,249	119,722	199,971
Capital assets:			
Non-depreciable	41,124,560	3,810,301	44,934,861
Depreciable (net of accumulated depreciation)	28,462,101	60,078,472	88,540,573
Total Assets	<u>85,721,190</u>	<u>70,333,572</u>	<u>156,054,762</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	72,683	356,144	428,827
Deferred outflows of resources related to pension	1,669,590	1,029,405	2,698,995
Deferred outflows of resources related to OPEB	39,584	18,397	57,981
Total Deferred Outflows of Resources	<u>1,781,857</u>	<u>1,403,946</u>	<u>3,185,803</u>
LIABILITIES			
Accounts payable and other current liabilities	1,640,821	513,458	2,154,279
Accrued payroll payable	785,191	447,024	1,232,215
Accrued interest payable	104,551	77,310	181,861
Customer deposits payable	-	659,100	659,100
Unearned revenue	-	18,872	18,872
Noncurrent liabilities:			
Due within one year	2,449,540	3,675,448	6,124,988
Due in more than one year	36,834,392	28,219,189	65,053,581
Total Liabilities	<u>41,814,495</u>	<u>33,610,401</u>	<u>75,424,896</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	1,250,846	656,609	1,907,455
Total Deferred Inflows of Resources	<u>1,250,846</u>	<u>656,609</u>	<u>1,907,455</u>
NET POSITION			
Net investment in capital assets	46,531,239	42,244,429	88,775,668
Restricted for:			
General government	2,007,557	-	2,007,557
Judicial	292,584	-	292,584
Public safety	45,121	-	45,121
Community support services	47,463	-	47,463
Cultural and recreational	80,626	-	80,626
Debt service	225,856	251,031	476,887
Unrestricted	(4,792,740)	(5,024,952)	(9,817,692)
Total Net Position	<u>\$ 44,437,706</u>	<u>\$ 37,470,508</u>	<u>\$ 81,908,214</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2018

Function/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Total
						Business Activities		
Primary government:								
Governmental activities:								
General government	\$ 1,496,155	\$ 141,801	\$ 495,563	\$ 10,037	\$ (848,754)	\$ -	\$ -	\$ (848,754)
Judicial	520,020	-	-	-	(520,020)	-	-	(520,020)
Public safety	11,038,626	407,896	81,241	-	(10,549,489)	-	-	(10,549,489)
Community support services	515,574	276,208	-	-	(239,366)	-	-	(239,366)
Public works	5,084,510	869,362	101,542	482,652	(3,630,954)	-	-	(3,630,954)
Cultural and recreational	2,439,116	319,240	458,066	-	(1,661,810)	-	-	(1,661,810)
Building and vehicle maintenance	526,821	-	-	-	(526,821)	-	-	(526,821)
Interest on long-term debt	795,291	-	-	-	(795,291)	-	-	(795,291)
Total governmental activities	22,416,113	2,014,507	1,136,412	492,689	(18,772,505)	-	-	(18,772,505)
Business-type activities:								
Utility operations	13,637,200	16,547,963	-	8,542	-	2,919,305	2,919,305	2,919,305
Sanitation	2,821,251	4,261,665	-	-	-	1,440,414	1,440,414	1,440,414
Emergency medical services	3,633,794	2,868,622	189,701	-	-	(575,471)	(575,471)	(575,471)
Total business-type activities	20,092,245	23,678,250	189,701	8,542	-	3,784,248	3,784,248	3,784,248
Total primary government	\$ 42,508,358	\$ 25,692,757	\$ 1,326,113	\$ 501,231	(18,772,505)	3,784,248	(14,988,257)	(14,988,257)
General revenues:								
Property taxes					8,663,754	-	-	8,663,754
Sales taxes					6,456,406	-	-	6,456,406
Franchise taxes					2,150,662	-	-	2,150,662
Hotel occupancy taxes					581,701	-	-	581,701
Alcoholic beverage taxes					50,223	-	-	50,223
Investment earnings					85,927	20,717	20,717	106,644
Gain on sale of capital assets					23,543	19,069	19,069	42,612
Miscellaneous					272,497	-	-	272,497
Transfers					2,111,980	(2,111,980)	-	-
Total general revenues and transfers					20,396,693	(2,072,194)	-	18,324,499
Change in net position					1,624,188	1,712,054	3,336,242	3,336,242
Net position - beginning, as restated					42,813,518	35,758,454	78,571,972	78,571,972
Net position - ending					\$ 44,437,706	\$ 37,470,508	\$ 81,908,214	\$ 81,908,214

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$2,756,831	\$266,443	\$ 7,342,551	\$ 10,365,825
Receivables (net of allowance for uncollectibles)	3,154,458	120,631	366,428	3,641,517
Intergovernmental receivables	180	-	472,268	472,448
Due from other funds	2,450,530	-	1	2,450,531
Inventories	25,078	-	33,016	58,094
Prepaid items	76,400	-	3,849	80,249
Total assets	<u>\$8,463,477</u>	<u>\$387,074</u>	<u>\$ 8,218,113</u>	<u>\$ 17,068,664</u>
LIABILITIES				
Accounts payable and other current liabilities	\$1,047,384	\$ 765	\$ 592,672	\$ 1,640,821
Accrued payroll payable	772,064	-	13,127	785,191
Due to other funds	-	48,011	886,124	934,135
Total liabilities	<u>1,819,448</u>	<u>48,776</u>	<u>1,491,923</u>	<u>3,360,147</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property tax	322,333	112,442	-	434,775
Unavailable revenue-court fines	579,760	-	-	579,760
Unavailable revenue-grants	-	-	256,147	256,147
Unavailable revenue-other	-	-	141,665	141,665
Total deferred inflows of resources	<u>902,093</u>	<u>112,442</u>	<u>397,812</u>	<u>1,412,347</u>
FUND BALANCES				
Nonspendable:				
Inventories	25,078	-	33,016	58,094
Prepaid items	76,400	-	3,849	80,249
Restricted:				
Tourism	-	-	104,010	104,010
Economic development	-	-	1,783,285	1,783,285
Municipal court	-	-	292,584	292,584
Police	-	-	34,487	34,487
Fire	-	-	7,261	7,261
Cemetery	-	-	81,477	81,477
Parks and recreation	-	-	198,281	198,281
Other purposes	-	-	199,515	199,515
Debt service	-	225,856	-	225,856
Capital projects	-	-	3,847,535	3,847,535
Committed:				
Streets	-	-	306,068	306,068
Assigned:				
Public works	80,000	-	-	80,000
Cultural and recreational	4,182	-	-	4,182
Unassigned	5,556,276	-	(562,990)	4,993,286
Total fund balances	<u>5,741,936</u>	<u>225,856</u>	<u>6,328,378</u>	<u>12,296,170</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,463,477</u>	<u>\$387,074</u>	<u>\$ 8,218,113</u>	<u>\$ 17,068,664</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2018

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

Total fund balances - governmental funds (page 23)		\$ 12,296,170
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		69,586,661
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,412,347
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	\$ 72,683	
Deferred outflows of resources related to pension	1,669,590	
Deferred outflows of resources related to OPEB	<u>39,584</u>	1,781,857
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(104,551)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Due within one year	(2,449,540)	
Due in more than one year	<u>(36,834,392)</u>	(39,283,932)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflows of resources related to pension		<u>(1,250,846)</u>
Net position of governmental activities (page 21)		<u>\$ 44,437,706</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 6,168,636	\$ 2,297,567	\$ 271,139	\$ 8,737,342
Sales taxes	6,456,406	-	-	6,456,406
Franchise taxes	2,150,662	-	-	2,150,662
Hotel occupancy taxes	-	-	581,701	581,701
Alcoholic beverage taxes	50,223	-	-	50,223
Licenses and permits	199,486	-	-	199,486
Fines and forfeitures	259,637	-	125,000	384,637
Charges for current services	138,029	-	1,181,130	1,319,159
Investment earnings	23,427	1,970	60,531	85,928
Miscellaneous	301,378	-	105,263	406,641
Intergovernmental	135,491	-	930,717	1,066,208
Contributions and donations	-	-	296,998	296,998
Total revenues	<u>15,883,375</u>	<u>2,299,537</u>	<u>3,552,479</u>	<u>21,735,391</u>
EXPENDITURES				
Current:				
General government	1,755,602	-	993,512	2,749,114
Judicial	438,328	-	79,157	517,485
Public safety	9,226,222	-	77,450	9,303,672
Community support services	464,443	-	6,605	471,048
Public works	2,483,276	-	533,919	3,017,195
Cultural and recreational	1,881,647	-	899,958	2,781,605
Building and vehicle maintenance	453,673	-	-	453,673
Debt service:				
Principal retirement	173,715	1,593,271	178,596	1,945,582
Interest and fiscal charges	3,866	656,208	19,824	679,898
Bond issuance costs	-	29,569	120,651	150,220
Capital outlay:				
General government	-	-	2,216	2,216
Public safety	-	-	2,478,649	2,478,649
Community support services	-	-	25,891	25,891
Public works	-	-	2,466,280	2,466,280
Cultural and recreational	-	-	4,864	4,864
Building and vehicle maintenance	-	-	24,266	24,266
Total expenditures	<u>16,880,772</u>	<u>2,279,048</u>	<u>7,911,838</u>	<u>27,071,658</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(997,397)</u>	<u>20,489</u>	<u>(4,359,359)</u>	<u>(5,336,267)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,200,681	-	1,339,890	3,540,571
Transfers out	(827,104)	-	(601,487)	(1,428,591)
Refunding bonds issued	-	1,300,000	-	1,300,000
Certificates of obligation issued	-	-	1,810,000	1,810,000
General obligation bonds issued	-	-	2,925,000	2,925,000
Premium on bonds issued	-	45,781	119,786	165,567
Discount on bonds issued	-	-	(19,444)	(19,444)
Payment to refunded bond escrow agent	-	(1,341,321)	-	(1,341,321)
Capital leases	-	-	1,014,930	1,014,930
Sale of capital assets	23,543	-	-	23,543
Total other financing sources (uses)	<u>1,397,120</u>	<u>4,460</u>	<u>6,588,675</u>	<u>7,990,255</u>
Net change in fund balances	399,723	24,949	2,229,316	2,653,988
Fund balances - beginning	5,342,213	200,907	4,099,062	9,642,182
Fund balances - ending	<u>\$ 5,741,936</u>	<u>\$ 225,856</u>	<u>\$ 6,328,378</u>	<u>\$ 12,296,170</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

Amounts reported for governmental activities in the statement of activities (page 22) are different because:

Net Change in Fund Balances - total governmental funds (page 25)		\$ 2,653,988
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.		4,806,860
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.		(1,974,869)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	\$ (6,035,000)	
Deferred charge on refunding	16,321	
Bond premiums/discounts	(146,122)	
Bond principal retirement	2,605,847	
Amortization of deferred charge on refunding	(10,668)	
Amortization of bond premiums/discounts	77,173	
Note payable retirement	37,531	
Amortization of discount on note payable	(2,754)	
Line of credit retirement	87,464	
Capital leases issued	(1,014,930)	
Capital leases retirement	<u>535,503</u>	(3,849,635)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.		(24,691)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		159,645
Pension and OPEB contributions are recorded as expenditures in the governmental funds. However, in the statement of activities, these contributions are converted to the full accrual pension and OPEB amounts.		
Deferred outflows/inflows of resources related to pension	(2,637,324)	
Deferred outflows/inflows of resources related to OPEB	<u>28,892</u>	(2,608,432)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	57,969	
Net pension liability	2,461,981	
OPEB liability	<u>(58,628)</u>	<u>2,461,322</u>
Change in net position of governmental activities (page 22)		<u><u>\$ 1,624,188</u></u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under) Budget
REVENUES			
Property taxes	\$ 6,262,937	\$ 6,168,636	\$ (94,301)
Sales taxes	6,450,000	6,456,406	6,406
Franchise taxes	2,071,500	2,150,662	79,162
Alcoholic beverage taxes	47,500	50,223	2,723
Licenses and permits	247,650	199,486	(48,164)
Fines and forfeitures	270,000	259,637	(10,363)
Charges for current services	175,768	138,029	(37,739)
Investment earnings	13,600	23,427	9,827
Miscellaneous	169,275	301,378	132,103
Intergovernmental	106,400	135,491	29,091
Total revenues	<u>15,814,630</u>	<u>15,883,375</u>	<u>68,745</u>
EXPENDITURES			
Current:			
General government:			
Administration:			
Mayor and council	28,043	27,197	(846)
Administration	285,673	276,158	(9,515)
Human resources	128,904	129,770	866
Civil service	93,528	86,148	(7,380)
Tax	141,000	143,177	2,177
Finance	621,574	532,780	(88,794)
Health services	44,000	44,000	-
Total administration	<u>1,342,722</u>	<u>1,239,230</u>	<u>(103,492)</u>
Non departmental	<u>348,500</u>	<u>516,372</u>	<u>167,872</u>
Total general government	<u>1,691,222</u>	<u>1,755,602</u>	<u>64,380</u>
Judicial:			
Legal	114,882	113,357	(1,525)
Municipal court	342,205	324,971	(17,234)
Total judicial	<u>457,087</u>	<u>438,328</u>	<u>(18,759)</u>
Public safety:			
Police	5,362,652	5,422,148	59,496
Fire	3,689,280	3,501,719	(187,561)
Emergency management	19,850	27,646	7,796
Animal control	132,958	141,247	8,289
Animal shelter	149,706	133,462	(16,244)
Total public safety	<u>9,354,446</u>	<u>9,226,222</u>	<u>(128,224)</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (continued)
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under) Budget
Community support services:			
Inspections	\$ 178,805	\$ 150,688	\$ (28,117)
Planning and zoning	80,323	75,956	(4,367)
Code compliance	255,650	237,799	(17,851)
Total community support services	<u>514,778</u>	<u>464,443</u>	<u>(50,335)</u>
Public works:			
Information technology	133,860	135,982	2,122
Engineering	536,044	383,530	(152,514)
Streets	2,113,608	1,963,764	(149,844)
Total public works	<u>2,783,512</u>	<u>2,483,276</u>	<u>(300,236)</u>
Cultural and recreational:			
Parks and recreation	1,079,670	1,125,851	46,181
Lakes and grounds	113,870	115,575	1,705
Senior activity center	111,233	106,761	(4,472)
Swimming pool	120,695	118,471	(2,224)
Library	451,671	414,989	(36,682)
Total cultural and recreational	<u>1,877,139</u>	<u>1,881,647</u>	<u>4,508</u>
Building and vehicle maintenance:			
K. Wolens BIC	47,275	33,480	(13,795)
Maintenance service center	262,884	226,186	(36,698)
Municipal buildings	204,781	194,007	(10,774)
Total building and vehicle maintenance	<u>514,940</u>	<u>453,673</u>	<u>(61,267)</u>
Debt service:			
Principal retirement	250,066	173,715	(76,351)
Interest and fiscal charges	7,243	3,866	(3,377)
Total debt service	<u>257,309</u>	<u>177,581</u>	<u>(79,728)</u>
Total expenditures	<u>17,450,433</u>	<u>16,880,772</u>	<u>(569,661)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,635,803)</u>	<u>(997,397)</u>	<u>638,406</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,180,893	2,200,681	19,788
Transfers out	(824,000)	(827,104)	(3,104)
Sale of capital assets	25,000	23,543	(1,457)
Total other financing sources (uses)	<u>1,381,893</u>	<u>1,397,120</u>	<u>15,227</u>
Net change in fund balances	(253,910)	399,723	653,633
Fund balances - beginning	<u>4,798,141</u>	<u>5,342,213</u>	<u>544,072</u>
Fund balances - ending	<u>\$ 4,544,231</u>	<u>\$ 5,741,936</u>	<u>\$ 1,197,705</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 670,117	\$ 1,206,885	\$ 105,594	\$ 1,982,596
Receivables (net of allowance for uncollectibles)	2,421,011	753,132	1,675,041	4,849,184
Intergovernmental receivable	55,356	-	13	55,369
Due from other funds	44,150	782	-	44,932
Inventories	-	1,865	-	1,865
Prepaid items	108,071	802	10,849	119,722
Total current assets	<u>3,298,705</u>	<u>1,963,466</u>	<u>1,791,497</u>	<u>7,053,668</u>
Noncurrent assets:				
Restricted cash and cash equivalents	703,911	248,548	-	952,459
Capital assets (net, where applicable of accumulated depreciation)	56,619,400	6,744,167	525,206	63,888,773
Total noncurrent assets	<u>57,323,311</u>	<u>6,992,715</u>	<u>525,206</u>	<u>64,841,232</u>
Total assets	<u>60,622,016</u>	<u>8,956,181</u>	<u>2,316,703</u>	<u>71,894,900</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	356,144	-	-	356,144
Deferred outflows of resources related to pension	339,343	96,184	593,878	1,029,405
Deferred outflows of resources related to OPEB	14,437	3,960	-	18,397
Total deferred outflows of resources	<u>709,924</u>	<u>100,144</u>	<u>593,878</u>	<u>1,403,946</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	297,644	164,808	51,006	513,458
Accrued payroll payable	236,999	68,109	141,916	447,024
Due to other funds	1,101,949	-	459,379	1,561,328
Compensated absences	127,125	35,430	52,161	214,716
Customer deposits payable	659,100	-	-	659,100
Accrued interest payable	76,435	875	-	77,310
Bonds payable	2,720,000	20,626	-	2,740,626
Capital lease payable	387,939	327,818	4,349	720,106
Unearned revenue	-	-	18,872	18,872
Total current liabilities	<u>5,607,191</u>	<u>617,666</u>	<u>727,683</u>	<u>6,952,540</u>
Noncurrent liabilities:				
Compensated absences	553,537	154,054	228,593	936,184
Bonds payable	17,673,293	186,355	-	17,859,648
Capital lease payable	352,700	1,028,836	-	1,381,536
Landfill closure liability	-	1,995,097	-	1,995,097
Net pension liability	1,693,995	464,570	3,663,563	5,822,128
OPEB liability	176,251	48,345	-	224,596
Total noncurrent liabilities	<u>20,449,776</u>	<u>3,877,257</u>	<u>3,892,156</u>	<u>28,219,189</u>
Total liabilities	<u>26,056,967</u>	<u>4,494,923</u>	<u>4,619,839</u>	<u>35,171,729</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	318,022	73,216	265,371	656,609
Total deferred inflows of resources	<u>318,022</u>	<u>73,216</u>	<u>265,371</u>	<u>656,609</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	36,543,040	5,180,532	520,857	42,244,429
Restricted for debt service	2,483	248,548	-	251,031
Unrestricted	(1,588,572)	(940,894)	(2,495,486)	(5,024,952)
Total net position (deficit)	<u>\$ 34,956,951</u>	<u>\$ 4,488,186</u>	<u>\$ (1,974,629)</u>	<u>\$ 37,470,508</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	Total
Operating revenues:				
Water	\$ 10,616,450	\$ -	\$ -	\$ 10,616,450
Sewer	5,423,762	-	-	5,423,762
Tap fees	69,655	-	-	69,655
Other charges	438,096	17,013	26,963	482,072
Garbage collection fees	-	1,297,161	-	1,297,161
Landfill	-	2,947,491	-	2,947,491
Emergency medical services	-	-	2,841,659	2,841,659
Total operating revenues	<u>16,547,963</u>	<u>4,261,665</u>	<u>2,868,622</u>	<u>23,678,250</u>
Operating expenses:				
Costs of sales and services	10,128,319	2,407,971	3,451,951	15,988,241
Administration	707,991	26,670	35,686	770,347
Depreciation and amortization	2,077,376	348,294	145,946	2,571,616
Total operating expenses	<u>12,913,686</u>	<u>2,782,935</u>	<u>3,633,583</u>	<u>19,330,204</u>
Operating income (loss)	<u>3,634,277</u>	<u>1,478,730</u>	<u>(764,961)</u>	<u>4,348,046</u>
Nonoperating revenue (expenses):				
Intergovernmental	-	-	189,701	189,701
Investment earnings	12,689	7,420	608	20,717
Gain on disposal of assets	11,409	7,660	-	19,069
Interest and fiscal charges	(675,908)	(38,316)	(211)	(714,435)
Bond issuance costs	(47,606)	-	-	(47,606)
Total nonoperating revenue (expenses)	<u>(699,416)</u>	<u>(23,236)</u>	<u>190,098</u>	<u>(532,554)</u>
Income (loss) before contributions and transfers	2,934,861	1,455,494	(574,863)	3,815,492
Capital contributions	8,542	-	-	8,542
Transfer in	259,602	-	209,000	468,602
Transfer out	(1,934,951)	(645,631)	-	(2,580,582)
Change in net position	1,268,054	809,863	(365,863)	1,712,054
Total net position (deficit) - beginning, as restated	<u>33,688,897</u>	<u>3,678,323</u>	<u>(1,608,766)</u>	<u>35,758,454</u>
Total net position (deficit) - ending	<u>\$34,956,951</u>	<u>\$4,488,186</u>	<u>\$(1,974,629)</u>	<u>\$37,470,508</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 18,321,825	\$ 4,167,786	\$ 2,440,750	\$ 24,930,361
Payments to suppliers	(7,379,854)	(1,599,827)	(585,448)	(9,565,129)
Payments to employees	(3,357,067)	(912,714)	(2,728,125)	(6,997,906)
Net cash provided by (used for) operating activities	<u>7,584,904</u>	<u>1,655,245</u>	<u>(872,823)</u>	<u>8,367,326</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	1,076,949	-	-	1,076,949
Advances to other funds	(44,150)	(782)	-	(44,932)
Repayment of advances from other funds	-	-	459,379	459,379
Transfers from other funds	259,602	-	209,000	468,602
Transfers to other funds	(1,934,951)	(645,631)	-	(2,580,582)
Operating grants	-	-	189,701	189,701
Net cash provided by (used for) noncapital financing activities	<u>(642,550)</u>	<u>(646,413)</u>	<u>858,080</u>	<u>(430,883)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	8,542	-	-	8,542
Acquisition and construction of capital assets	(2,742,128)	(359,208)	(128,652)	(3,229,988)
Proceeds from bonds	2,445,000	-	-	2,445,000
Bond issuance costs	(47,606)	-	-	(47,606)
Principal paid on bond maturities	(6,435,000)	(21,158)	-	(6,456,158)
Interest paid on bond maturities	(745,665)	(5,985)	-	(751,650)
Proceeds from capital leases	351,400	-	-	351,400
Principal paid on leased assets	(328,123)	(296,674)	(10,283)	(635,080)
Interest paid on leased assets	(15,084)	(32,331)	(211)	(47,626)
Proceeds from the sale of capital assets	11,409	7,660	-	19,069
Net cash provided by (used for) capital and related financing activities	<u>(7,497,255)</u>	<u>(707,696)</u>	<u>(139,146)</u>	<u>(8,344,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	12,689	7,420	608	20,717
Net cash provided by investing activities	<u>12,689</u>	<u>7,420</u>	<u>608</u>	<u>20,717</u>
Net change in cash and cash equivalents	(542,212)	308,556	(153,281)	(386,937)
Cash and cash equivalents October 1	1,916,240	1,146,877	258,875	3,321,992
Cash and cash equivalents September 30	<u>\$ 1,374,028</u>	<u>\$ 1,455,433</u>	<u>\$ 105,594</u>	<u>\$ 2,935,055</u>
Reported on Statement of Net Position				
Cash and cash equivalents	\$ 670,117	\$ 1,206,885	\$ 105,594	\$ 1,982,596
Restricted cash and cash equivalents	703,911	248,548	-	952,459
Total cash and cash equivalents	<u>\$ 1,374,028</u>	<u>\$ 1,455,433</u>	<u>\$ 105,594</u>	<u>\$ 2,935,055</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 3,634,277	\$ 1,478,730	\$ (764,961)	\$ 4,348,046
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,077,376	348,294	145,946	2,571,616
(Increase) decrease in accounts receivable	(13,367)	(93,879)	(427,861)	(535,107)
(Increase) decrease in intergovernmental receivables	1,769,484	-	(11)	1,769,473
(Increase) decrease in inventories	-	(665)	-	(665)
(Increase) decrease in prepaid items	100,319	(649)	(8,995)	90,675
(Increase) decrease in pension related deferred outflows/inflows	798,567	242,291	339,681	1,380,539
(Increase) decrease in OPEB related deferred outflows/inflows	(10,537)	(2,890)	-	(13,427)
Increase (decrease) in accounts payable	(132,115)	(92,399)	199	(224,315)
Increase (decrease) in accrued payroll payable	34,833	13,330	25,491	73,654
Increase (decrease) in compensated absences	20,467	(703)	77,437	97,201
Increase (decrease) in unearned revenue	-	-	(2,884)	(2,884)
Net increase in customer deposits	17,745	-	-	17,745
Increase (decrease) in net pension liability	(733,528)	(324,095)	(256,865)	(1,314,488)
Increase (decrease) in OPEB liability	21,383	5,865	-	27,248
Total adjustments	<u>3,950,627</u>	<u>176,515</u>	<u>(107,862)</u>	<u>4,019,280</u>
Net cash provided by (used for) operating activities	<u>\$ 7,584,904</u>	<u>\$ 1,655,245</u>	<u>\$ (872,823)</u>	<u>\$ 8,367,326</u>

The notes to financial statements are an integral part of this statement.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Corsicana, Texas (the “City”) was incorporated July 11, 1848, while the City's Home Rule Charter was adopted in 1917 and last updated by election in 2007. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, general and administrative, water and wastewater services.

The City applies the criteria set forth in GASB Statement No. 61, The Financial Reporting Entity, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected official's accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of presentation – government-wide financial statements (continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's utility operations, sanitation and emergency medical services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the accumulation of resources for the payment of general debt principal, interest and related costs. The revenue source is principally ad valorem taxes levied by the City.

The City reports the following major proprietary funds:

The *utility operations fund* accounts for the activities of the water and wastewater operations that are intended to be self-supporting through user charges.

The *sanitation fund* accounts for the sanitation operations that are intended to be self-supporting through user charges.

The *emergency medical services* fund accounts for the emergency medical service operations that are intended to be self-supporting through user charges.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of presentation – fund financial statements (continued)

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement focus and basis of accounting (continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Budgetary information

1. Budgetary basis of accounting

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds (with the exception of GIS Project, Animal Shelter Building Donations and Police Seizures funds) and the debt service fund . The annual budgets for the proprietary funds are prepared on the budgetary basis of accounting. Appropriations in all budgeted funds lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool and TexSTAR qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool and TexSTAR are subject to regulatory oversight by the State Treasurer, although they are not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pools managing the assets, providing Participant Services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U. S. Government securities, repurchase agreements collateralized by U. S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, are governed by the Texas Public Funds Investment Act, and are in full compliance with the Act.

TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund is rated AAAM by Standard & Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

J.P. Morgan Investment Management Inc. (“JPMIM” or the “investment manager”) and Hilltop Securities Inc. (“HTS”) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (the “Board”). JPMIM provides investment management services, and First Southwest, a Division of HTS, provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by Boston Financial Data Services, Inc. (“BFDS” or the “Transfer Agent”). Each of JPMIM, HTS, BFDS, and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors or delegates.

The City also invests in a government money market fund managed by Wells Fargo Asset Management which seeks current income, while preserving capital and liquidity. It invests in high-quality, short-term money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations. The fund seeks to maintain a \$1.00 value per share. The fund is rated AAAM by Standard & Poor's. The weighted average maturities of the fund cannot exceed 45 days, with the maximum maturity of any investment limited to 95 days.

3. Restricted assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The “revenue bond construction” account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The “revenue bond debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

4. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	20-50
Machinery and equipment	3-20
Infrastructure	20-50
Improvements	10-40

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year's financial statements include (1) a deferred outflow of resources related to changes in actuarial assumptions of the City's defined benefit pension plan, (2) a deferred outflow of resources for contributions made to the City's defined benefit pension plan and OPEB plan between the measurement date of the net pension liabilities from that plan and the end of the City's fiscal year, (3) a deferred outflow of resources for the difference between expected and actual experience data used by the actuary, (4) a deferred outflow of resources related to changes in actuarial assumptions of the City's OPEB plan, and (5) deferred charge on refunding. Deferred outflows for changes in actuarial assumptions is attributed to pension expense over a total of 1.84 years. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. Deferred outflows of resources for the difference between expected and actual experience data is attributed to pension expense over a total of 2.64 years. Deferred outflows for changes in actuarial assumptions is attributed to OPEB expense over a period of 4.9 years, including the current year. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. No deferred outflows of resources affect the governmental funds financial statements in the current year.

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. Deferred inflows of resources are reported in the City's various statements of net position for (1) the difference between expected and actual experience data used by the actuary, (2) the difference between the projected and actual investment earnings. Deferred inflows of resources for the difference between expected and actual experience data is attributed to pension expense over a total of 3.7 years, including the current year. Deferred inflows of resources for the differences between the projected and actual investments earnings are attributed to pension expense over a total of 5 years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, *unavailable revenue* from property taxes, court fines, and other are reported in the governmental funds balance sheet.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net position flow assumption

Net position represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

Net investment in capital assets —This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position —This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position —This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

9. Fund balance flow assumption

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

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

Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

10. Deficit fund equity

As of September 30, 2018, the Corsicana/Navarro County Economic Development fund, a nonmajor special revenue fund, had a deficit fund balance of \$37,672. The deficit fund balance will be covered with the collection of charges for current services.

As of September 30, 2018, the FEMA Grant fund, a nonmajor special revenue fund, had a deficit fund balance of \$359,642. The deficit fund balance will be covered with the collection of intergovernmental revenue.

As of September 30, 2018, the 2016 General Obligation fund, a nonmajor capital projects fund, had a deficit fund balance of \$70. The deficit fund balance will be covered with transfers from other funds.

As of September 30, 2018, the 2016 Public Safety fund, a nonmajor capital projects fund, had a deficit fund balance of \$95,153. The deficit fund balance will be covered with transfers from other funds.

As of September 30, 2018, the 2016 Public Works fund, a nonmajor capital projects fund, had a deficit fund balance of \$155,173. The deficit fund balance will be covered with the collection of intergovernmental revenue.

As of September 30, 2018, the Tax Increment Financing District fund, a nonmajor capital projects fund, had a deficit fund balance of \$10,508. The deficit fund balance will be covered with the collection of the special assessment within the District.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Revenues and expenditures/expenses (continued)

2. *Property taxes*

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Navarro Central Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Navarro County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

3. *Compensated absences*

The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Vacation leave shall be taken during the year following its accumulation.

4. *Proprietary funds operating and nonoperating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility operations, sanitation, and emergency medical services funds are charges to customers for sales and services. The utility operations fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Revenues and expenditures/expenses (continued)

5. Pensions and Other Post Employment Benefits (OPEB)

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 Corsicana Firefighter's Relief and Retirement Fund and additions to/deductions from TMRS and Corsicana Firefighter's Relief and Retirement Fund's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and Corsicana Firefighter's Relief and Retirement Fund. 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.

GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the System's actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. For example, changes in the TOL resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in OPEB expense immediately. Changes in the TOL that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

I. New GASB pronouncement

The Governmental Accounting Standards Board has issued a new pronouncement that the City has reviewed for application to their accounting and reporting.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017, replaces the requirements of GASB Statements No. 45 and 57 for OPEB. The standard requires government employers to recognize a total OPEB liability in the Statement of Net Position. OPEB expense is tied to the change in total OPEB liability from year to year. OPEB expense is put in each employer's Statement of Changes in Net Position ("Operating Statement") in the government-wide financial statements. OPEB costs may be deferred and amortized over a number of years.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2018. At year end, the bank balance of the City's deposits was \$7,499,745. Of the bank balance, \$1,258,168 was covered by federal depository insurance and the remaining balance, \$6,241,577, was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$17,532,000.

B. Investments

Public funds of the City of Corsicana, Texas may be invested in the following: (1) obligations of the United States or its agencies with stated maturity not to exceed two years, (2) direct obligations of the State of Texas or its agencies with a stated maturity not to exceed two years, (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or its agencies, including obligations that are fully insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States and with stated maturity not to exceed two years, (4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state 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 along with a stated maturity not to exceed two years, (5) certificates of deposit issued by state and national banks having an office in Texas, (6) no-load money market mutual fund, and (7) eligible Investment Pools as defined in Section 2256.016 of the Texas Government Code.

As of September 30, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating ⁽¹⁾</u>
TexPool	\$ 1,552,209	AAAm
TexSTAR	4,327,109	AAAm
Governmental money market fund	274,424	AAAm
	<u>\$ 6,153,742</u>	

⁽¹⁾ Per Standard & Poor's

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

B. Investments (continued)

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of credit risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool, TexSTAR, and governmental money market fund are considered cash equivalents on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

C. Restricted assets

The balances of the restricted asset accounts in the proprietary fund are as follows:

Revenue bond construction account	\$ 701,428
Revenue bond debt service account	33,905
Revenue bond reserve account	217,126
	<u>\$ 952,459</u>

D. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, debt service, nonmajor governmental, utility, sanitation and emergency medical service funds, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Governmental	Utility Operations	Sanitation	Emergency Medical Services
Receivables:						
Taxes	\$ 2,142,574	\$ 141,919	\$ -	\$ -	\$ -	\$ -
Court fines	1,656,456	-	-	-	-	-
Accounts	-	-	-	2,019,589	854,790	4,723,034
Other	1,526,816	-	366,428	788,746	-	-
Gross receivables	5,325,846	141,919	366,428	2,808,335	854,790	4,723,034
Less: allowance for uncollectibles	(2,171,388)	(21,288)	-	(387,324)	(101,658)	(3,047,993)
Net total receivables	\$ 3,154,458	\$ 120,631	\$ 366,428	\$ 2,421,011	\$ 753,132	\$ 1,675,041

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

E. Capital assets

Capital asset activity for the year ended September 30, 2018, was as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 40,350,512	\$ 408,130	\$ -	\$ 40,758,642
Construction in progress	2,408,402	1,840,342	(3,882,826)	365,918
Total capital assets not being depreciated	<u>42,758,914</u>	<u>2,248,472</u>	<u>(3,882,826)</u>	<u>41,124,560</u>
Capital assets being depreciated:				
Buildings	19,097,409	1,176,133	-	20,273,542
Machinery, equipment, and vehicles	9,069,488	1,448,267	(452,217)	10,065,538
Infrastructure	35,346,302	3,816,814	-	39,163,116
Totals capital assets being depreciated	<u>63,513,199</u>	<u>6,441,214</u>	<u>(452,217)</u>	<u>69,502,196</u>
Less accumulated depreciation for:				
Buildings	(15,659,537)	(286,542)	-	(15,946,079)
Machinery, equipment, and vehicles	(6,005,234)	(539,225)	452,217	(6,092,242)
Infrastructure	(17,852,672)	(1,149,102)	-	(19,001,774)
Total accumulated depreciation	<u>(39,517,443)</u>	<u>(1,974,869)</u>	<u>452,217</u>	<u>(41,040,095)</u>
Total capital assets, being depreciated, net	<u>23,995,756</u>	<u>4,466,345</u>	<u>-</u>	<u>28,462,101</u>
Governmental activities capital assets, net	<u>\$ 66,754,670</u>	<u>\$ 6,714,817</u>	<u>\$ (3,882,826)</u>	<u>\$ 69,586,661</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:

General government	\$ 327,066
Public safety	363,580
Community support services	25,815
Public works	1,006,244
Cultural and recreational	191,432
Building and vehicle maintenance	60,732
Total depreciation expense - governmental activities	<u>\$ 1,974,869</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

E. Capital assets (continued)

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 3,628,703	\$ -	\$ -	\$ 3,628,703
Construction in progress	4,825,450	907,890	(5,551,742)	181,598
Total capital assets not being depreciated	<u>8,454,153</u>	<u>907,890</u>	<u>(5,551,742)</u>	<u>3,810,301</u>
Capital assets being depreciated:				
Buildings	4,392,546	10,000	-	4,402,546
Machinery, equipment, and vehicles	27,805,319	790,143	(172,122)	28,423,340
Improvements	61,333,767	6,495,412	-	67,829,179
Total capital assets being depreciated	<u>93,531,632</u>	<u>7,295,555</u>	<u>(172,122)</u>	<u>100,655,065</u>
Less accumulated depreciation for:				
Buildings	(3,332,209)	(53,096)	-	(3,385,305)
Machinery, equipment, and vehicles	(15,996,705)	(1,272,377)	172,122	(17,096,960)
Improvements	(18,848,185)	(1,246,143)	-	(20,094,328)
Total accumulated depreciation	<u>(38,177,099)</u>	<u>(2,571,616)</u>	<u>172,122</u>	<u>(40,576,593)</u>
Total capital assets being depreciated, net	<u>55,354,533</u>	<u>4,723,939</u>	<u>-</u>	<u>60,078,472</u>
Business-type capital assets, net	<u>\$ 63,808,686</u>	<u>\$ 5,631,829</u>	<u>\$ (5,551,742)</u>	<u>\$ 63,888,773</u>

Depreciation expense was charged to the functions/programs of the business-type activities of the primary government as follows:

Business-type activities:

Utility operations	\$ 2,077,376
Sanitation	348,294
Emergency medical services	145,946
Total depreciation expense - business-type activities	<u>\$ 2,571,616</u>

F. Construction commitments

The City has active construction projects as of September 30, 2018. The projects include infrastructure improvements. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining commitment</u>
Infrastructure Improvements	\$ 35,200	\$ 140,799
	<u>\$ 35,200</u>	<u>\$ 140,799</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

F. Construction commitments (continued)

The infrastructure improvements projects are commitments of the City's capital projects funds. The projects are being funded by grant proceeds.

G. Tax Abatements

The City has three programs through which tax abatements are provided:

The City is authorized by Texas Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act (Tax Abatement Act) to enter into property tax abatement agreements as an economic development tool available to cities to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Tax abatements may be established upon property in designated reinvestment zones within the City. No incentive shall be provided which abates taxes on real property or personal property by more than a total of five hundred percent (500%) over ten (10) years of the specific project (i.e., 50% level of abatement for a term of 10 years). The threshold criteria used for the abatement include creating at least fifteen new, full-time equivalent jobs with an average salary greater than the County average and an investment of at least \$500,000 in property improvements or in personal property. A partial (investment pro-rated) tax abatement may be granted in the event the project does not create an investment of at least \$500,000, but other threshold requirements are met. A partial (employment pro-rated) tax abatement may be granted in the event the project does not create at least fifteen new, full time jobs, but other threshold requirements are met. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria. The City Council establishes the criteria and guidelines that govern all tax abatement agreements including the percentage amount and duration of the tax abatement, which is not to exceed ten years. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

G. Tax Abatements (continued)

Corsicana Downtown Revitalization District (CDRD) Tax Abatement Program. This program is authorized by City Ordinance and is intended to encourage the rehabilitation and structural maintenance of Corsicana's historic downtown. In return for significant capital investment, owners of property in the CDRD are eligible to receive, upon approval by the City Council, a five-year ad valorem property tax freeze resulting from any increase in the appraised value of the property resulting from the improvements made. The estimated cost of the improvement project shall equal or exceed 20% of the most recent assessed ad valorem tax valuation of the structure or \$20,000, whichever is less. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria.

Corsicana Downtown Revitalization District (CDRD) Reinvestment Tax Credit Program. This program is authorized by City Ordinance and is intended to encourage the rehabilitation and structural maintenance of Corsicana's historic downtown. A one-year rebate of ad valorem property taxes is available to owners of property in the CDRD to help defray smaller capital expenses to the property, such as painting, window repairs, electrical and plumbing upgrades, etc. The maximum tax credit for a project shall not exceed the annual tax liability of the real property for the year in which the investment was made. Projects are approved prior to work being done. Receipts and proof of payment are submitted prior to payment being made. There is no recapture due to the payment being made after performance of the work.

<u>Tax Abatement Program</u>	<u>Amount Abated</u>
Tax Abatement Act	\$ 210,726
CDRD Tax Abatement Program	7,053
CDRD Reinvestment Tax Credit Program	17,715

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

H. Other significant commitments

Tax Increment Financing ("TIF") Reinvestment Zone Number 1 - As set forth in Ordinance No. 2289, dated August 21, 2001, the City created Tax Increment Financing ("TIF") Reinvestment Zone Number 1 (the "Zone") to fund a series of infrastructure improvements, which are needed to incentivize and accelerate the rate of development in the Zone. Pursuant to Resolution No. 1028, approved on December 18, 2001, the City authorized the execution of a development agreement with Corsicana-Navarro County Developers, L.L.C. ("Company"). Under the agreement, the Company was to design and construct public improvements including the extension of water and fire protection services, the extension of sanitary sewer services, earthwork and street construction in the Zone. Following completion of the public improvements with funding provided by the Company, the City shall acquire the public improvements and reimburse the acquisition funding by the use of TIF increment funds.

Subject to the terms of the agreement, the City agrees to reimburse the Company in the amount of \$250,000 in any fiscal year, not to exceed 75% of the total funds deposited into the Tax Increment Financing District fund in any one fiscal year unless authorized by the TIF District Board of Directors. As of September 30, 2017, the unreimbursed costs due the Company totaled \$1,013,655.

Water Contract - On June 30, 1959, as amended July 16, 1965, the City contracted with the Trinity River Authority for 90% of the yield from the water conservation space in Navarro Mills Reservoir, on an entitlement of 17.460 acre feet of the 19,400 acre feet of water available to the authority. The Trinity River Authority (TRA) is a governmental agency, which is controlled by directors appointed by the governor.

The City's annual payments for maintenance and operation to the Authority, constituting an operating expense on the City's utility operating fund, are estimated to be \$400,000 annually, subject to adjustment as required by the Authority to cover actual cost incurred. Actual payments for the year ended September 30, 2018 were \$744,403.

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

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

J. Capital lease obligations

The City is currently purchasing equipment under lease purchase agreements. The interest on the leases range from 1.52-3.12%.

The assets acquired through capital leases are as follows:

<u>Asset</u>	Governmental Activities	Business-type Activities
Machinery and equipment	\$ 2,585,364	\$ 3,435,882
Less: accumulated depreciation	(523,162)	(722,591)
Total	<u>\$ 2,062,202</u>	<u>\$ 2,713,291</u>

Annual debt service requirements to maturity are as follows –

<u>Year Ending September 30</u>	Capital Lease Obligations			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 507,763	\$ 50,151	\$ 720,106	\$ 39,575
2020	398,802	39,254	479,124	26,499
2021	265,162	29,944	233,902	17,894
2022	192,927	24,193	129,410	13,911
2023	197,964	19,158	132,413	10,915
2024-2028	579,660	33,795	406,687	14,418
	<u>\$ 2,142,278</u>	<u>\$ 196,495</u>	<u>\$ 2,101,642</u>	<u>\$ 123,212</u>

K. Long-term liabilities

Certificates of Obligation

The City issues certificates of obligation to provide funds for the acquisition, construction and maintenance of major capital facilities. Certificates of obligation have been issued for business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2018 are as follows:

Governmental Activities:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2018	\$ 1,810,000	2/15/2038	3.79	\$ 1,810,000
Total				<u>\$ 1,810,000</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

Business-Type Activities:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2007	\$ 17,000,000	2/15/2027	4.0-5.75	\$ 315,000
2009	1,935,000	2/15/2028	0.148-3.018	1,135,000
2010	3,705,000	2/15/2030	3.56	2,570,000
2011	3,205,000	2/15/2031	2.0-4.25	2,330,000
Total				<u>\$ 6,350,000</u>

The debt service requirements for the City's certificates of obligation are as follows:

<u>Year Ending September 30</u>	<u>Certificates of Obligation</u>			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 40,000	\$ 91,108	\$ 740,000	\$ 238,170
2020	65,000	69,500	435,000	189,512
2021	65,000	66,900	445,000	176,352
2022	70,000	64,200	460,000	162,264
2023	70,000	61,400	475,000	147,194
2024-2028	405,000	260,500	2,640,000	469,877
2029-2033	495,000	171,100	1,155,000	60,175
2034-2038	600,000	62,000	-	-
	<u>\$ 1,810,000</u>	<u>\$ 846,708</u>	<u>\$ 6,350,000</u>	<u>\$ 1,443,544</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition, construction and maintenance of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2018 are as follows:

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

Governmental Activities:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2008	\$ 3,400,000	2/15/2028	3.79	\$ 725,000
2010 - Refunding	1,290,000	8/15/2020	2.25-4.0	175,000
2011	3,205,000	2/15/2031	2.0-4.25	2,330,000
2013	3,400,000	2/15/2033	2.75-4.0	2,780,000
2015 - Refunding	4,243,066	2/15/2045	3.0-5.0	3,623,470
2016 - Refunding	8,510,000	2/15/2036	2.0-3.0	7,500,000
2018 - Refunding	4,225,000	2/15/2038	4.00	4,225,000
Total				<u>\$ 21,358,470</u>

Business-type Activities:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2010 - Refunding	\$11,035,000	8/15/2020	2.25-4.0	\$ 1,245,000
2015 - Refunding	3,285,000	2/15/2025	3.0-5.0	2,220,000
2015 - Refunding	251,934	2/15/2026	3.0-5.0	191,530
2017 - Refunding	7,895,000	2/15/2027	2.29	7,830,000
2018 - Refunding	2,445,000	8/15/2026	4.00	2,445,000
Total				<u>\$ 13,931,530</u>

The debt service requirements for the City's general obligation bonds are as follows:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,409,374	\$ 698,964	\$ 2,000,626	\$ 368,736
2020	1,477,901	623,552	2,397,100	294,569
2021	1,417,901	580,459	1,822,100	225,990
2022	1,466,427	538,251	1,853,573	180,040
2023	1,511,427	493,068	1,258,573	139,408
2024-2028	7,260,440	1,707,516	4,599,558	215,573
2029-2033	3,945,000	803,419	-	-
2034-2038	2,090,000	306,454	-	-
2039-2043	535,000	97,130	-	-
2044-2045	245,000	9,282	-	-
	<u>\$ 21,358,470</u>	<u>\$ 5,858,095</u>	<u>\$ 13,931,530</u>	<u>\$ 1,424,316</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

Notes Payable

Notes payable currently outstanding and reported as liabilities of the City's governmental activities are:

In fiscal year 2008, the City executed a contract and agreement relating to an economic development program with the Texas Department of Agriculture's Rural Economic Development Division. Under the terms of the contract and agreement the City agreed to repay to the Texas Department of Agriculture an amount up to \$703,700 for the purchase of land and an existing building to help create jobs in an economic development area. The note is noninterest bearing. However, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 5.00%. Payments will be made in two hundred forty equal monthly installments up to a maximum of \$2,932 each beginning June 2008 and ending May 2028. As of September 30, 2018, the outstanding balance is \$442,745.

The City received a loan from Bauer Farms & Land, LLC for \$366,124 to fund the purchase of land in September 2016. The loan will be repaid in 20 semi-annual installments, with the first principal payment due in March 2017. Interest payments are to be made semi-annually beginning March 2017 at an interest rate of 4%. As of September 30, 2018, the outstanding balance is \$304,018.

The debt service requirements for the City's notes payable are as follows:

<u>Year Ending September 30</u>	<u>Notes Payable</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 68,132	\$ 11,834
2019	69,463	10,503
2020	70,848	9,119
2021	72,289	7,678
2022	73,788	6,179
2023-2027	301,347	8,924
2028-2032	90,895	-
Total note payments	746,762	\$ 54,237
Unamortized discount	(114,632)	
Present value of note payments	<u>\$ 632,130</u>	

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

Advance Refunding

The City issued \$3,745,000 in general obligation bonds with an interest rate ranging from 2.00% to 4.00%. The proceeds were used to advance refund \$5,165,000 of outstanding 2007 Series revenue bonds which had interest rates ranging from 4.00% to 4.125% and 2008 Series general obligation bonds which had an interest rate of 3.79%. The net proceeds of \$5,232,453 (including a \$1,518,846 transfer from prior debt service funds, and payment of \$76,610 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the 2007 Series revenue bonds and 2008 Series general obligation bonds are considered defeased and the liability for such portion of the bonds has been removed from the statement of net position. At September 30, 2018, \$0 of defeased bonds remain outstanding.

The City advance refunded 2007 Series revenue bonds and 2008 Series general obligation bonds to reduce its total debt service payments over 11 years by \$972,911 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$134,228.

Compensated Absences

Compensated absences represent the estimated liability for employees' paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund, Utility Operations Fund, Sanitation Fund, Emergency Medical Services Fund and nonmajor governmental funds based on the assignment of an employee at termination.

Net Pension Liability

The net pension liability represents the liability for employees' for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

Other Post-Employment Benefit Liability (OPEB)

The total OPEB liability represents the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement No. 75.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2018 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Certificates of obligation	\$ -	\$ 1,810,000	\$ -	\$ 1,810,000	\$ 40,000
General obligation bonds	19,739,317	4,225,000	(2,605,847)	21,358,470	1,409,374
Less deferred amounts:					
For issuance discount	-	(19,444)	486	(18,958)	-
For issuance premium	998,881	165,566	(77,659)	1,086,788	-
Total bonds payable	<u>20,738,198</u>	<u>6,181,122</u>	<u>(2,683,020)</u>	<u>24,236,300</u>	<u>1,449,374</u>
Notes payable	784,293	-	(37,531)	746,762	68,132
Less discount on note payable	(117,386)	-	2,754	(114,632)	(15,153)
Line of credit	87,464	-	(87,464)	-	-
Capital leases	1,662,851	1,014,930	(535,503)	2,142,278	507,763
Compensated absences	2,418,447	718,892	(776,861)	2,360,478	439,424
Net pension liability	11,891,488	-	(2,461,981)	9,429,507	-
OPEB liability	424,611	58,628	-	483,239	-
Governmental activity					
Long-term liabilities	<u>\$ 37,889,966</u>	<u>\$ 7,973,572</u>	<u>\$ (6,579,606)</u>	<u>\$ 39,283,932</u>	<u>\$ 2,449,540</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Certificates of obligation, general obligation bonds, note payable, and capital leases issued for governmental activity purposes are liquidated by the general debt service funds. Governmental compensated absences, net pension liability, and OPEB liability will be liquidated by the general fund and nonmajor governmental funds (hotel/motel occupancy fees and Corsicana/Navarro County economic development funds).

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Long-term liabilities (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
Certificates of obligation	\$ 7,495,000	\$ -	\$ (1,145,000)	\$ 6,350,000	\$ 740,000
General obligation bonds	12,955,683	2,445,000	(1,469,153)	13,931,530	2,000,626
Revenue bonds	3,840,000	-	(3,840,000)	-	-
Less deferred amounts:					
For issuance discount	(57,017)	-	8,500	(48,517)	-
For issuance premium	466,356	-	(99,095)	367,261	-
Total bonds payable	<u>24,700,022</u>	<u>2,445,000</u>	<u>(6,544,748)</u>	<u>20,600,274</u>	<u>2,740,626</u>
Landfill closure	1,913,082	82,015	-	1,995,097	-
Capital leases	2,385,322	379,900	(663,580)	2,101,642	720,106
Compensated absences	1,053,699	426,071	(328,870)	1,150,900	214,716
Net pension liability	7,136,616	-	(1,314,488)	5,822,128	-
OPEB liability	197,348	27,248	-	224,596	-
Business-type activity					
Long-term liabilities	<u>\$ 37,386,089</u>	<u>\$ 3,360,234</u>	<u>\$ (8,851,686)</u>	<u>\$ 31,894,637</u>	<u>\$ 3,675,448</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Certificates of obligations, general obligation bonds, landfill closure, capital leases, compensated absences, net pension liability and OPEB liability issued for business-type activities are repaid from those activities.

L. Fund Balance

Minimum fund balance policy. The City Council has adopted a financial policy to maintain a fund balance in the General Fund equal to twenty-five percent (25.0%) of the operating budget. The City will appropriate at least \$100,000 or one percent (1.0%) of each year's General Fund operating budget to a fund balance until the identified goal is met.

M. Interfund receivables and payables

The composition of interfund balances as of September 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 886,124
General	Debt Service	3,078
General	Utility Operations	1,101,949
General	Emergency Medical Services	459,379
Nonmajor Governmental	Debt Service	1
Utility Operations	Debt Service	44,150
Sanitation	Debt Service	782
		<u>\$ 2,495,463</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Interfund receivables and payables (continued)

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

N. Interfund transfers

The composition of interfund transfers as of September 30, 2018 is as follows:

Transfer out:	Transfer In:				Total
	General	Nonmajor Governmental	Utility Operations	Emergency Medical Services	
General	\$ -	\$ 618,104	\$ -	\$ 209,000	\$ 827,104
Nonmajor Governmental	-	341,885	259,602	-	601,487
Utility Operations	1,583,550	351,401	-	-	1,934,951
Sanitation	617,131	28,500	-	-	645,631
Total	<u>\$ 2,200,681</u>	<u>\$ 1,339,890</u>	<u>\$ 259,602</u>	<u>\$ 209,000</u>	<u>\$ 4,009,173</u>

Transfers are primarily used for:

- General fund to Nonmajor Governmental funds for subsidy for other programs in the City.
- General Fund to Emergency Medical Services fund for subsidy for ambulance services.
- Nonmajor Governmental funds to other Nonmajor Governmental funds for economic development programs.
- Nonmajor Governmental funds to Utility Operations fund for subsidy of utility projects from donations to the Tax Increment Financing Fund and GO Bond proceeds.
- Utility Operations fund to General fund for subsidy for administrative expenditures and payment in lieu of franchise tax.
- Utility Operations fund to Nonmajor Governmental funds to recognize Utility Fund assets purchased with combined lease purchase proceeds.
- Sanitation fund to General fund for subsidy for administrative expenditures and payment in lieu of franchise tax.
- Sanitation fund to Nonmajor Governmental funds to recognize Sanitation Fund assets purchased with combined lease purchase proceeds.

O. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

O. Contingencies (continued)

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

P. Related party

During the year, a business owned by a City Council member provided services for the City in the amount of \$1,920.

Q. Closure and postclosure care cost

State and federal laws and regulations require the City to place a final cover on its Corsicana Municipal Solid Waste Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, in compliance with GASB Statement 18, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,995,097 reported to date is based on the use of 26.19 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$5,621,949 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. The landfill has an estimated remaining life of 98 years, with an expected closure date of 2116. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City's current financial policy requires 10% of its estimated landfill closure costs be contributed and maintained in a separate cash or investment account. The Landfill Closure reserve is adequately funded with a balance of \$214,643 at September 30, 2018. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

R. Subsequent events

Subsequent to year end, the City:

- Approved engineer services funded through grant proceeds for approximately \$480,000

S. Prior period adjustment

The implementation of GASB Statement No. 75 discussed in note 1. I. resulted in a restatement of beginning net position for the governmental activities and business-type activities in the government-wide financial statements and to the beginning net position in the fund financial statements. Prospectively applying this change results in the adjustment below.

Corrections have been made to the governmental activities and business-type activities beginning net position in the government-wide financial statements and proprietary fund beginning net position in the fund financial statements due to the understatement of assets, understatement of deferred outflows of resources, and understatement of net position. The changes to the beginning net position as of October 1, 2017 are summarized as follows:

	Government-wide Financial Statements	
	Governmental Activities	Business-type Activities
As previously reported, October 1, 2017	\$ 43,218,755	\$ 35,104,274
Correct understatement of intergovernmental receivable	-	839,879
Deferral for pension contributions made after the measurement date	8,682	6,679
Deferral for OPEB contributions made after the measurement date	10,692	4,970
Recording of total OPEB liability as of September 30, 2017	(424,611)	(197,348)
Restated, October 1, 2017	\$ 42,813,518	\$ 35,758,454
Effect of restatement on operations for the year ended September 30, 2017	\$ 8,682	\$ 846,558

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

S. Prior period adjustment (continued)

	Fund Financial Statements		
	Utility Operations	Sanitation	Emergency Medical Services
As previously reported, October 1, 2017	\$ 32,999,986	\$ 3,719,733	\$ (1,615,445)
Correct understatement of intergovernmental receivable	839,879	-	-
Deferral for pension contributions made after the measurement date	-	-	6,679
Deferral for OPEB contributions made after the measurement date	3,900	1,070	-
Recording of total OPEB liability as of September 30, 2017	(154,868)	(42,480)	-
Restated, October 1, 2017	<u>\$ 33,688,897</u>	<u>\$ 3,678,323</u>	<u>\$ (1,608,766)</u>
Effect of restatement on operations for the year ended September 30, 2017	<u>\$ 839,879</u>	<u>\$ -</u>	<u>\$ 6,679</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS

1. Texas Municipal Retirement System

A. Plan description

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

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

B. Benefits provided

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

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

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

	Plan Provisions
Employee deposit rate	7%
Municipal current matching ratio	2 - 1
Updated service credits:	
Rate (%)	50 T
Year effective	2011R
Increase benefits to retirees:	
Rate (%) ⁽¹⁾	50
Year effective	2011R
Military service credit effective date	10-89
Vesting	5 yrs
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	1-96
Supplemental death benefits:	
Employees	Yes
Retirees	Yes
Statutory maximum (%)	Removed

⁽¹⁾ For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

T — Includes Transfer Credits.

R — Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	92
Active employees	180
	420

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

C. Contributions

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

Employees for the City of Corsicana, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Corsicana, Texas were 16.28% and 16.18% in calendar years 2018 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$1,571,582, and were equal to the required contributions.

D. Net Pension Liability

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

Actuarial assumptions

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

Inflation	2.5% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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, the actuary 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 are summarized in the following table:

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

Asset Class	Target Allocation	Long-Term Expected
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100%	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$53,807,014	\$43,795,534	\$10,011,480
Changes for the year:			
Service cost	1,391,938	-	1,391,938
Interest	3,598,108	-	3,598,108
Difference between expected and actual experience	(8,605)	-	(8,605)
Contributions - employer	-	1,502,439	(1,502,439)
Contributions - employee	-	650,005	(650,005)
Net investment income	-	6,070,106	(6,070,106)
Benefit payments, including refunds of employee contributions	(2,395,363)	(2,395,363)	-
Administrative expense	-	(31,457)	31,457
Other changes	-	(1,594)	1,594
Net Changes	\$ 2,586,078	\$ 5,794,136	\$ (3,208,058)
Balance at 12/31/2017	\$56,393,092	\$49,589,670	\$ 6,803,422

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

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

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

	<u>1.0% Decrease in Discount Rate (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1.0% Increase in Discount Rate (7.75%)</u>
City's net pension liability	\$ 14,417,585	\$ 6,803,422	\$ 527,479

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan - Legally required contributions outstanding at the end of the year totaled \$124,862.

E. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2018, the City recognized pension expense of \$1,593,906.

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

	<u>Deferred Outflows of Resources</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Changes in actuarial assumptions	\$ 121,478	\$ 60,409
Contributions subsequent to the measurement date	768,036	356,923
Differences between expected and actual economic experience	38,445	18,195
Total	<u>\$ 927,959</u>	<u>\$ 435,527</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

1. Texas Municipal Retirement System (continued)

	Deferred Inflow of Resources	
	Governmental Activities	Business-Type Activities
Difference between projected and actual investment earnings	\$ 872,162	\$ 373,720
Differences between expected and actual economic experience	33,727	17,518
Total	\$ 905,889	\$ 391,238

\$1,124,959 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 asset for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2018	\$ 220,111
2019	(30,821)
2020	(625,103)
2021	(622,783)
Total	(1,058,596)

2. Corsicana Firefighter's Relief and Retirement Fund

A. Plan description

The City contributes to the retirement plan for firefighters in the Corsicana Fire Department known as the Corsicana Firemen's Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Corsicana Firemen's Relief and Retirement Fund. The city does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Corsicana Firemen's Relief and Retirement Fund at 200 N. 12th Street, Corsicana, Texas 75110. See that report for all information about the plan fiduciary net position.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

B. Benefits provided

Firefighters in the Corsicana Fire Department are covered by the Corsicana Firemen's Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service with 50% vesting after 10 years of service, grading to 100% with 20 years. Firefighters become eligible for normal service retirement at age 50 with 20 years of service. If a terminated firefighter has a vested benefit but is not eligible for normal retirement, he is entitled to a deferred benefit starting at age 55 with 10-15 years of service, age 54 with 16 years, age 53 with 17 years, age 52 with 18 years, age 51 with 19 years, and age 50 with 20 or more years. The present plan provides a monthly normal service retirement benefit, payable in a Joint and 75% to Spouse form of annuity, equal to 53% of Highest 60-Month Average Salary plus \$90 for each year of service in excess of 20.

A retiring firefighter over age 51.5 with more than 21.5 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 60-Month Average Salary as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date he meets the age 51.5 and 21.5 years of service requirements and the date 36 months preceding the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date he retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

C. Members covered by the fund

In the December 31, 2016 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	1
Active employees	65
	<hr/> 102

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

D. Funding policy

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city.

The funding policy of the Corsicana Firemen's Relief and Retirement Fund requires contributions equal to 14% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The city contributes 14% of payroll according to a city ordinance and has since 2007. The Fund's December 31, 2016 actuarial valuation includes the assumption that the city contribution rate will be 14% for at least as long as the UAAL amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. The board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending December 31, 2017, the money-weighted rate of return on pension plan investments was 15.62%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

E. Net Pension Liability

The City of Corsicana's net pension liability was measured as December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of December 31, 2016 and rolled forward to December 31, 2017.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

Total pension liability	\$17,417,975
Plan fiduciary net position	<u>8,969,762</u>
City's net pension liability	<u><u>\$ 8,448,213</u></u>

Plan fiduciary net position as a percentage of the total pension liability 51.5%

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	
Salary increases	3.0%, plus promotion, step and longevity increases that vary by service	
Investment rate of return	7.0%, net of pension plan investment expense, including inflation	

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables for males and for females (sex distinct) projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.03%) and by adding expected inflation (3%). In addition, the final 7% assumption was selected by "rounding down". The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities:		
Large cap domestic	26%	5.33%
Small/mid cap domestic	9%	5.83%
International developed	25%	5.83%
Emerging markets	5%	7.33%
Fixed Income:		
Domestic core	35%	0.83%
Cash	0%	0.00%
Total	100%	
Weighted Average		4.03%

Discount Rate

The discount rate used to measure the total pension liability was 7%. No projection of cash flows was used to determine the discount rate because the December 31, 2016 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 29 years. Because of the 29-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -

The following presents the net pension liability of the City of Corsicana, calculated using the discount rate of 7%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1.0% Decrease in Discount Rate (6%)	Discount Rate (7%)	1.0% Increase in Discount Rate (8%)
City's net pension liability	\$ 10,770,715	\$ 8,448,213	\$ 6,524,876

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Payables to the Pension Plan - Legally required contributions outstanding at the end of the year totaled \$82,045.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Amounts as of September 30, 2017 ¹	\$17,360,940	\$ 8,344,317	\$ 9,016,623
Changes for the year:			
Service cost	560,230	-	560,230
Interest	1,195,044	-	1,195,044
Contributions - employer	-	554,105	(554,105)
Contributions - employee	-	554,030	(554,030)
Net investment income	-	1,254,318	(1,254,318)
Benefit payments	(1,698,239)	(1,698,239)	-
Administrative expense	-	(38,769)	38,769
Net Changes	<u>\$ 57,035</u>	<u>\$ 625,445</u>	<u>\$ (568,410)</u>
Amounts as of September 30, 2018²	<u>\$17,417,975</u>	<u>\$ 8,969,762</u>	<u>\$ 8,448,213</u>

¹ Measurements for the fiscal year ended September 30, 2017 were taken as of December 31, 2016.

² Measurements for the fiscal year ended September 30, 2018 were taken as of December 31, 2017.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

F. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2018, the city's GASB 68 pension expense was \$900,263. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

Components of Pension Expense for the Fiscal Year Ended September 30, 2018

Service cost	\$ 560,230
Interest	1,195,044
Firefighter contributions	(554,030)
Projected earnings on pension plan investments	(562,092)
Amortization of differences between projected and actual earnings on plan investments	201,760
Amortization of changes of assumptions	135,738
Amortization of differences between expected and actual experience	(115,156)
Pension plan administrative expenses	38,769
Total pension expense	<u>\$ 900,263</u>

Deferred Outflows of Resources and Deferred Inflows of Resources to Be Recognized in Pension Expense in Future Years

	Deferred Outflows of Resources	
	Governmental Activities	Business-Type Activities
Contributions subsequent to the measurement date	\$ 298,844	\$ 246,393
Net difference between projected and actual investment earnings	36,175	34,685
Changes in actuarial assumptions	406,612	312,800
Total	<u>\$ 741,631</u>	<u>\$ 593,878</u>

	Deferred Inflows of Resources	
	Governmental activities	Business-Type Activities
Differences between expected and actual experience	\$ 344,957	\$ 265,371
Total	<u>\$ 344,957</u>	<u>\$ 265,371</u>

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

2. Corsicana Firefighter's Relief and Retirement Fund (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30</u>	
2019	\$ 222,343
2020	104,136
2021	(55,427)
2022	(117,863)
2023	20,582
Thereafter	6,174
Total	<u>\$ 179,945</u>

\$545,237, the total of the contributions by the City to the Fund contributed subsequent to the measurement date of the net pension liability, December 31, 2017, through September 30, 2018 is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2019.

NOTE 4 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

A. Plan description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e. , no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tMrs.com.

B. 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.

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

B. Benefits provided (continued)

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 pre-fund retiree term life insurance during employees' entire careers.

C. Employees covered by benefit terms

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

Inactive employees currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	24
Active employees	180
	315

D. Total OPEB liability

The City's total OPEB liability of \$707,835 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 10.50%, including inflation
Discount rate*	3.31%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF CORSICANA, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

D. Total OPEB liability (continued)

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2016	\$ 621,958
Changes for the year:	
Service cost	18,572
Interest	23,703
Changes in assumptions or other inputs	51,959
Benefit payments**	(8,357)
Net Changes	\$ 85,877
Balance at 12/31/2017	\$ 707,835

** 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.

Sensitivity of the total OPEB liability to changes in the discount rate -

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

	Current Discount Rate				
	1% Decrease	(2.31%)	(3.31%)	1% Increase	(4.31%)
Total OPEB liability	\$	840,892	\$	707,835	\$ 603,595

CITY OF CORSICANA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$66,765. At September 30, 2018, the City reported deferred outflows of resources and related to OPEB from the following sources:

	Deferred Outflows of Resources	
	Governmental Activities	Business-Type Activities
Changes of assumptions	\$ 28,262	\$ 13,136
City contributions subsequent to the measurement date	11,322	5,261
Total	\$ 39,584	\$ 18,397

\$16,583 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2018	\$ 10,561
2019	10,561
2020	10,561
2021	9,715
Total	\$ 41,398

F. Payable to the OPEB Plan

At September 30, 2018, the City reported a payable of \$1,841 for the outstanding amount of contributions to the Plan required for the year ended September 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORSICANA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last 10 Calendar Years (will ultimately be displayed)

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 1,166,449	\$ 1,267,264	\$ 1,321,047	\$ 1,391,938
Interest (on the Total Pension Liability)	3,198,111	3,337,570	3,427,059	3,598,108
Difference between expected and actual experience	(387,823)	(117,414)	125,722	(8,605)
Changes of assumptions	-	831,486	-	-
Benefit payments, including refunds of employee contributions	(1,916,569)	(2,153,179)	(2,355,072)	(2,395,363)
Net Change in Total Pension Liability	2,060,168	3,165,727	2,518,756	2,586,078
Total Pension Liability - Beginning	46,062,363	48,122,531	51,288,258	53,807,014
Total Pension Liability - Ending (a)	\$ 48,122,531	\$ 51,288,258	\$ 53,807,014	\$ 56,393,092
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,188,150	\$ 1,245,047	\$ 1,226,436	\$ 1,502,439
Contributions - Employee	591,961	622,079	613,218	650,005
Net Investment Income	2,270,579	61,680	2,807,235	6,070,106
Benefit payments, including refunds of employee contributions	(1,916,569)	(2,153,179)	(2,355,072)	(2,395,363)
Administrative Expense	(23,707)	(37,569)	(31,703)	(31,457)
Other	(1,949)	(1,856)	(1,708)	(1,594)
Net Change in Plan Fiduciary Net Position	2,108,465	(263,798)	2,258,406	5,794,136
Plan Fiduciary Net Position - Beginning	39,692,461	41,800,926	41,537,128	43,795,534
Plan Fiduciary Net Position - Ending (b)	\$ 41,800,926	\$ 41,537,128	\$ 43,795,534	\$ 49,589,670
Net Pension Liability - Ending (a) - (b)	\$ 6,321,605	\$ 9,751,130	\$ 10,011,480	\$ 6,803,422
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.86%	80.99%	81.39%	87.94%
Covered Payroll	8,456,582	8,886,844	8,760,258	9,285,779
Net Pension Liability as a Percentage of Covered Payroll	74.75%	109.73%	114.28%	73.27%

Notes to Schedule:

N/A

CITY OF CORSICANA, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last 10 Fiscal Years (will ultimately be displayed)

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,194,803	\$ 1,205,524	\$ 1,430,978	\$ 1,571,582
Contributions in relation to the actuarially determined contribution	<u>1,194,803</u>	<u>1,205,524</u>	<u>1,430,978</u>	<u>1,571,582</u>
Contribution deficiency (excess)	-	-	-	-
Covered payroll	8,522,039	8,609,078	9,205,170	9,670,405
Contributions as a percentage of covered payroll	14.02%	14.00%	15.55%	16.25%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Other Information:

Notes There were no benefit changes during the year.

CITY OF CORSICANA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CORSICANA FIREMEN'S RELIEF AND RETIREMENT FUND
Last 10 Fiscal Years ¹ (will ultimately be displayed)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 519,873	\$ 538,114	\$ 556,948	\$ 560,230
Interest (on the Total Pension Liability)	1,135,753	1,185,805	1,238,557	1,195,044
Changes of benefit provisions	-	-	29,027	-
Difference between expected and actual experience	-	-	(840,640)	-
Changes of assumptions	-	-	990,888	-
Benefit payments	(1,076,197)	(936,812)	(1,141,978)	(1,698,239)
Net Change in Total Pension Liability	<u>579,429</u>	<u>787,107</u>	<u>832,802</u>	<u>57,035</u>
Total Pension Liability - Beginning	15,161,602 ²	15,741,031	16,528,138	17,360,940
Total Pension Liability - Ending (a)	<u>\$ 15,741,031</u>	<u>\$ 16,528,138</u>	<u>\$ 17,360,940</u> ³	<u>\$ 17,417,975</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 509,659	\$ 555,435	\$ 546,329	\$ 554,105
Contributions - Employee	509,550	555,332	546,261	554,030
Net Investment Income	22,056	(180,420)	294,255	1,254,318
Benefit payments	(1,076,197)	(936,812)	(1,141,978)	(1,698,239)
Administrative Expense	(13,081)	(33,535)	(22,168)	(38,769)
Net Change in Plan Fiduciary Net Position	<u>(48,013)</u>	<u>(40,000)</u>	<u>222,699</u>	<u>625,445</u>
Plan Fiduciary Net Position - Beginning	8,209,631	8,161,618	8,121,618	8,344,317
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,161,618</u>	<u>\$ 8,121,618</u>	<u>\$ 8,344,317</u>	<u>\$ 8,969,762</u>
Net Pension Liability - Ending (a) - (b)	\$ 7,579,413	\$ 8,406,520	\$ 9,016,623	\$ 8,448,213
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.8%	49.1%	48.1%	51.5%
Covered Payroll⁴	3,639,643	3,966,657	3,901,864	3,957,357
Net Pension Liability as a Percentage of Covered Payroll	208.2%	211.9%	231.1%	213.5%

Notes to Schedule:

¹ Until a full 10-year trend is compiled, only available information is shown. The measurement date is December 31, nine months prior to the fiscal year end. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

² Determined from the ending total pension liability as of December 31, 2014, using the roll back procedure allowed for the initial year of implementing GASB 68.

³ Determined from the beginning of year total pension liability, using the roll forward procedure allowed for GASB 68.

⁴ Contributions by the firefighters divided by their contribution rate.

CITY OF CORSICANA, TEXAS
SCHEDULE OF CONTRIBUTIONS
CORSICANA FIREMEN'S RELIEF AND RETIREMENT FUND
Last 10 Fiscal Years (will ultimately be displayed)

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 517,209	\$ 559,302	\$ 549,907	\$ 681,196
Contributions in relation to the actuarially determined contribution	517,209	559,302	549,907	681,196
Contribution deficiency (excess)	-	-	-	-
Covered employee payroll	3,694,350	3,995,014	3,927,908	4,865,689
Contributions as a percentage of covered employee payroll	14.00%	14.00%	14.00%	14.00%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Inflation 3.00%
Salary Increases 3.00%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return 7.00%, net of pension plan investment expense, including inflation
Mortality RP2000 Combined Healthy Mortality Tables for males and for females (sex distinct) projected to 2024 by scale AA.

Other Information:

None

CITY OF CORSICANA, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 Last 10 Calendar Years (will ultimately be displayed)

	2017
Total OPEB liability	
Service Cost	\$ 18,572
Interest (on the Total OPEB Liability)	23,703
Changes of assumptions and other inputs	51,959
Benefit payments	(8,357)
Net Change in Total OPEB Liability	85,877
Total OPEB Liability - Beginning	621,958
Total OPEB Liability - Ending	\$ 707,835
 Covered Payroll	9,285,779
 OPEB Liability as a Percentage of Covered Payroll	7.62%

Notes to Schedule:

Note 1 - No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Note 2 - The actuarial assumptions and other inputs used to calculate the total OPEB liability are described in note 4.D to the financial statements.

Note 3 - 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.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The *Hotel/Motel Occupancy Fees* fund was established to account for financial resources to be used to promote tourism. A tax is levied upon the occupancy of any room or space furnished by any hotel. Revenue from this tax is used by the City to promote tourism. A large portion is allocated to the Chamber of Commerce/Corsicana Development Commission (CDC) for promoting and advertising tourism within the City.

The *Airport Operating* fund was established to account for the construction and operation of the airport. Revenue consists of hangar rentals, gas sales, and grants. There is no debt associated with this fund.

The *Cemetery* fund accounts for the maintenance and operation of City-owned cemeteries. This is funded by the sale of cemetery lots and transfers from the general fund.

The *Forfeitures* fund accounts for police funds that were seized and subsequently awarded to the City through court action.

The *Parks/Recreation* fund was created to account for projects sponsored by the City. It is funded by donations and other contributions.

The *Parks/Recreation Special Events* fund was created to account for special events sponsored by the City. It is funded through donations and transfers from the Hotel/Motel fund.

The *Library* fund was created to account for special projects sponsored by the City. It is funded through donations and small grants.

The *Corsicana/Navarro County Economic Development* fund supports an employee for economic development through interactions with the business community within the City of Corsicana and Navarro County. The county reimburses the city for half of the director's salary. All other funding is by transfer from the general fund.

The *Police* fund accounts for various projects supported by the police department. It is funded through donations.

The *Community Support Services* fund was created to account for Community Support Services projects sponsored by the City. Included are benevolent services and cemetery projects. It is funded by donations.

The *Fire* fund was created to account for special projects and LEOSE funds from the state. Special projects are funded through donations, and LEOSE expenditures are funded by the state for training.

The *Palace Theatre* fund accounts for and tracks the payment of electric service for the downtown Palace Theatre. The City makes a budget approved donation to the account and the balance is reimbursed to the City by the theatre.

The *Police LEOSE* fund accounts for expenditures that are funded by the state for law enforcement officer education.

The *Senior Activity Center* fund accounts for the maintenance and capital purchases for the Sr. Activity Center. It was originally funded by a grant.

Nonmajor Governmental Funds (continued)

SPECIAL REVENUE FUNDS (continued)

The *Court Technology* fund accounts for the collection of a municipal court technology fee. The funds may be used only to finance the purchase of technological enhancements for the municipal court including: computer systems; computer networks; computer hardware; computer software; imaging systems; electronic kiosks; electronic ticket writers; and docket management systems.

The *Court Security* fund accounts for the collection of a municipal court building security fee. The funds may be used only to provide security services for buildings housing the municipal court, including: purchase or repair of X-ray machines and conveying systems; handheld metal detectors; walkthrough metal detectors; identification cards and systems; electronic locking and surveillance equipment; bailiffs, deputy sheriffs, deputy constables, or contract security personnel during times when they are providing appropriate security services; signage; confiscated weapon inventory and tracking systems; locks, chains, alarms, or similar security devices; purchase or repair of bullet-proof glass; and continuing education on security issues for court personnel and security personnel.

The *FEMA Grant* fund was created to account for grant funds for the repair and maintenance of the Lake Halbert Spillway.

The *Corsicana Crossing* fund was created to account for funds received for Corsicana Crossing retail center projects.

The *Court Fines - Street Improvements* fund accounts for the collection of a municipal court rules of the road fee. The funds may be used only to finance the: construction and maintenance of roads, bridges, and culverts; enforcement of laws regulating the use of highways by motor vehicles; and defray the expense of traffic officers. Texas Municipal Courts Education Center (TMCEC) states enforcement of laws would include radar, police vehicles, and personnel enforcing traffic laws.

The *Court Fines - Judicial* fund accounts for the collection of a municipal court judicial efficiency fee. The funds are used to promote the efficient operation of the municipal court and the investigation, prosecution, and enforcement of offenses that are within the jurisdiction of the municipal court.

The *Court Fines - Child Safety* fund accounts for the collection of a municipal court child safety fee. The funds may be used to finance: a school crossing guard program; programs designed to enhance child safety, health, or nutrition, including child abuse prevention and intervention and drug and alcohol abuse prevention.

The *GIS Project* fund is used to account for an agreement between NCTCOG and Navarro County, City of Corsicana and Corsicana Independent School District. The purpose is for the conversion by NCTCOG of all Navarro County parcel data from AutoCAD to Geographic Information System format (GIS). Expenses to be shared by all three entities.

The *Animal Shelter Building Donations* fund was created to account for donated funds to construct a new Animal Shelter.

The *TP&W Grant Athletic Complex* fund was created to account for grants funds received to construct a new Athletic Complex.

The *Corsicana Water and Adventure Park Texas Capital Fund Grant* fund was created to account for grant funds for water, sewer, and road activities to develop a water park in the Corsicana community.

The *380 Agreement Retained Funds* fund was created to account for the 380 agreement funds that are being retained by the City.

Nonmajor Governmental Funds (continued)

SPECIAL REVENUE FUNDS (continued)

The *Economic Development Recovery* fund was created to account tax abatement recovery funds. It is intended to be used to bring new businesses to Corsicana to replace those that were lost.

The *Street Maintenance and Reconstruction* fund was created to account for funds specifically designated for maintaining streets within each precinct of the City of Corsicana.

The *Police Seizures* fund accounts for police funds that were seized and pending court action.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The *2011 General Obligation* fund is used to account for resources designated for the following general related projects: street and drainage improvements, public safety equipment and park improvements. Sources for funds are proceeds from the sale of General Obligation bonds.

The *2013 General Obligation* fund is used to account for resources designated for the following general related projects: street and drainage improvements, public safety equipment and park improvements. Sources for funds are proceeds from the sale of General Obligation bonds.

The *2015 General Obligation* fund is used to account for resources designated for the following general related projects: street and drainage improvements. Sources for funds are proceeds from the sale of General Obligation bonds.

The *2016 General Obligation* fund is used to account for resources designated for the following general related projects: street and drainage improvements. Sources for funds are proceeds from the sale of General Obligation bonds.

The *2018 General Obligation* fund is used to account for resources designated for the following general related projects: street improvements and public safety training facility. Sources for funds are proceeds from the sale of General Obligation bonds.

The *2018 Certificates of Obligation* fund is used to account for resources designated for the following general related projects: street improvements. Sources for funds are proceeds from the sale of Certificates of Obligation bonds.

The *Capital Lease/Purchase* fund was created to separately account for debt proceeds to be used for the purchase of new equipment and to fund various projects to be financed over a three to ten year period.

The *Public Safety* fund was created to separately account for funds transferred from the General Fund and expended for renovations to the fire stations.

The *Public Works* fund was created to separately account for funds received and expended for infrastructure improvements within the City.

The *Tax Increment Reinvestment Zone* fund was created to separately account for funds received and expended within the City's Tax Increment Reinvestment Zone.

CITY OF CORSICANA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,004,841	\$ 4,337,710	\$ 7,342,551
Receivables (net of allowance for uncollectibles)	366,428	-	366,428
Due from other governments	267,133	205,135	472,268
Due from other funds	1	-	1
Inventories	33,016	-	33,016
Prepaid items	3,849	-	3,849
Total assets	<u>\$ 3,675,268</u>	<u>\$ 4,542,845</u>	<u>\$ 8,218,113</u>
LIABILITIES			
Accounts payable	\$ 137,565	\$ 455,107	\$ 592,672
Accrued payroll payable	13,127	-	13,127
Due to other funds	385,017	501,107	886,124
Total liabilities	<u>535,709</u>	<u>956,214</u>	<u>1,491,923</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-grants	256,147	-	256,147
Unavailable revenue-other	141,665	-	141,665
Total deferred inflows of resources	<u>397,812</u>	<u>-</u>	<u>397,812</u>
FUND BALANCES			
Nonspendable:			
Inventories	33,016	-	33,016
Prepaid items	3,849	-	3,849
Restricted:			
Tourism	104,010	-	104,010
Economic development	1,783,285	-	1,783,285
Municipal court	292,584	-	292,584
Police	34,487	-	34,487
Fire	7,261	-	7,261
Cemetery	81,477	-	81,477
Parks and recreation	198,281	-	198,281
Other purposes	199,515	-	199,515
Capital projects	-	3,847,535	3,847,535
Committed:			
Streets	306,068	-	306,068
Unassigned	(302,086)	(260,904)	(562,990)
Total fund balances	<u>2,741,747</u>	<u>3,586,631</u>	<u>6,328,378</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,675,268</u>	<u>\$ 4,542,845</u>	<u>\$ 8,218,113</u>

CITY OF CORSICANA, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ -	\$ 271,139	\$ 271,139
Hotel occupancy taxes	581,701	-	581,701
Fines and forfeitures	125,000	-	125,000
Charges for current services	1,181,130	-	1,181,130
Investment earnings	21,813	38,718	60,531
Miscellaneous	105,263	-	105,263
Intergovernmental	139,682	791,035	930,717
Contributions and donations	296,998	-	296,998
Total revenues	<u>2,451,587</u>	<u>1,100,892</u>	<u>3,552,479</u>
EXPENDITURES			
Current:			
General government	993,512	-	993,512
Judicial	79,157	-	79,157
Public safety	77,450	-	77,450
Community support services	6,605	-	6,605
Public works	533,919	-	533,919
Cultural and recreational	899,958	-	899,958
Debt service:			
Principal retirement	178,596	-	178,596
Interest and fiscal charges	19,824	-	19,824
Bond issuance costs	-	120,651	120,651
Capital outlay:			
General government	-	2,216	2,216
Public safety	-	2,478,649	2,478,649
Community support services	-	25,891	25,891
Public works	-	2,466,280	2,466,280
Cultural and recreational	-	4,864	4,864
Building and vehicle maintenance	-	24,266	24,266
Total expenditures	<u>2,789,021</u>	<u>5,122,817</u>	<u>7,911,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(337,434)</u>	<u>(4,021,925)</u>	<u>(4,359,359)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,152,319	187,571	1,339,890
Transfers out	(601,487)	-	(601,487)
Certificates of obligation issued	-	1,810,000	1,810,000
General obligation bonds issued	-	2,925,000	2,925,000
Premium on bonds issued	-	119,786	119,786
Discount on bonds issued	-	(19,444)	(19,444)
Capital leases	2,800	1,012,130	1,014,930
Total other financing sources (uses)	<u>553,632</u>	<u>6,035,043</u>	<u>6,588,675</u>
Net change in fund balances	216,198	2,013,118	2,229,316
Fund balances - beginning	<u>2,525,549</u>	<u>1,573,513</u>	<u>4,099,062</u>
Fund balances - ending	<u>\$ 2,741,747</u>	<u>\$ 3,586,631</u>	<u>\$ 6,328,378</u>

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2018

	Hotel/Motel Occupancy Fees	Airport Operating	Cemetery	Forfeitures	Parks/ Recreation	Parks/ Recreation Special Events	Library	Corsicana/ Navarro County Economic Development
ASSETS								
Cash and cash equivalents	\$ 97,041	\$ 75,956	\$ 82,241	\$ 30,739	\$ 201,983	\$ 6,125	\$ 31,833	\$ -
Receivables (net of allowance for uncollectibles)	240,954	26,080	-	-	-	-	-	10,573
Due from other governments	-	-	-	-	-	-	-	155
Due from other funds	1	-	-	-	-	-	-	-
Inventories	-	33,016	-	-	-	-	-	-
Prepaid items	-	-	476	-	-	-	-	-
Total assets	<u>\$ 337,996</u>	<u>\$ 135,052</u>	<u>\$ 82,717</u>	<u>\$ 30,739</u>	<u>\$ 201,983</u>	<u>\$ 6,125</u>	<u>\$ 31,833</u>	<u>\$ 10,728</u>
LIABILITIES								
Accounts payable	\$ 81,083	\$ 6,808	\$ 111	\$ -	\$ 9,827	\$ -	\$ 49	\$ 32,620
Accrued payroll payable	11,238	-	653	-	-	-	-	1,236
Due to other funds	-	-	-	-	-	-	-	14,544
Total liabilities	<u>92,321</u>	<u>6,808</u>	<u>764</u>	<u>-</u>	<u>9,827</u>	<u>-</u>	<u>49</u>	<u>48,400</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-grants	-	-	-	-	-	-	-	-
Unavailable revenue-other	141,665	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>141,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable:								
Inventories	-	33,016	-	-	-	-	-	-
Prepaid items	-	-	476	-	-	-	-	-
Restricted:								
Tourism	104,010	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-
Police	-	-	-	30,739	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Cemetery	-	-	81,477	-	-	-	-	-
Parks and recreation	-	-	-	-	192,156	6,125	-	-
Other purposes	-	-	-	-	-	-	31,784	-
Committed:								
Streets	-	-	-	-	-	-	-	-
Unassigned								
Total fund balances	<u>104,010</u>	<u>128,244</u>	<u>81,953</u>	<u>30,739</u>	<u>192,156</u>	<u>6,125</u>	<u>31,784</u>	<u>(37,672)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 337,996</u>	<u>\$ 135,052</u>	<u>\$ 82,717</u>	<u>\$ 30,739</u>	<u>\$ 201,983</u>	<u>\$ 6,125</u>	<u>\$ 31,833</u>	<u>\$ 10,728</u>

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET (continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2018

	Police	Community Support Services	Fire	Palace Theatre	Police LEOSE	Senior Activity Center	Court Technology	Court Security
ASSETS								
Cash and cash equivalents	\$ 3,746	\$ 8,599	\$ 7,261	\$ 2,934	\$ -	\$ 38,864	\$ 77,374	\$ 137,641
Receivables (net of allowance for uncollectibles)	-	-	-	2,336	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	3,373	-	-	-	-	-	-	-
Total assets	\$ 7,119	\$ 8,599	\$ 7,261	\$ 5,270	\$ -	\$ 38,864	\$ 77,374	\$ 137,641
LIABILITIES								
Accounts payable	\$ 101	\$ -	\$ -	\$ 1,445	\$ -	\$ -	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	101	-	-	1,445	-	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-grants	-	-	-	-	-	-	-	-
Unavailable revenue-other	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable:								
Inventories	-	-	-	-	-	-	-	-
Prepaid items	3,373	-	-	-	-	-	-	-
Restricted:								
Tourism	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	77,374	137,641
Police	3,645	-	-	-	-	-	-	-
Fire	-	-	7,261	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Other purposes	-	8,599	-	3,825	-	38,864	-	-
Committed:								
Streets	-	-	-	-	-	-	-	-
Unassigned								
Total fund balances	7,018	8,599	7,261	3,825	-	38,864	77,374	137,641
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,119	\$ 8,599	\$ 7,261	\$ 5,270	\$ -	\$ 38,864	\$ 77,374	\$ 137,641

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET (continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2018

	FEMA Grant	Corsicana Crossing	Court Fines - Street Improvement	Court Fines - Judicial	Court Fines - Child Safety	GIS Project	Animal Shelter Building Donations	TP&W Grant Athletic Complex
ASSETS								
Cash and cash equivalents	\$ -	\$ 74,032	\$ 31,438	\$ 49,784	\$ 1,364	\$ 38,309	\$ -	\$ 78,134
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other governments	256,941	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	\$ 256,941	\$ 74,032	\$ 31,438	\$ 49,784	\$ 1,364	\$ 38,309	\$ -	\$ 78,134
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 5,017	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-	-	-	-
Due to other funds	360,436	-	-	-	-	-	-	-
Total liabilities	360,436	-	5,017	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-grants	256,147	-	-	-	-	-	-	-
Unavailable revenue-other	-	-	-	-	-	-	-	-
Total deferred inflows of resources	256,147	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable:								
Inventories	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted:								
Tourism	-	-	-	-	-	-	-	-
Economic development	-	74,032	-	-	-	-	-	-
Municipal court	-	-	26,421	49,784	1,364	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	38,309	-	78,134
Committed:								
Streets	-	-	-	-	-	-	-	-
Unassigned	(359,642)	-	-	-	-	-	-	-
Total fund balances	(359,642)	74,032	26,421	49,784	1,364	38,309	-	78,134
Total liabilities, deferred inflows of resources, and fund balances	\$ 256,941	\$ 74,032	\$ 31,438	\$ 49,784	\$ 1,364	\$ 38,309	\$ -	\$ 78,134

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET (concluded)
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2018

	Corsicana Water and Adventure Park Texas Capital Fund Grant	380 Agreement Retained Funds	Economic Development Recovery	Street Maintenance and Reconstruction	Police Seizures	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,343,782	\$ 365,471	\$ 219,660	\$ 530	\$ 3,004,841
Receivables (net of allowance for uncollectibles)	-	-	-	86,408	77	366,428
Due from other governments	10,037	-	-	-	-	267,133
Due from other funds	-	-	-	-	-	1
Inventories	-	-	-	-	-	33,016
Prepaid items	-	-	-	-	-	3,849
Total assets	<u>\$ 10,037</u>	<u>\$ 1,343,782</u>	<u>\$ 365,471</u>	<u>\$ 306,068</u>	<u>\$ 607</u>	<u>\$ 3,675,268</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 504	\$ 137,565
Accrued payroll payable	-	-	-	-	-	13,127
Due to other funds	10,037	-	-	-	-	385,017
Total liabilities	<u>10,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504</u>	<u>535,709</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-grants	-	-	-	-	-	256,147
Unavailable revenue-other	-	-	-	-	-	141,665
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,812</u>
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	33,016
Prepaid items	-	-	-	-	-	3,849
Restricted:						
Tourism	-	-	-	-	-	104,010
Economic development	-	1,343,782	365,471	-	-	1,783,285
Municipal court	-	-	-	-	-	292,584
Police	-	-	-	-	103	34,487
Fire	-	-	-	-	-	7,261
Cemetery	-	-	-	-	-	81,477
Parks and recreation	-	-	-	-	-	198,281
Other purposes	-	-	-	-	-	199,515
Committed:						
Streets	-	-	-	306,068	-	306,068
Unassigned						
Total fund balances	<u>-</u>	<u>1,343,782</u>	<u>365,471</u>	<u>306,068</u>	<u>103</u>	<u>2,741,747</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,037</u>	<u>\$ 1,343,782</u>	<u>\$ 365,471</u>	<u>\$ 306,068</u>	<u>\$ 607</u>	<u>\$ 3,675,268</u>

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2018

	Hotel/Motel Occupancy Fees	Airport Operating	Cemetery	Forfeitures	Parks/ Recreation	Parks/ Recreation Special Events	Library	Corsicana/ Navarro County Economic Development
REVENUES								
Hotel occupancy taxes	\$ 581,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	25,445	-	-	-	-
Charges for current services	-	281,141	3,325	-	-	-	-	37,054
Investment earnings	995	386	921	229	1,364	49	205	922
Other revenue	41,512	2,052	52,230	-	-	-	-	-
Intergovernmental Contributions and donations	-	10,448	-	-	-	-	12,794	-
	2,760	-	-	-	162,717	350	9,611	95,500
Total revenues	<u>626,968</u>	<u>294,027</u>	<u>56,476</u>	<u>25,674</u>	<u>164,081</u>	<u>399</u>	<u>22,610</u>	<u>133,476</u>
EXPENDITURES								
Current:								
General government	598,556	-	176,975	-	-	-	-	217,981
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	22,025	-	-	-	-
Community support services	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Cultural and recreational	-	265,591	-	-	200,341	2,604	18,333	-
Debt service:								
Principal retirement	47,180	14,409	-	-	-	-	-	117,007
Interest and fiscal charges	6,508	184	-	-	-	-	-	13,132
Total expenditures	<u>652,244</u>	<u>280,184</u>	<u>176,975</u>	<u>22,025</u>	<u>200,341</u>	<u>2,604</u>	<u>18,333</u>	<u>348,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,276)</u>	<u>13,843</u>	<u>(120,499)</u>	<u>3,649</u>	<u>(36,260)</u>	<u>(2,205)</u>	<u>4,277</u>	<u>(214,644)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	20,000	114,996	-	30,000	3,850	-	450,000
Transfers out	(6,650)	-	-	-	-	-	-	(530,955)
Capital leases	2,800	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3,850)</u>	<u>20,000</u>	<u>114,996</u>	<u>-</u>	<u>30,000</u>	<u>3,850</u>	<u>-</u>	<u>(80,955)</u>
Net change in fund balances	(29,126)	33,843	(5,503)	3,649	(6,260)	1,645	4,277	(295,599)
Fund balances - beginning	133,136	94,401	87,456	27,090	198,416	4,480	27,507	257,927
Fund balances - ending	<u>\$ 104,010</u>	<u>\$ 128,244</u>	<u>\$ 81,953</u>	<u>\$ 30,739</u>	<u>\$ 192,156</u>	<u>\$ 6,125</u>	<u>\$ 31,784</u>	<u>\$ (37,672)</u>

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2018

	Police	Community Support Services	Fire	Palace Theatre	Police LEOSE	Senior Activity Center	Court Technology	Court Security
REVENUES								
Hotel occupancy taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	9,969	7,492
Charges for current services	-	-	-	-	-	-	-	-
Investment earnings	129	69	61	45	6	361	624	1,091
Other revenue	-	-	-	9,061	408	-	-	-
Intergovernmental	-	-	737	-	4,124	-	-	-
Contributions and donations	15,460	-	4,600	6,000	-	-	-	-
Total revenues	15,589	69	5,398	15,106	4,538	361	10,593	8,583
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	15,996	1,420
Public safety	44,723	-	4,744	-	5,958	-	-	-
Community support services	-	-	-	-	-	6,605	-	-
Public works	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	13,541	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	44,723	-	4,744	13,541	5,958	6,605	15,996	1,420
Excess (deficiency) of revenues over (under) expenditures	(29,134)	69	654	1,565	(1,420)	(6,244)	(5,403)	7,163
OTHER FINANCING SOURCES (USES)								
Transfers in	18	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Total other financing sources (uses)	18	-	-	-	-	-	-	-
Net change in fund balances	(29,116)	69	654	1,565	(1,420)	(6,244)	(5,403)	7,163
Fund balances - beginning	36,134	8,530	6,607	2,260	1,420	45,108	82,777	130,478
Fund balances - ending	\$ 7,018	\$ 8,599	\$ 7,261	\$ 3,825	\$ -	\$ 38,864	\$ 77,374	\$ 137,641

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2018

	FEMA Grant	Corsicana Crossing	Court Fines - Street Improvement	Court Fines - Judicial	Court Fines - Child Safety	GIS Project	Animal Shelter Building Donations	TP&W Grant Athletic Complex
REVENUES								
Hotel occupancy taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	78,719	2,994	381	-	-	-
Charges for current services	-	-	-	-	-	-	-	-
Investment earnings	-	601	918	383	17	311	3	810
Other revenue	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	101,542
Contributions and donations	-	-	-	-	-	-	-	-
Total revenues	-	601	79,637	3,377	398	311	3	102,352
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	56,687	2,554	2,500	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community support services	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Cultural and recreational	359,642	-	-	-	-	-	-	29,869
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	359,642	-	56,687	2,554	2,500	-	-	29,869
Excess (deficiency) of revenues over (under) expenditures	(359,642)	601	22,950	823	(2,102)	311	3	72,483
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	2,500	-	-	-
Transfers out	-	-	-	-	-	-	(18)	-
Capital leases	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,500	-	(18)	-
Net change in fund balances	(359,642)	601	22,950	823	398	311	(15)	72,483
Fund balances - beginning	-	73,431	3,471	48,961	966	37,998	15	5,651
Fund balances - ending	\$ (359,642)	\$ 74,032	\$ 26,421	\$ 49,784	\$ 1,364	\$ 38,309	\$ -	\$ 78,134

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (concluded)
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2018

	Corsicana Water and Adventure Park Texas Capital Fund Grant	380 Agreement Retained Funds	Economic Development Recovery	Street Maintenance and Reconstruction	Police Seizures	Totals
REVENUES						
Hotel occupancy taxes	-	-	-	-	-	\$ 581,701
Fines and forfeitures	-	-	-	-	-	125,000
Charges for current services	-	-	-	859,610	-	1,181,130
Investment earnings	-	5,807	3,092	2,413	1	21,813
Other revenue	-	-	-	-	-	105,263
Intergovernmental	10,037	-	-	-	-	139,682
Contributions and donations	-	-	-	-	-	296,998
Total revenues	<u>10,037</u>	<u>5,807</u>	<u>3,092</u>	<u>862,023</u>	<u>1</u>	<u>2,451,587</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	993,512
Judicial	-	-	-	-	-	79,157
Public safety	-	-	-	-	-	77,450
Community support services	-	-	-	-	-	6,605
Public works	-	-	-	533,919	-	533,919
Cultural and recreational	10,037	-	-	-	-	899,958
Debt service:						
Principal retirement	-	-	-	-	-	178,596
Interest and fiscal charges	-	-	-	-	-	19,824
Total expenditures	<u>10,037</u>	<u>-</u>	<u>-</u>	<u>533,919</u>	<u>-</u>	<u>2,789,021</u>
Excess (deficiency) of revenues over (under) expenditures	-	5,807	3,092	328,104	1	(337,434)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	530,955	-	-	-	1,152,319
Transfers out	-	-	-	(63,864)	-	(601,487)
Capital leases	-	-	-	-	-	2,800
Total other financing sources (uses)	-	<u>530,955</u>	<u>-</u>	<u>(63,864)</u>	<u>-</u>	<u>553,632</u>
Net change in fund balances	-	536,762	3,092	264,240	1	216,198
Fund balances - beginning	-	807,020	362,379	41,828	102	2,525,549
Fund balances - ending	<u>-</u>	<u>\$ 1,343,782</u>	<u>\$ 365,471</u>	<u>\$ 306,068</u>	<u>\$ 103</u>	<u>\$ 2,741,747</u>

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 September 30, 2018

	2011	2013	2015	2016	2018	2018	Capital
	General	General	General	General	General	Certificates of	Lease/ Purchase
	Obligation	Obligation	Obligation	Obligation	Obligation	Obligation	
ASSETS							
Cash and cash equivalents	\$ 4,421	\$ 144,783	\$ 4,827	\$ 4,089	\$ 1,445,922	\$ 1,884,719	\$ 367,504
Due from other governments	-	-	-	-	-	-	-
Total assets	\$ 4,421	\$ 144,783	\$ 4,827	\$ 4,089	\$ 1,445,922	\$ 1,884,719	\$ 367,504
LIABILITIES							
Accounts payable	\$ 964	\$ -	\$ -	\$ 4,159	\$ -	\$ -	\$ 3,677
Due to other funds	-	-	-	-	-	-	-
Total liabilities	964	-	-	4,159	-	-	3,677
FUND BALANCES							
Restricted:							
Capital projects	3,457	144,783	4,827	-	1,445,922	1,884,719	363,827
Unassigned	-	-	-	(70)	-	-	-
Total fund balances	3,457	144,783	4,827	(70)	1,445,922	1,884,719	363,827
Total liabilities and fund balances	\$ 4,421	\$ 144,783	\$ 4,827	\$ 4,089	\$ 1,445,922	\$ 1,884,719	\$ 367,504

CITY OF CORSICANA, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 September 30, 2018

	Public Safety	Public Works	Tax Increment Reinvestment Zone	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 481,445	\$ 4,337,710
Due from other governments	800	204,335	-	205,135
Total assets	<u>\$ 800</u>	<u>\$ 204,335</u>	<u>\$ 481,445</u>	<u>\$ 4,542,845</u>
LIABILITIES				
Accounts payable	-	4,354	441,953	455,107
Due to other funds	95,953	355,154	50,000	501,107
Total liabilities	<u>95,953</u>	<u>359,508</u>	<u>491,953</u>	<u>956,214</u>
FUND BALANCES				
Restricted:				
Capital projects	-	-	-	3,847,535
Unassigned	(95,153)	(155,173)	(10,508)	(260,904)
Total fund balances	<u>(95,153)</u>	<u>(155,173)</u>	<u>(10,508)</u>	<u>3,586,631</u>
Total liabilities and fund balances	<u>\$ 800</u>	<u>\$ 204,335</u>	<u>\$ 481,445</u>	<u>\$ 4,542,845</u>

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2018

	2011	2013	2015	2016	2018	2018	Capital
	General	General	General	General	General	Certificates of	Lease/
	Obligation	Obligation	Obligation	Obligation	Obligation	Obligation	Purchase
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	45	186	1,013	7,745	11,567	14,719	1,638
Intergovernmental	-	-	-	-	-	-	-
Total revenues	<u>45</u>	<u>186</u>	<u>1,013</u>	<u>7,745</u>	<u>11,567</u>	<u>14,719</u>	<u>1,638</u>
EXPENDITURES							
Debt service:							
Bond issuance costs	-	-	-	-	60,865	59,786	-
Capital outlay:							
General government	-	-	-	-	-	-	2,216
Public safety	11,740	-	-	-	1,410,336	-	913,529
Community support services	-	-	-	-	-	-	25,891
Public works	-	7,318	144,782	854,426	-	-	280,862
Cultural and recreational	-	-	-	-	-	-	4,864
Building and vehicle maintenance	-	-	-	-	-	-	24,266
Total expenditures	<u>11,740</u>	<u>7,318</u>	<u>144,782</u>	<u>854,426</u>	<u>1,471,201</u>	<u>59,786</u>	<u>1,251,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,695)</u>	<u>(7,132)</u>	<u>(143,769)</u>	<u>(846,681)</u>	<u>(1,459,634)</u>	<u>(45,067)</u>	<u>(1,249,990)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	123,707
Certificates of obligation issued	-	-	-	-	-	1,810,000	-
General obligation bonds issued	-	-	-	-	2,925,000	-	-
Premium on bonds issued	-	-	-	-	-	119,786	-
Discount on bonds issued	-	-	-	-	(19,444)	-	-
Capital leases	-	-	-	-	-	-	1,012,130
Total other financing sources (uses)	-	-	-	-	<u>2,905,556</u>	<u>1,929,786</u>	<u>1,135,837</u>
Net change in fund balances	<u>(11,695)</u>	<u>(7,132)</u>	<u>(143,769)</u>	<u>(846,681)</u>	<u>1,445,922</u>	<u>1,884,719</u>	<u>(114,153)</u>
Fund balances - beginning	<u>15,152</u>	<u>151,915</u>	<u>148,596</u>	<u>846,611</u>	<u>-</u>	<u>-</u>	<u>477,980</u>
Fund balances - ending	<u>\$ 3,457</u>	<u>\$ 144,783</u>	<u>\$ 4,827</u>	<u>\$ (70)</u>	<u>\$ 1,445,922</u>	<u>\$ 1,884,719</u>	<u>\$ 363,827</u>

CITY OF CORSICANA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2018

	Public Safety	Public Works	Tax Increment Reinvestment Zone	Total
REVENUES				
Property taxes	-	-	\$ 271,139	\$ 271,139
Investment earnings	-	-	1,805	38,718
Intergovernmental	-	472,902	318,133	791,035
Total revenues	-	472,902	591,077	1,100,892
EXPENDITURES				
Debt service:				
Bond issuance costs	-	-	-	120,651
Capital outlay:				
General government	-	-	-	2,216
Public safety	143,044	-	-	2,478,649
Community support services	-	-	-	25,891
Public works	-	736,939	441,953	2,466,280
Cultural and recreational	-	-	-	4,864
Building and vehicle maintenance	-	-	-	24,266
Total expenditures	143,044	736,939	441,953	5,122,817
Excess (deficiency) of revenues over (under) expenditures	(143,044)	(264,037)	149,124	(4,021,925)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	63,864	-	187,571
Certificates of obligation issued	-	-	-	1,810,000
General obligation bonds issued	-	-	-	2,925,000
Premium on bonds issued	-	-	-	119,786
Discount on bonds issued	-	-	-	(19,444)
Capital leases	-	-	-	1,012,130
Total other financing sources (uses)	-	63,864	-	6,035,043
Net change in fund balances	(143,044)	(200,173)	149,124	2,013,118
Fund balances - beginning	47,891	45,000	(159,632)	1,573,513
Fund balances - ending	\$ (95,153)	\$ (155,173)	\$ (10,508)	\$ 3,586,631

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - HOTEL/MOTEL OCCUPANCY FEES
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Hotel occupancy taxes	\$ 480,000	\$ 581,701	\$ 101,701
Investment earnings	200	995	795
Other revenue	35,000	41,512	6,512
Contributions and donations	-	2,760	2,760
Total revenues	<u>515,200</u>	<u>626,968</u>	<u>111,768</u>
EXPENDITURES			
Current:			
General government	598,255	598,556	301
Debt service:			
Principal retirement	46,730	47,180	450
Interest and fiscal charges	6,472	6,508	36
Total expenditures	<u>651,457</u>	<u>652,244</u>	<u>787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(136,257)</u>	<u>(25,276)</u>	<u>110,981</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,850)	(6,650)	(2,800)
Capital leases	-	2,800	2,800
Total other financing sources (uses)	<u>(3,850)</u>	<u>(3,850)</u>	<u>-</u>
Net change in fund balances	(140,107)	(29,126)	110,981
Fund balances - beginning	<u>125,123</u>	<u>133,136</u>	<u>8,013</u>
Fund balances - ending	<u>\$ (14,984)</u>	<u>\$ 104,010</u>	<u>\$ 118,994</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - AIRPORT OPERATING
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Charges for current services	\$ 264,400	\$ 281,141	\$ 16,741
Investment earnings	-	386	386
Other revenue	-	2,052	2,052
Intergovernmental	35,000	10,448	(24,552)
Total revenues	<u>299,400</u>	<u>294,027</u>	<u>(5,373)</u>
EXPENDITURES			
Current:			
Cultural and recreational	362,050	265,591	(96,459)
Debt service:			
Principal retirement	14,426	14,409	(17)
Interest and fiscal charges	169	184	15
Total expenditures	<u>376,645</u>	<u>280,184</u>	<u>(96,461)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,245)</u>	<u>13,843</u>	<u>91,088</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	20,000	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	(57,245)	33,843	91,088
Fund balances - beginning	<u>124,610</u>	<u>94,401</u>	<u>(30,209)</u>
Fund balances - ending	<u>\$ 67,365</u>	<u>\$ 128,244</u>	<u>\$ 60,879</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - CEMETERY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Charges for current services	\$ 4,500	\$ 3,325	\$ (1,175)
Investment earnings	300	921	621
Other revenue	69,000	52,230	(16,770)
Total revenues	<u>73,800</u>	<u>56,476</u>	<u>(17,324)</u>
EXPENDITURES			
Current:			
General government	188,689	176,975	(11,714)
Total expenditures	<u>188,689</u>	<u>176,975</u>	<u>(11,714)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,889)</u>	<u>(120,499)</u>	<u>(5,610)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	115,000	114,996	(4)
Total other financing sources (uses)	<u>115,000</u>	<u>114,996</u>	<u>(4)</u>
Net change in fund balances	111	(5,503)	(5,614)
Fund balances - beginning	<u>94,022</u>	<u>87,456</u>	<u>(6,566)</u>
Fund balances - ending	<u>\$ 94,133</u>	<u>\$ 81,953</u>	<u>\$ (12,180)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - FORFEITURES
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 5,000	\$ 25,445	\$ 20,445
Investment earnings	100	229	129
Total revenues	<u>5,100</u>	<u>25,674</u>	<u>20,574</u>
EXPENDITURES			
Current:			
Public safety	8,500	22,025	13,525
Total expenditures	<u>8,500</u>	<u>22,025</u>	<u>13,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,400)</u>	<u>3,649</u>	<u>7,049</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	100	-	(100)
Total other financing sources (uses)	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in fund balances	(3,300)	3,649	6,949
Fund balances - beginning	<u>23,187</u>	<u>27,090</u>	<u>3,903</u>
Fund balances - ending	<u>\$ 19,887</u>	<u>\$ 30,739</u>	<u>\$ 10,852</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - PARKS/RECREATION
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ -	\$ 1,364	\$ 1,364
Contributions and donations	127,000	162,717	35,717
Total revenues	<u>127,000</u>	<u>164,081</u>	<u>37,081</u>
EXPENDITURES			
Current:			
Cultural and recreational	110,000	200,341	90,341
Total expenditures	<u>110,000</u>	<u>200,341</u>	<u>90,341</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,000</u>	<u>(36,260)</u>	<u>(53,260)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	30,000	30,000	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balances	47,000	(6,260)	(53,260)
Fund balances - beginning	<u>65,780</u>	<u>198,416</u>	<u>132,636</u>
Fund balances - ending	<u>\$ 112,780</u>	<u>\$ 192,156</u>	<u>\$ 79,376</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - PARKS/RECREATION SPECIAL EVENTS
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ -	\$ 49	\$ 49
Contributions and donations	-	350	350
Total revenues	<u>-</u>	<u>399</u>	<u>399</u>
EXPENDITURES			
Current:			
Cultural and recreational	5,500	2,604	(2,896)
Total expenditures	<u>5,500</u>	<u>2,604</u>	<u>(2,896)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,500)</u>	<u>(2,205)</u>	<u>3,295</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,850	3,850	-
Total other financing sources (uses)	<u>3,850</u>	<u>3,850</u>	<u>-</u>
Net change in fund balances	(1,650)	1,645	3,295
Fund balances - beginning	<u>4,457</u>	<u>4,480</u>	<u>23</u>
Fund balances - ending	<u>\$ 2,807</u>	<u>\$ 6,125</u>	<u>\$ 3,318</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - LIBRARY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ -	\$ 205	\$ 205
Intergovernmental	-	12,794	12,794
Contributions and donations	14,000	9,611	(4,389)
Total revenues	<u>14,000</u>	<u>22,610</u>	<u>8,610</u>
EXPENDITURES			
Current:			
Cultural and recreational	7,450	18,333	10,883
Total expenditures	<u>7,450</u>	<u>18,333</u>	<u>10,883</u>
Net change in fund balances	6,550	4,277	(2,273)
Fund balances - beginning	<u>21,383</u>	<u>27,507</u>	<u>6,124</u>
Fund balances - ending	<u>\$ 27,933</u>	<u>\$ 31,784</u>	<u>\$ 3,851</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND -
CORSICANA/NAVARRO COUNTY ECONOMIC DEVELOPMENT
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Charges for current services	\$ 31,000	\$ 37,054	\$ 6,054
Investment earnings	500	922	422
Contributions and donations	95,500	95,500	-
Total revenues	<u>127,000</u>	<u>133,476</u>	<u>6,476</u>
EXPENDITURES			
Current:			
General government	199,441	217,981	18,540
Debt service:			
Principal retirement	146,329	117,007	(29,322)
Interest and fiscal charges	13,133	13,132	(1)
Total expenditures	<u>358,903</u>	<u>348,120</u>	<u>(10,783)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(231,903)</u>	<u>(214,644)</u>	<u>17,259</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	450,000	450,000	-
Transfers out	(415,000)	(530,955)	(115,955)
Total other financing sources (uses)	<u>35,000</u>	<u>(80,955)</u>	<u>(115,955)</u>
Net change in fund balances	(196,903)	(295,599)	(98,696)
Fund balances - beginning	<u>242,918</u>	<u>257,927</u>	<u>15,009</u>
Fund balances - ending	<u>\$ 46,015</u>	<u>\$ (37,672)</u>	<u>\$ (83,687)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - POLICE
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 75	\$ 129	\$ 54
Contributions and donations	11,500	15,460	3,960
Total revenues	<u>11,575</u>	<u>15,589</u>	<u>4,014</u>
EXPENDITURES			
Current:			
Public safety	17,000	44,723	27,723
Total expenditures	<u>17,000</u>	<u>44,723</u>	<u>27,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,425)</u>	<u>(29,134)</u>	<u>(23,709)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	18	18
Total other financing sources (uses)	<u>-</u>	<u>18</u>	<u>18</u>
Net change in fund balances	(5,425)	(29,116)	(23,691)
Fund balances - beginning	<u>34,103</u>	<u>36,134</u>	<u>2,031</u>
Fund balances - ending	<u>\$ 28,678</u>	<u>\$ 7,018</u>	<u>\$ (21,660)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COMMUNITY SUPPORT SERVICES
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 16	\$ 69	\$ 53
Contributions and donations	500	-	(500)
Total revenues	<u>516</u>	<u>69</u>	<u>(447)</u>
EXPENDITURES			
Current:			
Community support services	2,000	-	(2,000)
Total expenditures	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Net change in fund balances	(1,484)	69	1,553
Fund balances - beginning	<u>8,506</u>	<u>8,530</u>	<u>24</u>
Fund balances - ending	<u>\$ 7,022</u>	<u>\$ 8,599</u>	<u>\$ 1,577</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - FIRE
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 85	\$ 61	\$ (24)
Intergovernmental	750	737	(13)
Contributions and donations	2,000	4,600	2,600
Total revenues	<u>2,835</u>	<u>5,398</u>	<u>2,563</u>
EXPENDITURES			
Current:			
Public safety	3,100	4,744	1,644
Total expenditures	<u>3,100</u>	<u>4,744</u>	<u>1,644</u>
Net change in fund balances	(265)	654	919
Fund balances - beginning	<u>6,695</u>	<u>6,607</u>	<u>(88)</u>
Fund balances - ending	<u>\$ 6,430</u>	<u>\$ 7,261</u>	<u>\$ 831</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - PALACE THEATRE
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ -	\$ 45	\$ 45
Other revenue	2,000	9,061	7,061
Contributions and donations	6,000	6,000	-
Total revenues	<u>8,000</u>	<u>15,106</u>	<u>7,106</u>
EXPENDITURES			
Current:			
Cultural and recreational	9,500	13,541	4,041
Total expenditures	<u>9,500</u>	<u>13,541</u>	<u>4,041</u>
Net change in fund balances	(1,500)	1,565	3,065
Fund balances - beginning	<u>3,756</u>	<u>2,260</u>	<u>(1,496)</u>
Fund balances - ending	<u>\$ 2,256</u>	<u>\$ 3,825</u>	<u>\$ 1,569</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - POLICE LEOSE
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 13	\$ 6	\$ (7)
Other revenue	-	408	408
Intergovernmental	4,200	4,124	(76)
Total revenues	<u>4,213</u>	<u>4,538</u>	<u>325</u>
EXPENDITURES			
Current:			
Public safety	5,000	5,958	958
Total expenditures	<u>5,000</u>	<u>5,958</u>	<u>958</u>
Net change in fund balances	(787)	(1,420)	(633)
Fund balances - beginning	<u>1,417</u>	<u>1,420</u>	<u>3</u>
Fund balances - ending	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ (630)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - SENIOR ACTIVITY CENTER
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 125	\$ 361	\$ 236
Total revenues	<u>125</u>	<u>361</u>	<u>236</u>
EXPENDITURES			
Current:			
Community support services	9,150	6,605	(2,545)
Total expenditures	<u>9,150</u>	<u>6,605</u>	<u>(2,545)</u>
Net change in fund balances	(9,025)	(6,244)	2,781
Fund balances - beginning	<u>44,993</u>	<u>45,108</u>	<u>115</u>
Fund balances - ending	<u><u>\$ 35,968</u></u>	<u><u>\$ 38,864</u></u>	<u><u>\$ 2,896</u></u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COURT TECHNOLOGY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 9,969	\$ (31)
Investment earnings	120	624	504
Total revenues	<u>10,120</u>	<u>10,593</u>	<u>473</u>
EXPENDITURES			
Current:			
Judicial	<u>13,318</u>	<u>15,996</u>	<u>2,678</u>
Total expenditures	<u>13,318</u>	<u>15,996</u>	<u>2,678</u>
Net change in fund balances	(3,198)	(5,403)	(2,205)
Fund balances - beginning	<u>81,339</u>	<u>82,777</u>	<u>1,438</u>
Fund balances - ending	<u>\$ 78,141</u>	<u>\$ 77,374</u>	<u>\$ (767)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COURT SECURITY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 8,000	\$ 7,492	\$ (508)
Investment earnings	250	1,091	841
Total revenues	<u>8,250</u>	<u>8,583</u>	<u>333</u>
EXPENDITURES			
Current:			
Judicial	<u>12,546</u>	<u>1,420</u>	<u>(11,126)</u>
Total expenditures	<u>12,546</u>	<u>1,420</u>	<u>(11,126)</u>
Net change in fund balances	(4,296)	7,163	11,459
Fund balances - beginning	<u>129,534</u>	<u>130,478</u>	<u>944</u>
Fund balances - ending	<u>\$ 125,238</u>	<u>\$ 137,641</u>	<u>\$ 12,403</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - CORSICANA CROSSING
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 150	\$ 601	\$ 451
Total revenues	<u>150</u>	<u>601</u>	<u>451</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	150	601	451
Fund balances - beginning	<u>73,244</u>	<u>73,431</u>	<u>187</u>
Fund balances - ending	<u><u>\$ 73,394</u></u>	<u><u>\$ 74,032</u></u>	<u><u>\$ 638</u></u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - STREET IMPROVEMENTS
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 90,000	\$ 78,719	\$ (11,281)
Investment earnings	17	918	901
Total revenues	<u>90,017</u>	<u>79,637</u>	<u>(10,380)</u>
EXPENDITURES			
Current:			
Judicial	<u>23,070</u>	<u>56,687</u>	<u>33,617</u>
Total expenditures	<u>23,070</u>	<u>56,687</u>	<u>33,617</u>
Net change in fund balances	66,947	22,950	(43,997)
Fund balances - beginning	<u>(943)</u>	<u>3,471</u>	<u>4,414</u>
Fund balances - ending	<u>\$ 66,004</u>	<u>\$ 26,421</u>	<u>\$ (39,583)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - JUDICIAL
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 3,500	\$ 2,994	\$ (506)
Investment earnings	130	383	253
Total revenues	<u>3,630</u>	<u>3,377</u>	<u>(253)</u>
EXPENDITURES			
Current:			
Judicial	<u>14,000</u>	<u>2,554</u>	<u>(11,446)</u>
Total expenditures	<u>14,000</u>	<u>2,554</u>	<u>(11,446)</u>
Net change in fund balances	(10,370)	823	11,193
Fund balances - beginning	<u>48,392</u>	<u>48,961</u>	<u>569</u>
Fund balances - ending	<u>\$ 38,022</u>	<u>\$ 49,784</u>	<u>\$ 11,762</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - CHILD SAFETY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Fines and forfeitures	\$ 1,400	\$ 381	\$ (1,019)
Investment earnings	5	17	12
Total revenues	<u>1,405</u>	<u>398</u>	<u>(1,007)</u>
EXPENDITURES			
Current:			
Judicial	<u>2,500</u>	<u>2,500</u>	-
Total expenditures	<u>2,500</u>	<u>2,500</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>(1,095)</u>	<u>(2,102)</u>	<u>(1,007)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,500	2,500
Total other financing sources (uses)	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Net change in fund balances	(1,095)	398	1,493
Fund balances - beginning	<u>1,111</u>	<u>966</u>	<u>(145)</u>
Fund balances - ending	<u>\$ 16</u>	<u>\$ 1,364</u>	<u>\$ 1,348</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - TP&W GRANT ATHLETIC COMPLEX
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ -	\$ 810	\$ 810
Intergovernmental	-	101,542	101,542
Total revenues	<u>-</u>	<u>102,352</u>	<u>102,352</u>
EXPENDITURES			
Current:			
Cultural and recreational	5,399	29,869	24,470
Total expenditures	<u>5,399</u>	<u>29,869</u>	<u>24,470</u>
Net change in fund balances	(5,399)	72,483	77,882
Fund balances - beginning	<u>5,399</u>	<u>5,651</u>	<u>252</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 78,134</u>	<u>\$ 78,134</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - 380 AGREEMENT RETAINED FUNDS
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 1,600	\$ 5,807	\$ 4,207
Total revenues	<u>1,600</u>	<u>5,807</u>	<u>4,207</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,600</u>	<u>5,807</u>	<u>4,207</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	415,000	530,955	115,955
Total other financing sources (uses)	<u>415,000</u>	<u>530,955</u>	<u>115,955</u>
Net change in fund balances	416,600	536,762	120,162
Fund balances - beginning	<u>710,863</u>	<u>807,020</u>	<u>96,157</u>
Fund balances - ending	<u><u>\$ 1,127,463</u></u>	<u><u>\$ 1,343,782</u></u>	<u><u>\$ 216,319</u></u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT RECOVERY
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Investment earnings	\$ 1,100	\$ 3,092	\$ 1,992
Total revenues	<u>1,100</u>	<u>3,092</u>	<u>1,992</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,100	3,092	1,992
Fund balances - beginning	<u>396,683</u>	<u>362,379</u>	<u>(34,304)</u>
Fund balances - ending	<u>\$ 397,783</u>	<u>\$ 365,471</u>	<u>\$ (32,312)</u>

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUND - STREET MAINTENANCE AND RECONSTRUCTION
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Charges for current services	\$ 900,000	\$ 859,610	\$ (40,390)
Investment earnings	2,000	2,413	413
Total revenues	<u>902,000</u>	<u>862,023</u>	<u>(39,977)</u>
EXPENDITURES			
Current:			
Public works	1,051,640	533,919	(517,721)
Total expenditures	<u>1,051,640</u>	<u>533,919</u>	<u>(517,721)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,640)</u>	<u>328,104</u>	<u>477,744</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(63,864)	(63,864)
Total other financing sources (uses)	<u>-</u>	<u>(63,864)</u>	<u>(63,864)</u>
Net change in fund balances	(149,640)	264,240	413,880
Fund balances - beginning	<u>149,640</u>	<u>41,828</u>	<u>(107,812)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 306,068</u>	<u>\$ 306,068</u>

DEBT SERVICE FUND

The *Debt Service* fund accounts for the accumulation of resources for the payment of general debt principal, interest and related costs. The revenue source is principally ad valorem taxes levied by the City.

CITY OF CORSICANA, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Over (Under) Budget
REVENUES			
Property taxes	\$ 2,232,374	\$ 2,297,567	\$ 65,193
Investment earnings	600	1,970	1,370
Total revenues	<u>2,232,974</u>	<u>2,299,537</u>	<u>66,563</u>
EXPENDITURES			
Debt service:			
Principal retirement	1,641,125	1,593,271	(47,854)
Interest and fiscal charges	681,422	656,208	(25,214)
Bond issuance costs	-	29,569	29,569
Total expenditures	<u>2,322,547</u>	<u>2,279,048</u>	<u>(43,499)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,573)</u>	<u>20,489</u>	<u>110,062</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	1,300,000	1,300,000
Premium on bonds issued	-	45,781	45,781
Payment to refunded bond escrow agent	-	(1,341,321)	(1,341,321)
Total other financing sources (uses)	<u>-</u>	<u>4,460</u>	<u>4,460</u>
Net change in fund balances	(89,573)	24,949	114,522
Fund balances - beginning	<u>170,142</u>	<u>200,907</u>	<u>30,765</u>
Fund balances - ending	<u>\$ 80,569</u>	<u>\$ 225,856</u>	<u>\$ 145,287</u>

Proprietary Fund

ENTERPRISE FUNDS

The *Utility Operations* fund was established to account for operations of the water and sewer system. It is operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including debt) of providing goods or services to the general public on a continuing bases are financed or recovered primarily through user charges.

The *Sanitation* fund was established to account for operations of the landfill system. It is operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including debt) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

The *Emergency Medical Services* fund was established to account for operations of the EMS (emergency medical services) system. It is operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including debt) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

CITY OF CORSICANA, TEXAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND - UTILITY OPERATIONS
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under) Budget
Operating revenues:					
Service charges	\$ 16,004,000	\$ 16,298,086	\$ 15,363	\$ 16,313,449	\$ 309,449
Penalty	220,000	196,665	-	196,665	(23,335)
Other	49,650	53,212	-	53,212	3,562
Total operating revenues	<u>16,273,650</u>	<u>16,547,963</u>	<u>15,363</u>	<u>16,563,326</u>	<u>289,676</u>
Operating expenses:					
Sampling and analysis	500,096	407,468	(31,599)	375,869	(124,227)
Overland WWTP	441,858	259,984	(20,198)	239,786	(202,072)
Wastewater reclamation center	1,598,319	1,380,971	(90,133)	1,290,838	(307,481)
Lift stations	96,970	146,659	(828)	145,831	48,861
Navarro Mills plant	2,562,848	1,362,102	(93,705)	1,268,397	(1,294,451)
Lake Halbert plant	1,026,457	660,057	(40,334)	619,723	(406,734)
Water storage facilities	-	1,013,859	-	1,013,859	1,013,859
Utility system maintenance	2,613,976	3,787,874	(1,458,227)	2,329,647	(284,329)
Utility line replacement	814,448	1,109,345	(33,279)	1,076,066	261,618
Utility billing	518,668	549,469	(25,231)	524,238	5,570
Non-departmental	104,700	158,522	-	158,522	53,822
Depreciation	-	2,077,376	(2,077,376)	-	-
Total operating expenses	<u>10,278,340</u>	<u>12,913,686</u>	<u>(3,870,910)</u>	<u>9,042,776</u>	<u>(1,235,564)</u>
Operating income	5,995,310	3,634,277	3,886,273	7,520,550	1,525,240
Nonoperating revenue (expenses):					
Investment earnings	5,763	12,689	-	12,689	6,926
Gain (Loss) on disposal of assets	20,000	11,409	-	11,409	(8,591)
Interest and fiscal charges	(4,431,810)	(675,908)	(5,694,205)	(6,370,113)	(1,938,303)
Bond issuance costs	-	(47,606)	47,606	-	-
Total nonoperating revenue (expenses)	<u>(4,406,047)</u>	<u>(699,416)</u>	<u>(5,646,599)</u>	<u>(6,346,015)</u>	<u>(1,939,968)</u>
Income (loss) before contributions and transfers	1,589,263	2,934,861	(1,760,326)	1,174,535	(414,728)
Capital contributions	-	8,542	-	8,542	8,542
Transfer in	-	259,602	(161,912)	97,690	97,690
Transfer out	(1,575,186)	(1,934,951)	-	(1,934,951)	(359,765)
Change in net position	14,077	1,268,054	(1,922,238)	(654,184)	(668,261)
Total net position - beginning, as restated	4,010,433	33,688,897	-	33,688,897	29,678,464
Total net position - ending	<u>\$ 4,024,510</u>	<u>\$34,956,951</u>	<u>\$(1,922,238)</u>	<u>\$33,034,713</u>	<u>\$ 29,010,203</u>

CITY OF CORSICANA, TEXAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND - SANITATION
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under) Budget
Operating revenues:					
Service charges	\$3,878,500	\$4,244,652	\$ 4,995	\$4,249,647	\$ 371,147
Other	17,050	17,013	-	17,013	(37)
Total operating revenues	<u>3,895,550</u>	<u>4,261,665</u>	<u>4,995</u>	<u>4,266,660</u>	<u>371,110</u>
Operating expenses:					
Landfill operations	1,189,885	1,103,874	8,407	1,112,281	(77,604)
Contract collections	921,000	958,040	-	958,040	37,040
Bulk solid waste pickup	582,037	346,057	14,912	360,969	(221,068)
Non-departmental	21,400	26,670	-	26,670	5,270
Depreciation	-	348,294	(348,294)	-	-
Total operating expenses	<u>2,714,322</u>	<u>2,782,935</u>	<u>(324,975)</u>	<u>2,457,960</u>	<u>(256,362)</u>
Operating income	1,181,228	1,478,730	329,970	1,808,700	627,472
Nonoperating revenue (expenses):					
Investment earnings	2,550	7,420	-	7,420	4,870
Gain on disposal of assets	-	7,660	-	7,660	7,660
Interest and fiscal charges	(388,259)	(38,316)	(451,651)	(489,967)	(101,708)
Total nonoperating revenue (expenses)	<u>(385,709)</u>	<u>(23,236)</u>	<u>(451,651)</u>	<u>(474,887)</u>	<u>(89,178)</u>
Income before transfers	795,519	1,455,494	(121,681)	1,333,813	538,294
Transfer out	<u>(605,707)</u>	<u>(645,631)</u>	<u>-</u>	<u>(645,631)</u>	<u>(39,924)</u>
Change in net position	178,312	809,863	(121,681)	688,182	509,870
Total net position - beginning, as restated	<u>3,698,463</u>	<u>3,678,323</u>	<u>-</u>	<u>3,678,323</u>	<u>(20,140)</u>
Total net position - ending	<u>\$3,876,775</u>	<u>\$4,488,186</u>	<u>\$ (121,681)</u>	<u>\$4,366,505</u>	<u>\$ 489,730</u>

CITY OF CORSICANA, TEXAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND - EMERGENCY MEDICAL SERVICES
For the Fiscal Year Ended September 30, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under) Budget
Operating revenues:					
Service charges	\$2,600,500	\$ 2,841,659	\$ (303,973)	\$ 2,537,686	\$ (62,814)
Service charges - intergovernmental	304,000	-	304,000	304,000	-
Other	20,000	26,963	-	26,963	6,963
Total operating revenues	<u>2,924,500</u>	<u>2,868,622</u>	<u>27</u>	<u>2,868,649</u>	<u>(55,851)</u>
Operating expenses:					
Emergency medical services	3,236,879	3,451,951	(169,970)	3,281,981	45,102
Non-departmental	27,150	35,686	-	35,686	8,536
Depreciation	145,000	145,946	-	145,946	946
Total operating expenses	<u>3,409,029</u>	<u>3,633,583</u>	<u>(169,970)</u>	<u>3,463,613</u>	<u>54,584</u>
Operating income (loss)	(484,529)	(764,961)	169,997	(594,964)	(110,435)
Nonoperating revenue (expenses):					
Intergovernmental	403,000	189,701	-	189,701	(213,299)
Investment earnings	50	608	-	608	558
Gain on disposal of assets	15,000	-	-	-	(15,000)
Interest and fiscal charges	(10,495)	(211)	(10,281)	(10,492)	3
Total nonoperating revenue (expenses)	<u>407,555</u>	<u>190,098</u>	<u>(10,281)</u>	<u>179,817</u>	<u>(227,738)</u>
Income (loss) before transfers	(76,974)	(574,863)	159,716	(415,147)	(338,173)
Transfer in	209,000	209,000	-	209,000	-
Change in net position	132,026	(365,863)	159,716	(206,147)	(338,173)
Total net position - beginning, as restated	55,686	(1,608,766)	-	(1,608,766)	(1,664,452)
Total net position - ending	<u>\$ 187,712</u>	<u>\$(1,974,629)</u>	<u>\$ 159,716</u>	<u>\$(1,814,913)</u>	<u>\$ (2,002,625)</u>

STATISTICAL SECTION

This part of the City of Corsicana, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	135-139
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	140-143
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	144-147
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	148-149
Operating Information <i>These schedules 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 and the activities it performs.</i>	150-152

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF CORSICANA, TEXAS
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$36,515,350	\$37,993,856	\$35,062,030	\$41,315,063	\$40,990,194	\$41,570,801	\$44,233,994	\$45,756,066	\$45,436,934	\$46,531,239
Restricted	476,945	464,482	6,161,057	3,538,602	6,187,752	4,123,119	287,398	2,227,592	2,642,079	2,699,207
Unrestricted	3,644,985	4,085,878	3,208,988	695,653	(339,366)	3,255,640	242,026	(3,777,748)	(4,860,258)	(4,792,740)
T total governmental activities net position	\$40,637,280	\$42,544,216	\$44,432,075	\$45,549,318	\$46,938,580	\$48,949,560	\$44,763,418	\$44,205,910	\$43,218,755	\$44,437,706
Business-type activities										
Net investment in capital assets	\$16,790,974	\$15,020,985	\$19,227,378	\$19,585,921	\$23,022,166	\$24,274,258	\$28,352,433	\$32,264,793	\$38,624,251	\$42,244,429
Restricted	2,148,310	1,563,587	1,625,875	1,626,296	1,646,643	1,660,084	1,042,449	934,127	963,143	251,031
Unrestricted	1,525,421	7,900,782	5,515,563	3,986,963	2,593,190	2,724,112	(2,413,077)	(2,565,450)	(4,483,120)	(5,024,952)
T total business-type activities net position	\$20,464,705	\$24,485,354	\$26,368,816	\$25,199,180	\$27,261,999	\$28,658,454	\$26,981,805	\$30,633,470	\$35,104,274	\$37,470,508
Primary government										
Net investment in capital assets	\$53,306,324	\$53,014,841	\$54,289,408	\$60,900,984	\$64,012,360	\$65,845,059	\$72,586,427	\$78,020,859	\$84,061,185	\$88,775,668
Restricted	2,625,255	2,028,069	7,786,932	5,164,898	7,834,395	5,783,203	1,329,847	3,161,719	3,605,222	2,950,238
Unrestricted	5,170,406	11,986,660	8,724,551	4,682,616	2,253,824	5,979,752	(2,171,051)	(6,343,198)	(9,343,378)	(9,817,692)
T total primary government net position	\$61,101,985	\$67,029,570	\$70,800,891	\$70,748,498	\$74,100,579	\$77,608,014	\$71,745,223	\$74,839,380	\$78,323,029	\$81,908,214

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
 Note: The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF CORSICANA, TEXAS
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	\$ 3,429,018	\$ 3,271,011	\$ 3,241,304	\$ 3,492,349	\$ 3,428,726	\$ 4,292,718	\$ 3,298,549	\$ 2,784,969	\$ 2,825,532	\$ 1,496,155
Judicial	378,397	383,638	386,193	430,353	439,868	415,245	438,625	531,183	658,221	520,020
Public safety	8,073,287	8,209,523	8,201,461	8,123,848	8,137,238	8,108,969	8,744,400	9,388,690	9,777,706	11,038,626
Community support services	1,191,459	453,387	968,287	663,869	1,679,358	534,337	895,261	515,566	522,514	515,574
Public works	4,714,312	3,204,745	3,352,434	4,084,541	3,201,281	3,037,206	4,221,379	4,786,855	5,255,798	5,084,510
Cultural and recreational	2,176,559	1,768,084	2,007,750	2,067,844	1,953,716	2,039,772	2,193,046	2,353,565	2,412,918	2,439,116
Building and vehicle maintenance	673,726	591,613	792,991	638,517	574,845	608,363	482,805	451,202	488,138	526,821
Interest on long-term debt	697,648	619,762	578,780	682,394	776,903	673,765	726,296	765,951	719,760	795,291
Total Governmental Activities	21,334,406	18,501,763	19,529,200	20,183,715	20,191,935	19,710,375	21,000,361	21,577,981	22,660,587	22,416,113
Business-type Activities:										
Utility operations	10,430,444	10,545,545	10,634,345	13,585,948	10,949,139	11,503,228	10,778,885	12,204,997	12,343,943	13,637,200
Sanitation	2,555,538	2,474,798	2,727,912	3,101,112	2,610,537	2,637,125	2,654,619	2,862,410	3,040,602	2,821,251
Emergency medical services	1,784,212	1,903,164	2,023,114	2,188,651	2,335,385	5,786,377	6,749,335	2,581,997	3,422,466	3,633,794
Total Business-type Activities	14,770,194	14,923,507	15,385,371	18,875,711	15,895,061	19,926,730	20,182,839	17,649,404	18,807,011	20,092,245
Total Expenses	\$ 36,104,600	\$ 33,425,270	\$ 34,914,571	\$ 39,059,426	\$ 36,086,996	\$ 39,637,105	\$ 41,183,200	\$ 39,227,385	\$ 41,467,598	\$ 42,508,358
Program Revenues										
Governmental Activities:										
Charges for services:	\$ 250,875	\$ 190,281	\$ 178,740	\$ 204,762	\$ 193,017	\$ 195,053	\$ 461,659	\$ 163,424	\$ 268,603	\$ 141,801
General government	-	-	-	-	-	4,029	3,889	-	-	-
Judicial	736,490	719,602	583,310	602,704	620,291	626,745	517,706	423,888	439,494	407,896
Community support services	147,850	231,413	194,534	201,412	252,413	208,632	208,389	349,988	294,911	276,208
Public works	257,783	247,461	355,585	342,709	395,133	366,670	10,387	842,467	858,251	869,362
Cultural and recreational	40,671	31,984	33,199	32,454	35,920	36,352	49,637	291,049	279,228	319,240
Operating grants and contributions	860,023	1,136,614	1,085,095	820,299	1,770,791	1,953,146	778,129	468,043	704,816	1,136,412
Capital grants and contributions	933,426	754,742	1,049,889	528,122	749,503	317,777	2,000,997	102,030	52,348	492,689
Total Governmental Activities	3,227,118	3,312,097	3,480,352	2,732,462	4,017,068	3,708,404	4,030,793	2,640,889	2,897,651	3,643,608
Business-type Activities:										
Charges for services:	12,947,466	14,160,281	15,294,834	14,286,280	14,703,547	14,038,278	15,227,616	15,691,253	15,834,004	16,547,963
Utility operations	3,079,968	3,185,505	3,209,777	3,411,064	3,358,419	3,533,135	3,561,216	3,869,133	3,982,334	4,261,665
Sanitation	2,030,719	3,077,210	1,702,719	1,945,569	2,062,901	5,409,269	6,052,389	2,645,266	2,861,320	2,868,622
Emergency medical services	-	-	521	8,983	11,083	-	879,834	468,230	506,638	189,701
Operating grants and contributions	84,434	22,578	312,250	58,560	35,531	131,146	-	70,730	1,040,715	8,542
Capital grants and contributions	18,142,587	20,445,574	20,520,101	19,710,456	20,171,481	23,111,828	25,721,055	22,744,612	24,225,011	23,876,493
Total Business-type Activities	\$ 21,369,705	\$ 23,757,671	\$ 24,000,453	\$ 22,442,918	\$ 24,188,549	\$ 26,820,232	\$ 29,751,848	\$ 25,385,501	\$ 27,122,662	\$ 27,520,101
Total Program Revenues	\$ (18,107,288)	\$ (15,189,666)	\$ (16,048,848)	\$ (17,451,253)	\$ (16,174,867)	\$ (16,001,971)	\$ (16,969,568)	\$ (18,937,092)	\$ (19,762,936)	\$ (18,772,505)
Net (Expense)/Revenue	3,372,393	5,522,067	5,134,730	834,745	4,276,420	3,185,098	5,538,216	5,095,208	5,418,000	3,784,248
Governmental Activities	\$ (14,734,895)	\$ (9,667,599)	\$ (10,914,118)	\$ (16,616,508)	\$ (11,898,447)	\$ (12,816,873)	\$ (11,431,352)	\$ (13,841,884)	\$ (14,344,936)	\$ (14,988,257)
Business-type Activities										
Total Net Expense										

CITY OF CORSICANA, TEXAS
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues										
Governmental Activities:										
Property taxes	\$ 7,483,973	\$ 7,514,547	\$ 7,660,066	\$ 7,828,414	\$ 8,173,945	\$ 7,463,669	\$ 7,860,959	\$ 8,109,922	\$ 8,305,309	\$ 8,663,754
Sales taxes	5,034,621	4,996,997	5,195,660	5,522,784	5,789,582	6,019,571	6,163,208	6,359,457	6,497,484	6,456,406
Franchise taxes	2,128,682	1,965,427	2,109,086	2,085,066	1,971,939	2,021,723	2,124,384	2,017,440	2,053,150	2,150,662
Hotel occupancy taxes	374,282	348,217	361,052	396,481	399,656	455,671	556,702	472,337	556,176	581,701
Alcoholic beverage taxes	33,497	32,355	30,631	31,811	33,885	43,850	45,814	48,679	46,782	50,223
Investment earnings	51,104	14,755	36,850	21,873	18,019	12,655	10,551	29,487	51,291	85,927
Gain on sale of capital assets	-	97,730	(52,154)	17,632	(113,028)	41,436	(180,473)	5,568	16,282	23,543
Miscellaneous	188,131	191,176	393,800	310,857	229,050	123,535	165,499	190,370	159,775	272,497
Transfers in/out	1,573,145	1,581,995	2,201,716	2,351,240	1,260,277	1,930,841	2,278,510	1,335,328	1,089,532	2,111,980
Total Governmental Activities	16,867,435	16,743,199	17,936,707	18,566,158	17,763,325	18,112,951	19,025,154	18,568,588	18,775,781	20,396,693
Business-type Activities:										
Investment earnings	25,027	17,891	31,468	19,339	12,336	3,868	2,108	6,169	13,302	20,717
Gain on sale of capital assets	-	-	52,718	40,784	6,073	50,761	11,228	26,940	129,034	19,069
Miscellaneous	-	-	-	-	-	87,570	91,371	-	-	-
Transfers in/out	(1,573,145)	(1,581,995)	(2,201,716)	(2,351,240)	(1,260,277)	(1,930,841)	(2,278,510)	(1,335,328)	(1,089,532)	(2,111,980)
Total Business-type Activities	(1,548,118)	(1,564,104)	(2,117,530)	(2,291,117)	(1,241,868)	(1,788,642)	(2,173,803)	(1,302,219)	(947,196)	(2,072,194)
Total primary government	\$ 15,319,317	\$ 15,179,095	\$ 15,819,177	\$ 16,275,041	\$ 16,521,457	\$ 16,324,309	\$ 16,851,351	\$ 17,266,369	\$ 17,828,585	\$ 18,324,499
Change in Net Position										
Governmental Activities	\$ (1,239,853)	\$ 1,553,533	\$ 1,887,859	\$ 1,114,905	\$ 1,588,458	\$ 2,110,980	\$ 2,055,586	\$ (368,504)	\$ (987,155)	\$ 1,624,188
Business-type Activities	1,824,275	3,957,963	3,017,200	(1,456,372)	3,034,552	1,396,456	3,364,413	3,792,989	4,470,804	1,712,054
Total Change in Net Position	\$ 584,422	\$ 5,511,496	\$ 4,905,059	\$ (341,467)	\$ 4,623,010	\$ 3,507,436	\$ 5,419,999	\$ 3,424,485	\$ 3,483,649	\$ 3,336,242

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
 Note: The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF CORSICANA, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ 24,103	\$ 38,409	\$ 51,166	\$ 57,494	\$ 55,572	\$ 58,924	\$ 80,272	\$ 106,705	\$ 114,162	\$ 101,478
Assigned	-	-	1,140,271	743,888	1,178,248	80,000	80,000	82,018	83,546	84,182
Unassigned	1,820,851	3,074,774	3,423,887	3,873,916	4,692,009	6,486,647	5,917,339	4,500,302	5,144,505	5,556,276
Total general fund	\$ 1,844,954	\$ 3,113,183	\$ 4,615,324	\$ 4,675,298	\$ 5,925,829	\$ 6,625,571	\$ 6,077,611	\$ 4,689,025	\$ 5,342,213	\$ 5,741,936
All other governmental funds										
Nonspendable	\$ 31,366	\$ 30,454	\$ 30,454	\$ 42,197	\$ 43,877	\$ 40,168	\$ 21,022	\$ 20,118	\$ 42,549	\$ 36,865
Restricted	3,624,578	2,942,808	6,210,955	3,538,602	6,187,752	3,508,724	5,421,865	7,381,284	4,327,333	6,774,291
Committed	-	-	-	-	-	-	-	548,614	41,828	306,068
Assigned	-	-	-	28,815	21,818	126,222	757,113	58,832	47,891	-
Unassigned	(1,053,004)	(895,219)	(1,713,092)	(752,490)	(627,358)	(485,135)	(397,123)	(240,997)	(159,632)	(562,990)
Total all other governmental funds	\$ 2,602,940	\$ 2,078,043	\$ 4,528,317	\$ 2,857,124	\$ 5,626,089	\$ 3,189,979	\$ 5,802,877	\$ 7,767,851	\$ 4,299,969	\$ 6,554,234

Source: Comprehensive Annual Financial Report

CITY OF CORSICANA, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Property taxes	\$ 7,446,802	\$ 7,449,054	\$ 7,682,862	\$ 7,832,086	\$ 8,222,550	\$ 7,479,874	\$ 7,851,370	\$ 8,060,920	\$ 8,202,802	\$ 8,737,342
Sales taxes	5,034,621	4,996,997	5,195,660	5,522,784	5,789,582	6,019,571	6,163,208	6,359,457	6,497,484	6,456,406
Franchise taxes	2,128,682	1,965,427	2,109,086	2,085,066	1,971,939	2,021,723	2,124,384	2,017,440	2,053,150	2,150,662
Hotel occupancy taxes	374,282	348,217	319,459	379,678	404,973	466,590	598,862	472,337	556,176	581,701
Alcoholic beverage taxes	33,497	32,355	30,631	31,811	33,885	43,850	45,814	48,679	46,782	50,223
Licenses and permits	125,058	206,965	175,066	185,953	225,117	189,217	192,472	266,116	213,732	199,484
Fines and forfeitures	624,717	701,340	600,098	555,896	630,167	502,551	486,290	393,167	410,307	384,637
Charges for current services	425,829	397,883	474,035	490,874	511,908	516,528	444,656	1,280,655	1,388,538	1,319,159
Investment earnings	51,104	14,753	38,057	22,335	18,014	12,655	10,551	29,486	51,279	85,928
Miscellaneous	330,118	333,850	528,596	451,467	400,243	260,835	298,831	358,408	310,604	406,641
Intergovernmental	1,321,857	1,467,302	1,009,559	1,413,897	1,981,557	1,585,481	1,513,796	470,535	343,552	1,066,208
Contributions and donations	490,648	425,015	241,350	788,921	523,046	444,490	1,311,501	190,282	413,613	296,998
Total revenues	18,387,215	18,339,158	18,404,459	19,760,768	20,712,981	19,523,365	21,041,735	19,947,482	20,488,019	21,735,391
EXPENDITURES										
Current:										
General government	3,947,760	2,759,480	2,978,286	3,230,795	3,242,689	4,081,164	3,131,469	2,584,023	2,512,448	2,749,114
Judicial	371,350	374,899	385,241	431,614	422,985	412,027	435,845	604,967	578,790	517,485
Public safety	7,777,689	8,515,399	7,912,394	7,998,438	7,854,553	7,863,862	8,362,547	8,448,469	8,645,434	9,303,672
Community support services	721,616	748,585	1,081,217	949,136	1,683,762	530,330	891,386	634,418	457,822	471,048
Public works	3,004,149	2,625,393	3,901,088	4,140,675	3,017,473	3,033,383	3,315,838	4,150,413	3,798,673	3,017,195
Cultural and recreational	1,993,306	1,645,593	1,898,052	2,007,945	2,443,232	2,334,182	2,807,332	2,525,434	2,247,833	2,781,605
Building and vehicle maintenance	610,156	529,065	758,935	652,727	506,143	469,709	409,895	373,926	379,304	453,673
Debt service										
Principal retirement	1,078,094	986,916	821,888	1,053,512	1,321,533	1,524,086	1,735,930	1,825,300	1,974,215	1,945,582
Interest and fiscal charges	651,680	681,747	544,343	649,896	600,085	715,258	616,622	659,034	869,727	679,898
Bond issuance costs	-	26,584	96,637	-	117,560	-	52,020	180,324	-	150,220
Capital outlay	2,098,873	909,276	44,067	3,076,920	1,478,705	3,148,346	3,971,816	3,619,518	3,628,981	5,002,166
Total expenditures	22,254,673	19,802,937	20,422,148	24,191,658	22,688,720	24,112,347	25,730,700	25,605,826	25,093,227	27,071,658
Excess (deficiency) of revenues over (under) expenditures	(3,867,458)	(1,463,779)	(2,017,689)	(4,430,890)	(1,975,739)	(4,588,982)	(4,688,965)	(5,658,344)	(4,605,208)	(5,336,267)
Other financing sources (uses)										
Transfers in	2,173,811	2,742,970	3,529,270	3,835,111	3,779,759	4,189,044	5,345,901	4,079,466	3,727,640	3,540,571
Transfers out	(600,666)	(1,160,975)	(1,465,694)	(1,491,502)	(2,519,482)	(2,258,203)	(3,067,391)	(2,744,138)	(2,638,108)	(1,428,591)
Refunding bonds issued	-	-	-	-	-	-	-	-	-	1,300,000
Certificates of obligation issued	-	-	-	-	-	-	-	-	-	1,810,000
General obligation bonds issued	-	1,290,000	3,205,000	-	3,400,000	-	4,243,066	8,510,000	-	2,925,000
Premium on bonds issued	-	72,755	6,712	-	219,168	-	270,227	589,791	-	165,567
Discount on bonds issued	-	-	-	-	-	-	-	-	-	(19,444)
Payment to refunded bond escrow agent	-	(1,305,000)	-	-	-	-	(663,664)	(4,997,351)	-	(1,341,321)
Capital leases	-	-	793,283	437,805	1,072,405	878,750	594,810	267,787	684,700	1,014,930
Note proceeds	146,718	42,048	-	-	-	-	-	366,124	-	-
Sale of capital assets	-	262,872	25,186	35,919	43,385	43,023	30,954	163,053	16,282	23,543
Total other financing sources (uses)	1,719,863	1,944,670	6,093,757	2,817,333	5,995,235	2,852,614	6,753,903	6,234,732	1,790,514	7,990,255
Net change in fund balances	\$ (2,147,595)	\$ 480,891	\$ 4,076,068	\$ (1,613,557)	\$ 4,019,496	\$ (1,736,368)	\$ 2,064,938	\$ 576,388	\$ (2,814,694)	\$ 2,653,988
Debt service as a percentage of noncapital expenditures	8.29%	9.45%	7.74%	8.53%	10.26%	11.18%	11.39%	12.72%	13.17%	12.47%

Source: Comprehensive Annual Financial Report

CITY OF CORSICANA, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year	Estimated Actual Value		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2009	\$ 814,596,190	\$ 526,040,140	\$ 157,213,077	\$1,183,423,253	0.62720
2010	877,439,920	432,508,540	108,263,225	1,201,685,235	0.62720
2011	867,995,410	434,532,820	80,289,150	1,222,239,080	0.62720
2012	865,533,555	432,735,030	77,898,334	1,220,370,251	0.62720
2013	881,569,127	423,714,980	55,434,726	1,222,239,080	0.62720
2014	877,314,365	378,409,500	50,374,434	1,205,349,431	0.62720
2015	906,720,250	435,913,320	73,276,488	1,269,357,082	0.62720
2016	1,117,741,790	437,513,449	266,440,312	1,288,814,927	0.62720
2017	1,173,461,334	422,682,507	293,992,340	1,302,151,501	0.62720
2018	1,261,843,941	439,891,144	315,844,210	1,385,890,875	0.62720

Source: City Finance Department.

CITY OF CORSICANA, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	City of Corsicana			Overlapping Rates			Total Direct and Overlapping Rates
	Operating / General Rate	General Obligation Debt Service	Total Direct	Corsicana Independent School District	Navarro College	Navarro County	
2009	\$ 0.49060	\$0.13660	\$0.62720	\$ 1.28570	\$0.11900	\$0.58280	\$ 2.61470
2010	0.50964	0.11756	0.62720	1.28300	0.11900	0.62700	2.65620
2011	0.52079	0.10641	0.62720	1.28300	0.11900	0.62700	2.65620
2012	0.51980	0.10740	0.62720	1.28300	0.11900	0.62700	2.65620
2013	0.49790	0.12930	0.62720	1.28300	0.11900	0.62700	2.65620
2014	0.46900	0.15820	0.62720	1.28030	0.12020	0.62700	2.65470
2015	0.47040	0.15680	0.62720	1.28030	0.12020	0.62700	2.65470
2016	0.45640	0.17080	0.62720	1.37030	0.11830	0.62700	2.74280
2017	0.43970	0.18750	0.62720	1.37030	0.12180	0.62700	2.74630
2018	0.43010	0.19710	0.62720	1.37030	0.12180	0.62700	2.74630

Source: City Finance Department.

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Corsicana, Texas.

CITY OF CORSICANA, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Guardian Industries	\$ 67,057,775	1	4.84%	\$ -	-	-
Nalco Company	46,053,410	2	3.32%	-	-	-
Pactiv-Foam	41,620,920	3	3.00%	-	-	-
Russell Stover Candies Inc.	36,695,360	5	2.65%	12,387,510	5	1.05%
True Value Co	27,490,580	4	1.98%	19,641,460	2	1.66%
2200 South Business 45 LLC	15,962,860	6	1.15%	-	-	-
Polyguard Products, Inc	15,503,790	7	1.12%	-	-	-
Navarro Pecan Co Inc.	15,064,810	9	1.09%	-	-	-
Oncor Electric Delivery Co LLC	14,926,580	8	1.08%	11,438,020	8	0.97%
Industrial Pipe Fittings LLC	14,861,000	10	1.07%	-	-	-
Home Depot	-	-	-	33,253,470	1	2.81%
National Industrial Portfolio Borrowers	-	-	-	18,241,000	3	1.54%
Corsicana Technologies, Inc.	-	-	-	13,918,800	4	1.18%
Navarro Regional Hospital, Inc.	-	-	-	12,217,910	6	1.03%
True Value Co	-	-	-	11,542,360	7	0.98%
Corsicana Industrial Foundation	-	-	-	8,967,150	9	0.76%
National Industrial Portfolio Borrowers	-	-	-	8,950,040	10	0.76%
Total	\$ 295,237,085		21.30%	\$ 150,557,720		10.86%

Source: City Finance Department.

CITY OF CORSICANA, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

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 Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2009	\$ 7,422,431	\$ 7,213,426	97.18 %	\$ 195,674	\$ 6,857,310	92.39 %
2010	7,536,970	7,225,383	95.87	292,744	7,518,127	99.75
2011	7,665,884	7,416,905	96.75	227,691	7,644,596	99.72
2012	7,654,162	7,482,118	97.75	146,207	7,628,325	99.66
2013	7,839,055	7,676,886	97.93	132,604	7,809,490	99.62
2014	7,559,951	7,421,489	98.17	102,157	7,523,646	99.52
2015	7,961,408	7,831,740	98.37	82,981	7,914,721	99.41
2016	8,068,143	7,904,440	97.97	104,286	8,008,726	99.26
2017	8,160,202	7,985,321	97.86	93,891	8,079,212	99.01
2018	8,633,793	8,442,844	97.79	N/A	8,442,844	97.79

Source: City Finance Department.

CITY OF CORSICANA, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Activities					Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹	
	Certificates of Obligation		General Obligation Bonds		Line of Credit	Certificates of Obligation		General Obligation Bonds		Revenue Bonds				Capital Leases
	Obligation	Payable	Obligation	Notes		Obligation	Obligation	Bonds	Leases					
2009	\$ 6,118,590	\$ 653,855	\$ 94,124	\$ 453,166	\$ 22,676,410	\$ 304,826	\$ 22,630,000	\$ 461,877	\$ 60,153,022	N/A	\$ 2,228			
2010	4,633,903	621,602	833,399	261,837	19,101,097	11,035,000	12,910,000	301,673	57,228,511	N/A	2,081			
2011	4,542,209	586,417	724,335	923,901	21,552,791	9,670,000	12,500,000	873,680	61,633,333	N/A	2,593			
2012	4,446,988	551,232	619,887	1,126,934	20,628,012	8,120,000	12,080,000	1,230,065	58,483,118	12.78%	2,447			
2013	4,344,715	516,047	515,966	1,754,185	19,645,285	6,505,000	11,640,000	1,186,736	58,552,934	N/A	2,458			
2014	4,195,340	486,726	412,154	2,069,783	18,639,660	5,520,000	10,530,000	829,987	54,378,650	12.46%	2,280			
2015	3,300,000	486,726	302,649	1,926,928	17,315,000	8,026,934	5,355,000	1,299,012	53,260,315	12.19%	2,233			
2016	-	715,476	192,823	1,581,547	16,249,852	7,092,902	4,588,488	1,780,584	54,301,621	12.17%	2,267			
2017	-	666,907	87,464	1,662,851	7,499,517	13,382,017	3,818,488	2,385,322	50,240,764	10.76%	2,090			
2018	1,926,791	632,130	-	2,142,278	6,354,181	14,246,093	-	2,101,642	49,712,624	10.46%	2,054			

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Personal income data and population data can be found in the Schedule of Demographic and Economic Statistics on page 148.

N/A Not available

CITY OF CORSICANA, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	Certificates of Obligation	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2009	\$28,795,000	\$7,065,000	\$ 73,669	\$35,786,331	3.02%	\$ 1,325
2010	23,735,000	18,565,000	30,485	42,269,515	3.52%	1,537
2011	26,095,000	19,930,000	195,646	45,829,354	3.75%	1,928
2012	25,075,000	17,800,000	79,219	42,795,781	3.51%	1,791
2013	23,990,000	18,950,000	112,361	42,827,639	3.50%	1,798
2014	22,835,000	17,215,000	98,387	39,951,613	3.31%	1,675
2015	20,615,000	23,275,000	149,800	43,740,200	3.45%	1,834
2016	16,249,852	29,192,851	144,852	45,297,851	3.51%	1,891
2017	7,499,517	34,120,215	200,907	41,418,825	3.18%	1,723
2018	8,280,972	36,555,602	225,856	44,610,718	3.22%	1,843

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 140 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 148.

CITY OF CORSICANA, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Corsicana ISD	\$ 98,044,997	69.98%	\$ 68,611,899
Debt repaid with property taxes: Mildred ISD	16,842,307	11.38%	1,916,655
Debt repaid with property taxes: Navarro County	6,680,000	44.46%	<u>2,969,928</u>
Subtotal, overlapping debt			73,498,482
City of Corsicana, Texas direct debt			<u>27,010,708</u>
Total direct and overlapping debt			<u><u>\$ 100,509,190</u></u>

Source: Texas Municipal Reports

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the property taxes of the City of Corsicana, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxes should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the city's boundaries and dividing it by the county and school district's total taxable assessed value.

CITY OF CORSICANA, TEXAS
PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years

Waterworks and Sewer System Revenue Bonds

Fiscal Year	Total Revenues¹	Less Operating Expenses²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 12,969,339	\$ 7,757,346	\$ 5,211,993	\$1,395,000	\$1,016,953	2.16
2010	14,176,298	7,342,951	6,833,347	1,455,000	954,208	2.84
2011	15,322,836	7,534,268	7,788,568	410,000	527,314	8.31
2012	14,331,549	10,264,571	4,066,978	420,000	512,483	4.36
2013	14,714,761	7,694,325	7,020,436	440,000	495,583	7.50
2014	14,204,608	8,314,023	5,890,585	1,110,000	474,639	3.72
2015	15,401,972	7,652,691	7,749,281	1,150,000	360,430	5.13
2016	15,715,368	9,377,582	6,337,786	745,000	217,929	6.58
2017	15,814,017	9,475,252	6,338,765	770,000	188,129	6.62
2018	16,572,061	10,836,310	5,735,751	2,595,000	607,650	1.79

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ Includes operating and nonoperating revenues.

² Includes operating expenses minus depreciation.

CITY OF CORSICANA, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Estimated Population¹	Personal Income¹	Per Capita Personal Income²	Median Age³	Public School Enrollment⁴	Unemployment Rate⁵
2009	27,000	N/A	N/A	*	5,649	7.8 %
2010	27,500	N/A	N/A	*	5,633	8.0
2011	23,770	N/A	N/A	33.4	5,715	8.5
2012	23,899	457,464,000	19,142	*	5,782	8.0
2013	23,820	N/A	N/A	32.5	5,891	6.8
2014	23,850	436,574,250	18,305	32.7	5,906	5.3
2015	23,850	437,027,400	18,324	34.0	5,826	4.1
2016	23,952	446,082,040	18,624	39.0	5,900	4.1
2017	24,040	467,073,160	19,429	39.0	5,916	4.1
2018	24,200	475,239,600	19,638	35.5	6,020	6.0

Sources:

- ¹ Population X Per Capita Income, Areadvibes
- ² North Central Texas Council of Governments
- ³ Retail Coach Report 2016, Areadvibes
- ⁴ Corsicana Independent School District, Areadvibes
- ⁵ Texas Workforce Commission, Labor Market & Career Information (LMCI) Department

* Median age only available when released in census years.

N/A Not available

CITY OF CORSICANA, TEXAS
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corsicana ISD	810	1	6.75%	802	2	6.89%
Russell Stover Candies	* 726	2	6.05%	825	1	7.09%
Navarro Regional Hospital	350	3	2.92%	350	5	3.01%
Collin Street Bakery	347	4	2.89%	766	3	6.58%
Navarro County	337	5	2.81%	284	8	2.44%
Guardian Industries	325	6	2.71%	390	4	3.35%
Navarro College	312	7	2.60%	264	9	2.27%
Corsicana Bedding	314	8	2.62%	-		-
City of Corsicana	~ 276	9	2.30%	336	7	2.89%
Kohl's Distribution Center	200	10	1.67%	250	10	2.15%
Texas Youth Commission	-		-	338	6	2.91%
Total	3,997		33.32%	4,605		39.58%

Source: City Economic Development Department.

* Employee number may vary significantly in accordance with seasonal employment.

~ Includes part-time employees.

CITY OF CORSICANA, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government Administration	12.0	12.0	11.0	12.0	12.0	12.0	13.5	13.5	13.5	13.5
Public Safety										
Police	58.0	58.0	59.0	59.0	60.0	60.0	60.0	60.0	60.0	60.0
Judicial	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Fire	38.0	38.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
EMS	22.0	22.0	22.0	25.0	26.0	28.0	28.0	34.0	34.0	34.0
Animal Control/Shelter	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Engineering/IT	8.0	8.0	7.0	7.0	7.0	7.0	7.0	6.5	6.5	7.0
Streets	17.0	17.0	16.0	15.7	15.7	15.7	15.7	15.7	15.7	15.9
Community Support/P&Z	6.5	6.5	4.8	4.8	4.8	4.8	4.8	4.4	4.4	4.8
Cemetery Admin/Mtc	3.5	3.5	0.3	0.3	0.3	0.3	0.25	0.13	0.1	0.3
Bldg/Equip Mtc	7.0	7.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Cultural and Recreational										
Parks and Recreation	17.0	17.0	14.0	13.0	14.0	14.0	12.0	12.0	12.0	12.0
Library	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Airport										
Sanitation Services	15.0	15.6	15.6	15.8	15.8	15.8	15.8	15.8	15.8	16.0
Utility Operating										
Environmental Svc/Analysis	8.0	6.0	6.0	5.3	5.3	5.3	5.3	5.3	5.3	5.2
Utility System Mtc	22.0	16.0	16.0	20.8	20.8	20.8	19.8	19.8	19.8	19.8
Utility Billing/Collections	7.0	7.0	7.0	7.0	7.0	7.0	6.5	6.5	6.5	6.5
Water	15.0	15.8	15.8	15.2	15.2	15.2	15.2	15.2	15.2	15.6
Wastewater	12.0	12.6	12.6	12.2	12.2	12.2	13.2	13.2	13.2	13.7
Total	284.0	276.0	261.1	266.1	269.1	270.0	269.0	274.0	274.0	276.0

Source: City Finance Department.

CITY OF CORSICANA, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Reported Crimes (Calendar Year)	1,338	1,428	1,341	1,473	1,365	1,290	1,141	1,090	1,050	1,476
Number of Violations (Citations)	7,657	7,642	5,650	6,036	5,906	6,375	5,217	4,743	4,777	3,310
Judicial										
Municipal Court Fines-Cash	\$ 601,906	\$ 673,361	\$ 588,144	\$ 506,918	\$ 618,886	\$ 476,987	\$ 468,451	\$ 373,721	\$ 247,451	\$ 526,890
Fire										
Fire Calls (Including City and County)	2,085	1,485	2,159	2,100	2,094	2,229	2,259	2,255	2,312	2,440
EMS										
EMS Calls (Including City and County)	5,973	5,688	5,733	5,594	5,823	6,110	6,350	6,254	6,212	6,378
Planning & Zoning										
Building Permits Issued (Units)	164	201	202	190	211	349	517	455	300	422
Permit Value	\$ 1,261,116	\$ 1,627,576	\$ 1,236,618	\$ 1,090,350	\$ 1,254,467	\$ 1,920,876	\$ 13,974,934	\$ 2,205,648	\$ 1,295,576	\$ 2,405,198
Streets										
Miles of Streets Maintained	158	158	161	161	160	160	160	160	160	164
Health										
Animals Impounded (Calendar Year)	2,894.0	2,601	2,806	2,702	2,575	2,344	2,002	1,922	2,022	1,677
Cultural and Recreational										
Parks Maintained	12	13	13	13	13	13	13	16	16	16
Library										
Patrons	93,091	85,978	87,839	83,416	86,177	78,434	76,222	76,737	76,438	78,531
Water										
Number of Water Customers	8,808	8,812	8,891	8,847	8,885	9,020	8,891	8,898	8,879	8,474
Sewer										
Number of Wastewater Customers	7,854	7,871	7,945	7,933	7,937	7,986	7,928	7,934	7,947	7,988

* Total include all permits issued, not just building permits. Data for building permits only is not available.
 Sources: Various government departments.

CITY OF CORSICANA, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Fire Hydrants	886	893	925	863	916	925	945	941	941	943
Streets										
Miles of Streets	158	158	161	161	160	160	160	160	160	160
Cultural and Recreational										
Parks Maintained	12	13	13	13	13	13	13	16	16	16
Library										
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Water										
Water Plant Capacity (million gallons per day)	24.25	24.25	24.25	24.25	24.25	24.25	24.25	24.25	24.25	24.25
Water Storage Capacity (million gallons per day)	13.015	13.015	13.015	13.015	13.015	13.015	13.015	13.015	13.015	13.015
Sewer										
Sewer Plant Capacity (million gallons per day)	9.11	9.11	9.11	9.11	9.11	9.11	9.11	9.11	9.11	9.11

Sources: Various government departments.