

# *Corsicana* TEXAS



## *Annual Comprehensive Financial Report*

For the Fiscal Year Ended September 30, 2022



**CITY OF CORSICANA, TEXAS**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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## **INTRODUCTORY SECTION**

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March 31, 2023

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

State regulations require that local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Annual Comprehensive Financial Report for the City of Corsicana (City) is published to fulfill those requirements for the fiscal year ended September 30, 2022.

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.

Pattillo, Brown & Hill, L.L.P., has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

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

## **PROFILE OF THE CITY OF CORSICANA**

The City of Corsicana, incorporated in 1848, is located in north central Texas, fifty miles southeast of Dallas. It currently occupies 24 square miles and serves an estimated population of 25,710. The City 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 is a Home Rule City that has operated under the City Manager/City Council form of government since the Charter was adopted in 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 Manager, who in turn appoints its department heads.

The City 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'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 interdepartmental fund transfers within a fund as becomes necessary to avoid expenditures of a particular account or department exceeding appropriations.

## **LOCAL ECONOMY**

The City of Corsicana's location in the Texas Triangle (DFW-Houston-San Antonio) and specifically the Dallas-Fort Worth Metroplex allows the City to take advantage of the economic development opportunities will also offering a lower cost-of-living. Corsicana is a community where you can grow a business, pursue a meaningful career, and raise a family. 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 has a diverse industrial base manufacturing, processing and distribution centers. The manufacturing facilities produce and distribute glass, consumer and food service packaging, bedding, roofing products, iron casting, chemical, PVC and HDPE pipe, pecans, candies, baked goods and more. Other businesses located within the City's boundaries include a college, a hospital and cancer treatment center, numerous retail stores, restaurants, and several financial institutions and insurance companies. The college, school district, County and City also have a significant economic presence employing more than 1,600 teachers, professionals and support staff.

During the Covid-19 pandemic the unemployment rate reached a high of 9.8% in April and May of 2020. In September 2022, the unemployment rate was 3.6% which compares favorably with the State of Texas, which had an unemployment rate of 3.8 in September 2022. While the local economy remains very strong, rising interest rates may have an impact on the economy in 2023.

Due to its strong and healthy local economy, the City has a tax bond credit rating of A1+ from Moody's Investor Service and AA- from Standard & Poor's.

The City 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's already strong economic base. Thanks to the diversity of its commercial base, the City 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 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 the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the City 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 has adopted a comprehensive financial policy, which was revised in December 2021. 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 35 percent of total General Fund operating budget for fiscal year 2022 and was a decrease from fiscal year 2021. This was due to \$1,943,744 in one time purchases including new software for accounting and asset tracking, new police vehicles, fire station improvements, street repair, park improvements, and Palace Theater repairs.

The General Fund's fund balance remains healthy at September 30, 2022 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.

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,



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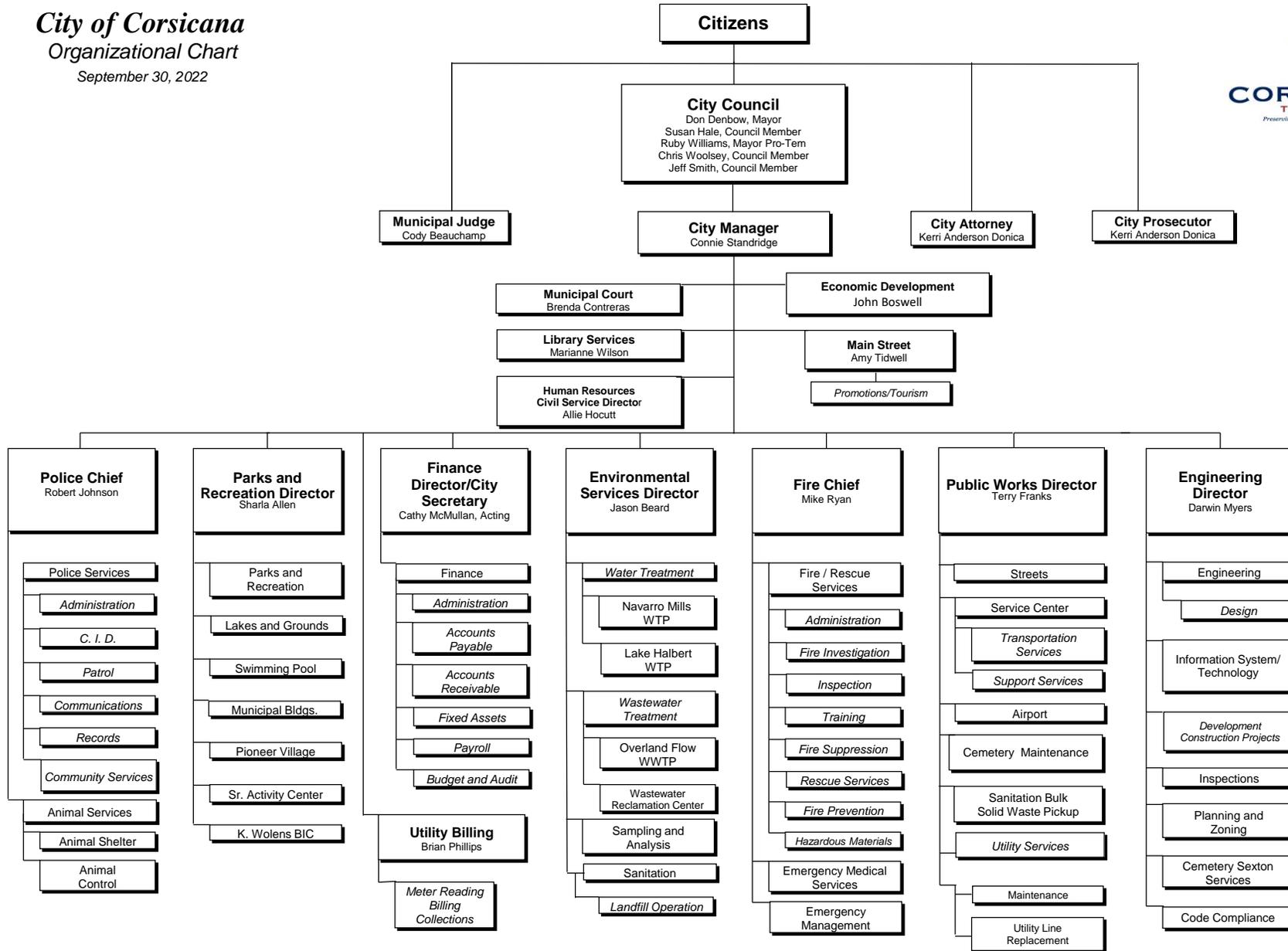
Connie Standridge, City Manager



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Cathy McMullan, Interim Finance Director

**City of Corsicana**  
**Organizational Chart**  
 September 30, 2022



**CITY OF CORSICANA, TEXAS**  
**LIST OF ELECTED AND APPOINTED CITY OFFICIALS**  
September 30, 2022

Elected Officials

<u>Elected Officials</u>	<u>Position</u>	<u>Length of Service</u>	<u>Term Expires</u>
Don Denbow	Mayor	11 Years	May 2023
Susan Hale	Council Member, Precinct 1	6 Years	May 2024
Ruby Williams	Mayor Pro Tem, Precinct 2	17 Years	May 2024
Chris Woolsey	Council Member, Precinct 3	4 Years	May 2023
Jeff Smith	Council Member, Precinct 4	6 Years	May 2023
Kerri Anderson Donica	City Attorney	5 Years	May 2023
Cody Beauchamp	Municipal Court Judge	8 Years	May 2023

Appointed Officials

<u>Name</u>	<u>Position</u>	<u>Length of City Service</u>	<u>Length of Total Service</u>
Connie Standridge	City Manager	26 Years	38 Years
Robert Johnson	Chief of Police	12 Years	37 Years
Sharla Allen	Parks/Recreation Director	27 Years	35 Years
Cathy McMullan	Acting Finance Director/City Secretary	14 Years	32 Years
Jason Beard	Environmental Services Director	20 Years	20 Years
Mike Ryan	Fire Chief	1 Year	28 Years
Terry Franks	Public Works Director	15 Years	45 Years
Darwin Myers	Engineering Services Director	5 Years	38 Years
Brenda Contreras	Municipal Court Administrator	18 Years	18 Years
John Boswell	Economic Development Director	4 Year	4 Year
Marianne Wilson	Library Services Director	4.5 Years	18 Years
Amy Tidwell	Main Street Director	2 Years	2 Years
Allie Hocutt	Human Resources/Civil Service Director	6 Years	6 Years
Marilyn Reed	Senior Executive Secretary	20 Years	29 Years

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor,  
City Council and City Manager  
City of Corsicana, Texas

### Report on the Financial Statements

#### Opinions

We have audited the 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 (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of September 30, 2022, 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.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules as listed in the table of contents presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Patillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 31, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal.

### 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 \$115,584,112 (net position). Of this amount \$1,027,831 represents unrestricted net position.
- The City's total net position increased by \$8,879,492.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$36,431,260, an increase of \$13,893,626 in comparison with the prior year. Approximately 23% of this amount (\$8,235,387) 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 \$8,555,132, or approximately 40% 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 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 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 immediately following the management's discussion and analysis.

**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 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 43 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, COVID-19 Fund, Debt Service Fund and Public Safety Fund, which are considered to be major funds. Data from the other 39 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 schedule has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

**Proprietary Funds.** The City maintains one type of proprietary fund. 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 following the basic governmental fund financial statements.

**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 follow the proprietary fund financial statements.

**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.

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 immediately follow the required supplementary information.

## **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 \$115,584,112, at the close of the most recent fiscal year.

## CITY OF CORSICANA'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 47,326,857	\$ 30,086,901	\$ 8,778,234	\$ 10,893,742	\$ 56,105,091	\$ 40,980,643
Capital assets	<u>78,938,407</u>	<u>79,169,531</u>	<u>67,851,846</u>	<u>61,691,341</u>	<u>146,790,253</u>	<u>140,860,872</u>
Total assets	<u>126,265,264</u>	<u>109,256,432</u>	<u>76,630,080</u>	<u>72,585,083</u>	<u>202,895,344</u>	<u>181,841,515</u>
Deferred outflows of resources	<u>2,255,282</u>	<u>1,490,587</u>	<u>1,067,044</u>	<u>915,012</u>	<u>3,322,326</u>	<u>2,405,599</u>
Current and other liabilities	13,625,090	9,419,710	4,436,360	4,736,938	18,061,450	14,156,648
Long-term liabilities	<u>41,646,043</u>	<u>37,955,281</u>	<u>23,485,530</u>	<u>21,286,172</u>	<u>65,131,573</u>	<u>59,241,453</u>
Total liabilities	<u>55,271,133</u>	<u>47,374,991</u>	<u>27,921,890</u>	<u>26,023,110</u>	<u>83,193,023</u>	<u>73,398,101</u>
Deferred inflows of resources	<u>5,717,047</u>	<u>2,728,537</u>	<u>1,723,488</u>	<u>1,415,856</u>	<u>7,440,535</u>	<u>4,144,393</u>
Net position:						
Net investment						
in capital assets	57,511,254	52,633,007	46,692,181	47,489,908	104,203,435	100,122,915
Restricted	10,352,846	8,390,022	-	-	10,352,846	8,390,022
Unrestricted	<u>( 331,734)</u>	<u>( 379,538)</u>	<u>1,359,565</u>	<u>( 1,428,779)</u>	<u>1,027,831</u>	<u>( 1,808,317)</u>
Total net position	<u>\$ 67,532,366</u>	<u>\$ 60,643,491</u>	<u>\$ 48,051,746</u>	<u>\$ 46,061,129</u>	<u>\$ 115,584,112</u>	<u>\$ 106,704,620</u>

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 (9%) 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 additions from capital outlays and work-in-progress exceeded depreciation and retirements.

The City's overall net position increased \$8,879,492 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

## CITY OF CORSICANA'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,393,542	\$ 2,388,456	\$ 25,402,647	\$ 25,050,498	\$ 27,796,189	\$ 27,438,954
Operating grants and contributions	931,481	2,880,783	119,250	618,730	1,050,731	3,499,513
Capital grants and contributions	2,707,688	1,446,769	-	-	2,707,688	1,446,769
General revenues:						
Property taxes	11,094,292	11,353,367	-	-	11,094,292	11,353,367
Sales taxes	9,770,034	8,413,802	-	-	9,770,034	8,413,802
Franchise taxes	2,230,426	2,027,623	-	-	2,230,426	2,027,623
Hotel occupancy taxes	1,004,373	647,158	-	-	1,004,373	647,158
Alcoholic beverage taxes	69,646	66,294	-	-	69,646	66,294
Investment earnings	273,607	28,301	55,666	2,709	329,273	31,010
Gain on sale of capital assets	-	-	5,063	14,981	5,063	14,981
Miscellaneous	217,072	455,929	-	-	217,072	455,929
Total revenues	<u>30,692,161</u>	<u>29,708,482</u>	<u>25,582,626</u>	<u>25,686,918</u>	<u>56,274,787</u>	<u>55,395,400</u>
Expenses:						
General government	4,062,494	3,184,167	-	-	4,062,494	3,184,167
Judicial	355,146	909,608	-	-	355,146	909,608
Public safety	13,098,605	10,205,469	-	-	13,098,605	10,205,469
Community support services	223,275	795,050	-	-	223,275	795,050
Public works	7,082,792	5,984,503	-	-	7,082,792	5,984,503
Cultural and recreational	2,913,644	2,383,340	-	-	2,913,644	2,383,340
Building and vehicle maintenance	509,245	776,257	-	-	509,245	776,257
Interest on long-term debt	810,218	875,293	-	-	810,218	875,293
Utility operations	-	-	15,113,379	12,996,137	15,113,379	12,996,137
Sanitation	-	-	3,680,807	3,256,952	3,680,807	3,256,952
Emergency medical service	-	-	835,341	2,681,327	835,341	2,681,327
Total expenses	<u>29,055,419</u>	<u>25,113,687</u>	<u>19,629,527</u>	<u>18,934,416</u>	<u>48,684,946</u>	<u>44,048,103</u>
Increase (decrease) in net position position before transfers and special items	1,636,742	4,594,795	5,953,099	6,752,502	7,589,841	11,347,297
Transfers	5,252,133	1,696,038	( 5,252,133)	( 1,696,038)	-	-
Special item	-	-	1,289,651	-	1,289,651	-
Change in net position	6,888,875	6,290,833	1,990,617	5,056,464	8,879,492	11,347,297
Net position, beginning	<u>60,643,491</u>	<u>54,352,658</u>	<u>46,061,129</u>	<u>41,004,665</u>	<u>106,704,620</u>	<u>95,357,323</u>
Net position, ending	\$ <u>67,532,366</u>	\$ <u>60,643,491</u>	\$ <u>48,051,746</u>	\$ <u>46,061,129</u>	\$ <u>115,584,112</u>	\$ <u>106,704,620</u>

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$6,888,875 from the prior fiscal year for an ending balance of \$67,532,366. Revenues increased \$983,679 with increases in property tax, sales tax and hotel occupancy taxes leading to the majority of this change. Expenses increased \$3,941,732, primarily caused by increases in general government and public safety.

**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 \$48,051,746. The total increase in net position for business-type activities (utility operations, sanitation and emergency medical services) was \$1,990,617 or 4% from the prior fiscal year. Revenues decreased \$104,292 with grants and contributions experiencing the most significant decreases. Expenses increased \$695,111 with increased repairs and maintenance expenses contributing the majority of this change.

## 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 that 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 Council.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$36,431,260, an increase of \$13,893,626 in comparison with the prior year. Approximately 23% of this amount (\$8,235,387) 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 (\$134,801), 2) restricted for particular purposes (\$25,715,058), or 3) committed for particular purposes (\$239,859).

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 \$8,555,132, while total fund balance increased to \$8,736,714. 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 40% of total general fund expenditures, while total fund balance represents approximately 41% of that same amount.

The fund balance in the City's General Fund decreased by \$430,247 during the current fiscal year. Property tax and sales taxes increased 8% and 16%, respectively, while franchise taxes increased 10%. Expenditures increased from the prior year by 18%. The City's goal of 90 days operating expenditures in fund balance was able to be met for the year.

The COVID-19 Fund experienced a decrease in fund balance of \$13,973. This was caused by expenditures exceeding intergovernmental revenues during the current year. The City has \$5.7 million of American Recovery Plan Act (ARPA) funding included in unearned revenue, which is expected to be spent on eligible expenditures in the coming fiscal periods.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$56,752 to bring the year end fund balance to \$1,350,345. This increase is primarily the result of increased property taxes exceeding debt service requirements.

The Public Safety Fund, a major fund, had a decrease in fund balance during the current year of \$119,627 to bring the year-end fund balance to \$795,999. The City continued to spend bond funds received in a prior fiscal period.

**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 \$1,543,160, \$1,057,428 and (\$1,241,023). Net position increased (decreased) by (\$766,438), \$1,661,750, and \$1,095,305, respectively.

In the Utility Operations Fund, operating income of \$4,270,079 was reduced by net transfers out of \$4,557,580. Revenues increased by \$1.6 million, and expenses increased by \$2.1 million.

In the Sanitation Fund, garbage collection and landfill fees increased by \$26 thousand and \$643 thousand, respectively. Expenses increased by \$428 thousand.

In the Emergency Medical Services Fund, fund balance increased by \$1,095,305. The increase was primarily caused by the recognition of a special item related to the City's decision to transfer its ambulance services to a third party. More information on this transaction can be found in the notes to the financial statements.

### **General Fund Budgetary Highlights**

*Final budget compared to actual results.* General Fund actual revenues of \$21,195,481 exceeded budgeted revenues of \$18,653,005 by \$2,542,476. The main component that experienced an increase was sales taxes, which exceeded budget by \$1,505,034. Property taxes exceeded budget by \$477,879 and intergovernmental revenues exceeded budget by \$162,927. These were offset by negative variances in franchise taxes and investment earnings.

## 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, 2022, amounts to \$146,790,253 (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 4%.

### CITY OF CORSICANA'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 41,042,915	\$ 40,239,305	\$ 5,235,922	\$ 3,628,703	\$ 46,278,837	\$ 43,868,008
Construction in progress	7,442,258	7,423,172	10,498,154	3,943,635	17,940,412	11,366,807
Buildings	9,422,389	9,644,762	977,176	879,734	10,399,565	10,524,496
Machinery, equipment, and vehicles	4,563,918	4,223,212	7,412,575	8,616,412	11,976,493	12,839,624
Infrastructure	<u>16,466,927</u>	<u>17,639,080</u>	<u>43,728,019</u>	<u>44,622,857</u>	<u>60,194,946</u>	<u>62,261,937</u>
Total	<u>\$ 78,938,407</u>	<u>\$ 79,169,531</u>	<u>\$ 67,851,846</u>	<u>\$ 61,691,341</u>	<u>\$ 146,790,253</u>	<u>\$ 140,860,872</u>

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

- Construction in progress additions of approximately \$6.6 million,
- Land additions of approximately \$2.4 million,
- Machinery and equipment additions of approximately \$1.4 million were comprised of several vehicles, heavy equipment, and other smaller acquisitions.

Additional information on the City's capital assets can be found in Note II D of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$51,730,001, which is backed by the full faith and credit of the City. The remainder of the City's long-term obligations are comprised of notes payable and leases.

### CITY OF CORSICANA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Certificates of obligation	\$ 16,455,000	\$ 9,025,000	\$ 10,405,000	\$ 3,460,000	\$ 26,860,000	\$ 12,485,000
General obligation	15,581,869	17,068,296	9,288,132	10,302,930	24,870,001	27,371,226
Premiums	2,017,970	1,777,109	1,119,979	706,225	3,137,949	2,483,334
Leases	12,942		-			
Financed purchases	<u>2,751,242</u>	<u>2,705,102</u>	<u>937,014</u>	<u>885,667</u>	<u>3,688,256</u>	<u>3,590,769</u>
Total	<u>\$ 36,819,023</u>	<u>\$ 30,575,507</u>	<u>\$ 21,750,125</u>	<u>\$ 15,354,822</u>	<u>\$ 58,569,148</u>	<u>\$ 45,930,329</u>

The City's total debt decreased by \$12,638,819 (28%) during the current fiscal year. The increase was due to the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2022 in the amount of \$14,935,000, offset by current year debt service payments. The City maintains a tax bond rating of "AA-" from Standard & Poor's and an "A1" rating from Moody's Investors Service.

Additional information on the City's long term-debt can be found in Note II E and II F of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the 2023 budget, General Fund revenues account for approximately 38% of the City's total revenue. The adopted budget reflects anticipated revenues of \$22,039,445 based on historical and economic trends, and then adjusted for known events. This is an increase from the 2022 budget. Property taxes, sales taxes, franchise taxes, and transfers from enterprise funds make up the largest portion of the budget. Contributing to the increase over the prior year include an increase in sales taxes and an increase in intergovernmental revenue.

## 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**

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## CITY OF CORSICANA, TEXAS

## EXHIBIT A-1

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,283,417	\$ 4,725,938	\$ 31,009,355
Restricted cash and cash equivalents	15,736,674	1,084,779	16,821,453
Receivables (net of allowance for uncollectibles)	4,008,564	3,306,844	7,315,408
Due from other governments	-	119,250	119,250
Internal balances	671,508	( 671,508)	-
Notes receivable	491,893	-	491,893
Inventories	118,955	39,995	158,950
Prepaid items	15,846	172,936	188,782
Capital assets:			
Non-depreciable	48,485,172	15,734,076	64,219,248
Depreciable (net of accumulated depreciation)	30,453,235	52,117,770	82,571,005
Total assets	<u>126,265,264</u>	<u>76,630,080</u>	<u>202,895,344</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	33,110	383,816	416,926
Pension related (TMRS)	1,024,945	487,442	1,512,387
Pension related (FRRF)	1,098,752	148,954	1,247,706
OPEB related (SDBF)	98,475	46,832	145,307
Total deferred outflows of resources	<u>2,255,282</u>	<u>1,067,044</u>	<u>3,322,326</u>
<b>LIABILITIES</b>			
Accounts payable	2,165,921	838,054	3,003,975
Accrued payroll payable	473,845	167,366	641,211
Accrued interest payable	142,638	102,275	244,913
Customer and developer deposits payable	1,154,340	747,688	1,902,028
Unearned revenue	5,668,040	20,930	5,688,970
Noncurrent liabilities:			
Due within one year	4,020,306	2,560,047	6,580,353
Due in more than one year	34,831,884	22,074,564	56,906,448
Net pension liability (TMRS)	795,824	378,478	1,174,302
Net pension liability (FRRF)	5,381,294	729,525	6,110,819
Total OPEB liability	<u>637,041</u>	<u>302,963</u>	<u>940,004</u>
Total noncurrent liabilities	<u>45,666,349</u>	<u>26,045,577</u>	<u>71,711,926</u>
Total liabilities	<u>55,271,133</u>	<u>27,921,890</u>	<u>83,193,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	459,173	-	459,173
Pension related (TMRS)	2,929,982	1,393,439	4,323,421
Pension related (FRRF)	2,285,351	309,818	2,595,169
OPEB related (SDBF)	42,541	20,231	62,772
Total deferred inflows of resources	<u>5,717,047</u>	<u>1,723,488</u>	<u>7,440,535</u>
<b>NET POSITION</b>			
Net investment in capital assets	57,511,254	46,692,181	104,203,435
Restricted for:			
General government	281,573	-	281,573
Economic development	4,611,651	-	4,611,651
Public safety	274,911	-	274,911
Capital projects	2,619,731	-	2,619,731
Cultural and recreational	1,218,087	-	1,218,087
Debt service	1,346,893	-	1,346,893
Unrestricted (deficit)	<u>( 331,734)</u>	<u>1,359,565</u>	<u>1,027,831</u>
Total net position	<u>\$ 67,532,366</u>	<u>\$ 48,051,746</u>	<u>\$ 115,584,112</u>

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

**CITY OF CORSICANA, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 4,062,494	\$ 307,847	\$ 123,610
Judicial	355,146	-	-
Public safety	13,098,605	276,901	259,690
Community support services	223,275	398,029	-
Public works	7,082,792	884,894	27,201
Cultural and recreation	2,913,644	525,871	520,980
Building and vehicle maintenance	509,245	-	-
Interest on long-term debt	810,218	-	-
Total governmental activities	<u>29,055,419</u>	<u>2,393,542</u>	<u>931,481</u>
Business type activities:			
Utility operations	15,113,379	18,861,856	-
Sanitation	3,680,807	6,020,758	-
Emergency medical services	835,341	520,033	119,250
Total business-type activities	<u>19,629,527</u>	<u>25,402,647</u>	<u>119,250</u>
Total	<u>\$ 48,684,946</u>	<u>\$ 27,796,189</u>	<u>\$ 1,050,731</u>

General revenues:

- Property taxes
- Sales taxes
- Franchise taxes
- Hotel occupancy taxes
- Alcoholic beverage taxes
- Investment earnings
- Gain on sale of capital assets
- Miscellaneous

Transfers

    Total general revenues and transfers

    Special Item

Change in net position

Net position - beginning

Net position - ending

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
\$ 5,100	\$( 3,625,937)	\$ -	\$( 3,625,937)	
-	( 355,146)	-	( 355,146)	
-	( 12,562,014)	-	( 12,562,014)	
-	174,754	-	174,754	
2,632,939	( 3,537,758)	-	( 3,537,758)	
69,649	( 1,797,144)	-	( 1,797,144)	
-	( 509,245)	-	( 509,245)	
-	( 810,218)	-	( 810,218)	
<u>2,707,688</u>	<u>( 23,022,708)</u>	<u>-</u>	<u>( 23,022,708)</u>	
-	-	3,748,477	3,748,477	
-	-	2,339,951	2,339,951	
-	-	( 196,058)	( 196,058)	
-	-	5,892,370	5,892,370	
<u>\$ 2,707,688</u>	<u>( 23,022,708)</u>	<u>5,892,370</u>	<u>( 17,130,338)</u>	
	11,094,292	-	11,094,292	
	9,770,034	-	9,770,034	
	2,230,426	-	2,230,426	
	1,004,373	-	1,004,373	
	69,646	-	69,646	
	273,607	55,666	329,273	
	-	5,063	5,063	
	217,072	-	217,072	
	<u>5,252,133</u>	<u>( 5,252,133)</u>	<u>-</u>	
	<u>29,911,583</u>	<u>( 5,191,404)</u>	<u>24,720,179</u>	
	-	1,289,651	1,289,651	
	6,888,875	1,990,617	8,879,492	
	<u>60,643,491</u>	<u>46,061,129</u>	<u>106,704,620</u>	
	<u>\$ 67,532,366</u>	<u>\$ 48,051,746</u>	<u>\$ 115,584,112</u>	

**CITY OF CORSICANA, TEXAS**

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	<u>General</u>	<u>COVID-19</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,798,843	\$ 5,686,395
Receivables (net of allowance for uncollectibles)	3,458,488	-
Due from other funds	1,751,815	-
Notes receivable	-	-
Inventories	57,825	-
Prepaid items	10,779	-
Total Assets	<u>11,077,750</u>	<u>5,686,395</u>
<b>LIABILITIES</b>		
Accounts payable	854,663	-
Accrued liabilities	459,070	-
Developer deposits	-	-
Unearned revenue	-	5,668,040
Due to other funds	-	-
Total Liabilities	<u>1,313,733</u>	<u>5,668,040</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property tax	311,484	-
Unavailable revenue - court fines	486,108	-
Unavailable revenue - other	-	-
Related to leases	229,711	-
Total Deferred Inflows of Resources	<u>1,027,303</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Inventories	57,825	-
Prepaid items	10,779	-
Restricted:		
Tourism	-	-
Economic development	74,669	-
Municipal court	-	-
Public safety	-	18,355
Cemetery	-	-
Airport	-	-
Parks and recreation	-	-
Other purposes	38,309	-
Debt service	-	-
Capital projects	-	-
Committed:		
Streets	-	-
Assigned:		
Capital projects	-	-
Unassigned	8,555,132	-
Total Fund Balances	<u>8,736,714</u>	<u>18,355</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>11,077,750</u>	\$ <u>5,686,395</u>

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

Debt Service	Public Safety	Other Governmental Funds	Total Governmental Funds
\$ 1,334,043	\$ 795,999	\$ 28,404,811	\$ 42,020,091
156,079	-	393,997	4,008,564
-	-	-	1,751,815
-	-	491,893	491,893
-	-	61,130	118,955
-	-	5,067	15,846
<u>1,490,122</u>	<u>795,999</u>	<u>29,356,898</u>	<u>48,407,164</u>
-	-	1,311,258	2,165,921
-	-	14,775	473,845
-	-	1,154,340	1,154,340
-	-	-	5,668,040
<u>591</u>	<u>-</u>	<u>1,079,716</u>	<u>1,080,307</u>
<u>591</u>	<u>-</u>	<u>3,560,089</u>	<u>10,542,453</u>
139,186	-	-	450,670
-	-	-	486,108
-	-	37,500	37,500
-	-	229,462	459,173
<u>139,186</u>	<u>-</u>	<u>266,962</u>	<u>1,433,451</u>
-	-	61,130	118,955
-	-	5,067	15,846
-	-	494,358	494,358
-	-	4,536,982	4,611,651
-	-	199,632	199,632
-	-	56,924	75,279
-	-	196,265	196,265
-	-	177,719	177,719
-	-	527,464	527,464
-	-	65,545	103,854
1,350,345	-	-	1,350,345
-	795,999	17,182,492	17,978,491
-	-	239,859	239,859
-	-	2,106,155	2,106,155
-	-	( 319,745)	8,235,387
<u>1,350,345</u>	<u>795,999</u>	<u>25,529,847</u>	<u>36,431,260</u>
\$ <u>1,490,122</u>	\$ <u>795,999</u>	\$ <u>29,356,898</u>	\$ <u>48,407,164</u>

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

Total fund balances - governmental funds	\$ 36,431,260
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	78,925,488
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
Property taxes	450,670
Court fines & fees	486,108
Grants	37,500
Long-term liabilities and related balance sheet items are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bonds payable	( 32,036,869)
Leases and financed purchases payable	( 2,751,265)
Accrued interest payable	( 142,638)
Deferred amount on refunding	33,110
Premium on bonds	( 2,017,970)
Compensated absences	( 2,033,167)
Net pension liability	( 6,177,118)
Total OPEB liability	( 637,041)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for the pension and OPEB plans are recognized as deferred outflows and inflows of resources in the statement of net position.	
Deferred outflows of resources related to pension	2,123,697
Deferred outflows of resources related to OPEB	98,475
Deferred inflows of resources related to pension	( 2,327,892)
Deferred inflows of resources related to OPEB	<u>( 2,929,982)</u>
Total net position - governmental activities	\$ <u>67,532,366</u>

**CITY OF CORSICANA, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General</u>	<u>COVID-19</u>	<u>Debt Service</u>
<b>REVENUES</b>			
Property taxes	\$ 7,828,357	\$ -	\$ 3,335,149
Sales taxes	9,770,034	-	-
Franchise taxes	2,230,426	-	-
Hotel occupancy taxes	-	-	-
Alcoholic beverage taxes	69,646	-	-
Intergovernmental	228,104	267,239	-
Charges for services	340,086	-	-
Licenses and permits	241,327	-	-
Fines and forfeitures	244,362	-	-
Investment earnings	113,281	18,354	10,245
Miscellaneous	129,858	-	-
Contributions and donations	-	-	-
Total Revenues	<u>21,195,481</u>	<u>285,593</u>	<u>3,345,394</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,547,589	-	-
Judicial	384,497	-	-
Public safety	11,694,869	-	-
Community support services	255,339	-	-
Public works	3,620,667	299,566	-
Cultural and recreation	2,094,139	-	-
Building and vehicle maintenance	519,935	-	-
Debt service:			
Principal retirement	12,945	-	2,395,645
Interest and fiscal charges	47	-	892,997
Bond issuance costs	-	-	-
Capital outlay:			
General government	10,490	-	-
Public safety	-	-	-
Public works	-	-	-
Cultural and recreation	-	-	-
Total Expenditures	<u>21,140,517</u>	<u>299,566</u>	<u>3,288,642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	54,964	( 13,973)	56,752
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,539,360	-	-
Transfers out	( 3,116,203)	-	-
Issuance of bonds	-	-	-
Premium on issuance of bonds	-	-	-
Issuance of leases	10,490	-	-
Issuance of financed purchase	-	-	-
Insurance recoveries	33,213	-	-
Sale of capital assets	47,929	-	-
Total Other Financing Sources (Uses)	<u>( 485,211)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 430,247)	( 13,973)	56,752
<b>FUND BALANCE, BEGINNING</b>	<u>9,166,961</u>	<u>32,328</u>	<u>1,293,593</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 8,736,714</u>	<u>\$ 18,355</u>	<u>\$ 1,350,345</u>

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

Public Safety	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,665	\$ 11,166,171
-	-	9,770,034
-	-	2,230,426
-	996,845	996,845
-	-	69,646
-	534,529	1,029,872
-	1,480,940	1,821,026
-	-	241,327
-	109,447	353,809
5,014	128,369	275,263
1,718	45,927	177,503
-	480,094	480,094
<u>6,732</u>	<u>3,778,816</u>	<u>28,612,016</u>
-	1,278,212	3,825,801
-	13,401	397,898
-	104,120	11,798,989
-	-	255,339
-	2,045,458	5,965,691
-	745,744	2,839,883
-	-	519,935
-	43,022	2,451,612
-	2,296	895,340
-	141,865	141,865
-	542,304	552,794
126,359	153,265	279,624
-	920,928	920,928
-	111,396	111,396
<u>126,359</u>	<u>6,102,011</u>	<u>30,957,095</u>
( 119,627)	( 2,323,195)	( 2,345,079)
-	6,871,422	9,410,782
-	( 1,042,446)	( 4,158,649)
-	7,780,000	7,780,000
-	370,553	370,553
-	-	10,490
-	648,380	648,380
-	-	33,213
-	2,096,007	2,143,936
<u>-</u>	<u>16,723,916</u>	<u>16,238,705</u>
( 119,627)	14,400,721	13,893,626
<u>915,626</u>	<u>11,129,126</u>	<u>22,537,634</u>
\$ <u>795,999</u>	\$ <u>25,529,847</u>	\$ <u>36,431,260</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT  
OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	\$ 13,893,626
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Capital outlay	2,135,754
Depreciation	( 2,306,466)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities.</p>	
	( 62,864)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Property taxes	( 71,879)
Grants	( 25,125)
<p>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.</p>	
Accrued interest on long-term debt	( 36,203)
Amortization of bond premiums and deferred amounts on refunding	121,325
Compensated absences	( 237,653)
Changes in pension liabilities and related deferred inflows and outflows	( 111,488)
Changes in OPEB liabilities and related deferred inflows and outflows	( 39,396)
<p>The issuance of long-term debt (e.g., bonds, leases) 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.</p>	
Bonds issued	( 8,150,553)
Financed purchases issued	( 648,380)
Leases issued	( 10,490)
Principal paid on bonds and leases	<u>2,438,667</u>
Change in net position of governmental activities	<u>\$ 6,888,875</u>

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	Total Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,230,573	\$ 3,495,365	\$ -	\$ 4,725,938
Receivables (net of allowance)	2,424,003	634,045	248,796	3,306,844
Due from other governments	-	-	119,250	119,250
Inventories	2,564	37,431	-	39,995
Prepaid items	172,936	-	-	172,936
Total current assets	<u>3,830,076</u>	<u>4,166,841</u>	<u>368,046</u>	<u>8,364,963</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,084,779	-	-	1,084,779
Non-depreciable	13,082,542	2,651,534	-	15,734,076
Depreciable (net of accumulated depreciation)	46,270,127	5,362,962	484,681	52,117,770
Total noncurrent assets	<u>60,437,448</u>	<u>8,014,496</u>	<u>484,681</u>	<u>68,936,625</u>
Total assets	<u>64,267,524</u>	<u>12,181,337</u>	<u>852,727</u>	<u>77,301,588</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	383,816	-	-	383,816
Pension related (TMRS)	390,196	97,246	-	487,442
Pension related (FRRF)	-	-	148,954	148,954
OPEB related (SDBF)	37,489	9,343	-	46,832
Total deferred outflows of resources	<u>811,501</u>	<u>106,589</u>	<u>148,954</u>	<u>1,067,044</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	671,612	165,482	960	838,054
Accrued liabilities	126,939	33,465	6,962	167,366
Due to other funds	-	-	671,508	671,508
Compensated absences	62,265	31,463	4,254	97,982
Customer deposits payable	747,688	-	-	747,688
Accrued interest payable	101,761	514	-	102,275
Unearned revenue	-	-	20,930	20,930
Bonds payable	2,110,000	23,573	-	2,133,573
Financed purchase payable	150,097	178,395	-	328,492
Total current liabilities	<u>3,970,362</u>	<u>432,892</u>	<u>704,614</u>	<u>5,107,868</u>
Noncurrent liabilities:				
Compensated absences	205,347	90,990	14,063	310,400
Bonds payable	18,591,528	88,008	-	18,679,536
Financed purchase payable	151,669	456,853	-	608,522
Landfill closure liability	-	2,476,106	-	2,476,106
Net pension liability (TMRS)	302,970	75,508	-	378,478
Net pension liability (FRRF)	-	-	729,525	729,525
Total OPEB liability	<u>242,521</u>	<u>60,442</u>	<u>-</u>	<u>302,963</u>
Total noncurrent liabilities	<u>19,494,035</u>	<u>3,247,907</u>	<u>743,588</u>	<u>23,485,530</u>
Total liabilities	<u>23,464,397</u>	<u>3,680,799</u>	<u>1,448,202</u>	<u>28,593,398</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related (TMRS)	1,115,443	277,996	-	1,393,439
Pension related (FRRF)	-	-	309,818	309,818
OPEB related (SDBF)	16,195	4,036	-	20,231
Total deferred inflows of resources	<u>1,131,638</u>	<u>282,032</u>	<u>309,818</u>	<u>1,723,488</u>
<b>NET POSITION</b>				
Net investment in capital assets	38,939,830	7,267,667	484,684	46,692,181
Unrestricted	1,543,160	1,057,428	(1,241,023)	1,359,565
Total net position (deficit)	<u>\$ 40,482,990</u>	<u>\$ 8,325,095</u>	<u>\$ (756,339)</u>	<u>\$ 48,051,746</u>

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Water fees	\$ 12,281,629	\$ -	\$ -	\$ 12,281,629
Sewer fees	5,563,801	-	-	5,563,801
Tap fees	333,618	-	-	333,618
Other charges	682,808	291,464	263,457	1,237,729
Garbage collection fees	-	1,526,391	-	1,526,391
Landfill fees	-	4,202,903	-	4,202,903
Emergency medical services	-	-	256,576	256,576
Total operating revenues	<u>18,861,856</u>	<u>6,020,758</u>	<u>520,033</u>	<u>25,402,647</u>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	11,646,852	3,348,571	625,993	15,621,416
Administration	790,337	30,760	47,388	868,485
Depreciation and amortization	2,154,588	284,542	161,960	2,601,090
Total operating expenses	<u>14,591,777</u>	<u>3,663,873</u>	<u>835,341</u>	<u>19,090,991</u>
<b>OPERATING INCOME (LOSS)</b>	<u>4,270,079</u>	<u>2,356,885</u>	<u>( 315,308)</u>	<u>6,311,656</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	-	-	119,250	119,250
Investment earnings	39,314	16,352	-	55,666
Gain on disposal of assets	3,351	-	1,712	5,063
Interest and fiscal agent charges	( 384,325)	( 16,934)	-	( 401,259)
Bond issuance costs	( 137,277)	-	-	( 137,277)
Total non-operating revenues	<u>( 478,937)</u>	<u>( 582)</u>	<u>120,962</u>	<u>( 358,557)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>3,791,142</u>	<u>2,356,303</u>	<u>( 194,346)</u>	<u>5,953,099</u>
<b>TRANSFERS IN (OUT)</b>				
Transfers in	241,341	-	-	241,341
Transfers out	( 4,798,921)	( 694,553)	-	( 5,493,474)
Total transfers in (out)	<u>( 4,557,580)</u>	<u>( 694,553)</u>	<u>-</u>	<u>( 5,252,133)</u>
<b>SPECIAL ITEM</b>	<u>-</u>	<u>-</u>	<u>1,289,651</u>	<u>1,289,651</u>
<b>CHANGE IN NET POSITION</b>	<u>( 766,438)</u>	<u>1,661,750</u>	<u>1,095,305</u>	<u>1,990,617</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>41,249,428</u>	<u>6,663,345</u>	<u>( 1,851,644)</u>	<u>46,061,129</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 40,482,990</u>	<u>\$ 8,325,095</u>	<u>\$ ( 756,339)</u>	<u>\$ 48,051,746</u>

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Utility Operations	Sanitation	Emergency Medical Services	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 18,914,973	\$ 5,750,615	\$ 3,211,626	\$ 27,877,214
Payments to suppliers	( 9,667,654)	( 2,769,881)	( 379,193)	( 12,816,728)
Payments to employees	( 3,286,533)	( 610,224)	( 2,953,394)	( 6,850,151)
Net cash provided (used) by operating activities	<u>5,960,786</u>	<u>2,370,510</u>	<u>( 120,961)</u>	<u>8,210,335</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	241,341	-	-	241,341
Transfers to other funds	( 4,798,921)	( 694,553)	-	( 5,493,474)
Operating grants	-	-	119,250	119,250
Net cash provided (used) by noncapital financing activities	<u>( 4,557,580)</u>	<u>( 694,553)</u>	<u>119,250</u>	<u>( 5,132,883)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	( 7,110,130)	( 1,651,464)	-	( 8,761,594)
Issuance of bonds	7,637,278	-	-	7,637,278
Issuance of financed purchases	456,827	-	-	456,827
Principal paid on bond maturities	( 2,461,181)	( 25,917)	-	( 2,487,098)
Interest paid on bond maturities	( 711,390)	( 17,052)	-	( 728,442)
Principal paid on leased assets	( 335,289)	( 70,191)	-	( 405,480)
Sale of capital assets	3,351	-	1,711	5,062
Net cash provided (used) by capital and related financial activities	<u>( 2,520,534)</u>	<u>( 1,764,624)</u>	<u>1,711</u>	<u>( 4,283,447)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>39,314</u>	<u>16,352</u>	<u>-</u>	<u>55,666</u>
Net cash provided by investing activities	<u>39,314</u>	<u>16,352</u>	<u>-</u>	<u>55,666</u>
Net increase (decrease) in cash and cash equivalents	( 1,078,014)	( 72,315)	-	( 1,150,329)
Cash and cash equivalents - beginning of year (including those reported in restricted accounts)	<u>3,393,366</u>	<u>3,567,680</u>	<u>-</u>	<u>6,961,046</u>
Cash and cash equivalents - end of year (including those reported in restricted accounts)	<u>\$ 2,315,352</u>	<u>\$ 3,495,365</u>	<u>\$ -</u>	<u>\$ 5,810,717</u>

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			
	Utility Operations	Sanitation	Emergency Medical Services	Total Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 4,270,079	\$ 2,356,885	\$( 315,308)	\$ 6,311,656
Depreciation and amortization	2,154,588	284,542	161,960	2,601,090
Change in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	22,642	( 270,143)	2,194,867	1,947,366
Intergovernmental receivable	-	-	499,480	499,480
Inventories	( 388)	( 36,693)	-	( 37,081)
Prepaid items	3,396	618	156	4,170
Pension-related deferred outflows	( 134,553)	( 33,526)	244,943	76,864
OPEB-related deferred outflows	9,529	2,375	-	11,904
Increase (decrease) in:				
Accounts payable	73,548	( 41,154)	( 14,909)	17,485
Accrued liabilities	( 70,363)	( 21,652)	( 105,516)	( 197,531)
Compensated absences	( 25,873)	6,116	( 192,301)	( 212,058)
Due to other funds	-	-	( 159,105)	( 159,105)
Customer deposits	30,475	-	( 2,754)	27,721
Landfill closure and postclosure	-	215,979	-	215,979
Pension-related deferred inflows	455,754	113,566	( 252,393)	316,927
OPEB-related deferred inflows	( 7,440)	( 1,855)	-	( 9,295)
Net pension liability	( 833,517)	( 204,548)	( 2,180,081)	( 3,218,146)
Total OPEB liability	<u>12,909</u>	<u>-</u>	<u>-</u>	<u>12,909</u>
Net cash provided (used) by operating activities	<u>\$ 5,960,786</u>	<u>\$ 2,370,510</u>	<u>\$( 120,961)</u>	<u>\$ 8,210,335</u>

# CITY OF CORSICANA, TEXAS

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Corsicana, Texas (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

#### A. Reporting Entity

The City was incorporated on 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 and recreation, public improvements, planning and zoning, general and administrative and water/wastewater services.

An elected mayor and four-member Governing Council (Council) govern the City.

#### **Blended Component Unit**

The Corsicana Convention and Visitors Bureau (CVB) is a Texas nonprofit corporation governed by an 11-member board of directors appointed by City Council. The CVB promotes convention and tourism-related business in the Corsicana area, operating primarily using revenue received from the City's Hotel & Motel Fund. The City is able to impose its will on the CVB, and the CVB is financially accountable to the City. Any debt issued by the CVB is expected to be repaid by the City. Separate financial statements are not available for the CVB.

#### B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (general government, judicial, public safety, culture and recreation, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major funds are aggregated in a separate column in the fund financial statements. The non-major funds are detailed in the supplementary information section of this report.

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

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 revenue 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.

Governmental fund-level 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. In applying the susceptible to accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Generally, monies must be expended on a specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. Ad valorem taxes are recognized as revenues in the year for which they are levied. Sales taxes, franchise taxes, hotel occupancy taxes, charges for services and fines are recognized as revenue as earned, when measurable and available. Licenses, permits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned since they are measurable and available.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During 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 and advances to/from 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. However, interfund services provided and used are not eliminated in the process of consolidation.

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 accounted for in another fund.

The **COVID-19 Fund** is used to account for the resources received from the federal government to be used to respond to the COVID-19 pandemic and its effects on the economy.

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 **Public Safety Fund** was created to separately account for funds received and expended for renovations to the fire stations.

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.

#### **D. 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 the FEMA Grant Fund, Animal Services Fund, Police Seizures Fund, Court - Local Truancy Prevention/Diversion Fund, and Local Municipal Jury Fund) and the Debt Service Fund. Capital projects funds are appropriated on a project-length basis. 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.

##### **2. Excess of Expenditures over Appropriations**

For the year ended September 30, 2022, expenditures exceeded appropriations in General Fund functions of public non-departmental, public safety, and public works. Other overages included the Hotel/Motel Occupancy Fees Fund by \$28,548, the Convention and Visitors Bureau by \$29,689, the Airport Operating Fund by \$85,046, the Parks/Recreation Fund by \$140,357, the Parks/Recreation Special Events fund by \$15,736, the Library Fund by \$3,640, the Palace Theatre Fund by \$5,413, the Court Fines - Street Improvements Fund by \$79,742, the Court Fines - Judicial Fund by \$508, and the Street Maintenance and Reconstruction Fund by \$1,365,458.

#### **E. 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 with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year-end. Investment pools are reported at net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

##### **3. Property Taxes and Other Receivables**

The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1 for all real property located in the City. The appraisal of property within the City is the responsibility of the Navarro Central Appraisal District as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within its district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The combined tax rate to finance maintenance and operations and debt service for the year ended September 30, 2022, was \$0.5288 per \$100 of assessed valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are due by January 31 following the levy date. Property taxes levied are recorded as receivables, net of estimated uncollectibles. The collections during the year and those considered "available" at year-end are recognized as revenues in that year. The City considers property taxes available if they are collected within 60 days after year-end. Prior year levies were recorded using these same principles. The remaining receivables are reflected as deferred inflows of resources in the fund financial statements. Property taxes are imposed nonexchange revenues. Assets from imposed nonexchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as October 1.

**4. Restricted Assets**

Certain proceeds of the City's 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.

**5. Inventories and Prepaid Items**

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

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.

**6. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), and 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 City constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that 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 cost at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings	20-50
Machinery and equipment	3-20
Infrastructure	20-50
Improvements	10-40
Right to use land	3-5
Right to use equipment	3-5

## 7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on debt refundings – A deferred loss 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.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liabilities – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Differences between expected and actual economic experience for the City's pension and OPEB plan – These effects on the pension and OPEB liabilities are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The City has two types of item that arises only under the modified accrual basis of accounting that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The second item, deferred inflows related to leases, will be recognized over the life of the lease term in a systematic and rational manner.

In addition, the City has deferred inflows of resources that are required to be reported on the Statements of Net Position under the full accrual basis of accounting. Deferred inflows of resources reported in the Statements of Net Position are as follows:

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liabilities – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

## 8. Long-Term Debt

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. 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 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.

## 9. Leases

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

## 10. Defined Benefit Pension Plan

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

## 11. Defined Benefit Other Postemployment Benefit (OPEB) Plan

For purposes of measuring the total Texas Municipal Retirement System (TMRS) Supplemental Death Benefit Fund (SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City-specific information about its total TMRS SDBF liability and additions to (or deductions from) the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred inflows and outflows of resources related to TMRS SDBF primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the Total OPEB Liability (TOL), and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred inflows or outflows of resources.

## 12. Net Position Classifications and Flow Assumption

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements and proprietary fund financial statements. Net position is 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.
- *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. 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.

### **13. Fund Balance Classification and 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. City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.
- *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). 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.

## **F. 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.

## **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.

## **G. Accounting Pronouncements**

The GASB has issued the following statements that will be effective in future years as described below:

- Statement No. 91 ("GASB 91"), *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.
- Statement No. 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). GASB 94 will be implemented by the City in fiscal year 2023, and the impact has not yet been determined.
- Statement No. 96, *Subscription-Based Technology Arrangements* – this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 will be implemented by the City in fiscal year 2023, and the impact has not yet been determined.
- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

#### **H. Change in Accounting Principle**

GASB Statement No. 87, *Leases*, was adopted effective October 1, 2021. The statement addresses accounting and financial reporting for lease contracts. Statement No. 87 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to leases in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets and liabilities were recognized, and more extensive note disclosures were required.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Deficit Fund Equity**

As of September 30, 2022, the following funds had deficit equity:

- The Emergency Medical Services Fund, a major enterprise fund, had a deficit net position of \$1,756,339. The deficit will be covered with transfers from other funds or excess revenue in future fiscal years.
- The Corsicana/Navarro County Economic Development Fund, a nonmajor special revenue fund, had a deficit fund balance of \$217,428. The deficit fund balance will be covered with transfers from other funds or excess revenue in the next fiscal year.
- The Palace Theater Fund, a nonmajor special revenue fund, had a deficit fund balance of \$1,145. The deficit fund balance will be covered with transfers from other funds.
- The FEMA Grant Fund, a nonmajor special revenue fund, had a deficit fund balance of \$101,172. The deficit fund balance will be covered with transfers from other funds or excess revenue in future fiscal years.

## **III. 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, 2022. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent.

**B. Investments**

Public funds of the City 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, 2022, the City had the following investments:

Investment Type	Fair Value
TexPool	\$ 1,615,070
TexSTAR	<u>43,630,575</u>
Total	<u>\$ 45,245,645</u>

TexPool and TexSTAR are considered cash equivalents on the government-wide Statement of Net Position and on the balance sheet of the fund financial statements.

Investment pools are not categorized as to investment risk since specific securities relating to the City cannot be identified. Under the TexPool Participation Agreement, administrative and investment services to TexPool and TexPool Prime are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accountants. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool and TexPool Prime.

TexPool and TexSTAR each have a redemption notice period of one day and may redeem daily. The investment pools’ authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pools’ liquidity.

**Interest Rate Risk.** In accordance with its investment policy, the City minimizes the risk that the interest earnings and the fair value of investments in the portfolio will fall due to changes in general interest rates, by:

- a. Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
- b. Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
- c. Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

**Credit Risk.** In accordance with its investment policy, the City minimizes credit risk, the risk of loss due to the failure of the issuer or backer of the investment by:

- a. Limiting investments to the safest types of investments.
- b. Pre-qualifying the financial institutions and broker/dealers with which the City will do business.
- c. Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

**Concentration of Credit Risk.** The City's investment policy allows up to 100% to be invested in U. S. treasury bills/notes/bonds, and U. S. agencies and instrumentalities.

**C. 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 Fund, Debt Service Fund, nonmajor governmental funds, Utility Fund, Sanitation Fund and Emergency Medical Service Fund, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Governmental	Utility Operations	Sanitation	Emergency Medical Services
Receivables:						
Taxes	\$ 2,250,909	\$ 183,622	\$ -	\$ -	\$ -	\$ -
Court fines	972,215	-	-	-	-	-
Accounts	2,255,014	-	233,819	2,917,863	749,147	325,277
Leases	231,252	-	229,577	-	-	-
Notes	-	-	491,893	-	-	-
Other	5,427	-	3,630	-	-	-
Gross receivables	<u>5,714,817</u>	<u>183,622</u>	<u>958,919</u>	<u>2,917,863</u>	<u>749,147</u>	<u>325,277</u>
Less: allowance for uncollectibles	<u>( 2,256,329)</u>	<u>( 27,543)</u>	<u>( 73,029)</u>	<u>( 493,860)</u>	<u>( 115,102)</u>	<u>( 76,481)</u>
Net total receivables	<u>\$ 3,458,488</u>	<u>\$ 156,079</u>	<u>\$ 885,890</u>	<u>\$ 2,424,003</u>	<u>\$ 634,045</u>	<u>\$ 248,796</u>

**Leases Receivable**

The City has entered into various lease agreements as lessor. The interest rates (incremental borrowing rate) range from 0.50% to 0.90%. The leases mature in fiscal years 2024 through 2030. Rental revenue and interest revenue recognized during the year were \$89,292 and \$1,525, respectively.

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 40,239,305	\$ 803,610	\$ -	\$ 41,042,915
Construction in progress	7,423,173	19,086	-	7,442,259
Total capital assets not being depreciated	<u>47,662,478</u>	<u>822,696</u>	<u>-</u>	<u>48,485,174</u>
Capital assets being depreciated:				
Buildings	26,245,476	255,951	-	26,501,427
Machinery, equipment, and vehicles	11,516,821	909,926	( 44,891)	12,381,856
Right to own equipment	33,126	10,490	-	43,616
Infrastructure	40,287,972	122,804	-	40,410,776
Total capital assets being depreciated	<u>78,083,395</u>	<u>1,299,171</u>	<u>( 44,891)</u>	<u>79,337,675</u>
Less accumulated depreciation for:				
Buildings	( 16,600,714)	( 478,325)	-	( 17,079,039)
Machinery, equipment, and vehicles	( 7,293,609)	( 582,139)	44,891	( 7,830,857)
Right to own equipment	( 17,761)	( 12,936)	-	( 30,697)
Infrastructure	( 22,648,892)	( 1,294,957)	-	( 23,943,849)
Total accumulated depreciation	<u>( 46,560,976)</u>	<u>( 2,368,357)</u>	<u>44,891</u>	<u>( 48,884,442)</u>
Total capital assets being depreciated, net	<u>31,522,419</u>	<u>( 1,069,186)</u>	<u>-</u>	<u>30,453,233</u>
Governmental activities capital assets, net	<u>\$ 79,184,897</u>	<u>\$ ( 246,490)</u>	<u>\$ -</u>	<u>\$ 78,938,407</u>

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,628,703	\$ 1,607,219	\$ -	\$ 5,235,922
Construction in progress	3,943,635	6,637,050	( 82,531)	10,498,154
Total capital assets not being depreciated	<u>7,572,338</u>	<u>8,244,269</u>	<u>( 82,531)</u>	<u>15,734,076</u>
Capital assets being depreciated:				
Buildings	4,402,546	58,691	82,531	4,543,768
Machinery, equipment, and vehicles	29,141,695	458,635	( 88,538)	29,511,792
Infrastructure	68,788,780	-	-	68,788,780
Total capital assets being depreciated	<u>102,333,021</u>	<u>517,326</u>	<u>( 6,007)</u>	<u>102,844,340</u>
Less accumulated depreciation for:				
Buildings	( 3,522,812)	( 43,780)	-	( 3,566,592)
Machinery, equipment, and vehicles	( 20,525,283)	( 1,662,472)	88,538	( 22,099,217)
Infrastructure	( 24,165,923)	( 894,838)	-	( 25,060,761)
Total accumulated depreciation	<u>( 48,214,018)</u>	<u>( 2,601,090)</u>	<u>88,538</u>	<u>( 50,726,570)</u>
Total capital assets being depreciated, net	<u>54,119,003</u>	<u>( 2,083,764)</u>	<u>82,531</u>	<u>52,117,770</u>
Business-type activities capital assets, net	<u>\$ 61,691,341</u>	<u>\$ 6,160,505</u>	<u>\$ -</u>	<u>\$ 67,851,846</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	
General government	\$ 480,178
Public safety	451,493
Public works	1,245,357
Cultural and recreational	191,329
Total governmental activities depreciation	<u>\$ 2,368,357</u>
<b>Business-type activities:</b>	
Utility operations	\$ 2,154,588
Sanitation	284,542
Emergency medical services	161,960
Total business-type activities depreciation	<u>\$ 2,601,090</u>

## E. Long-term Liabilities

### Bonds

A summary of the terms of long-term bonds at September 30 2022, are as follows:

<b>Governmental Activities:</b>	Issue Amount	Maturity Date	Interest Rate	Balance
<b>General Obligation Bonds</b>				
2013 Refunding	3,400,000	2/15/2033	2.75-4.00%	\$ 2,165,000
2015 Refunding	4,243,066	2/15/2045	3.00-5.00%	2,661,869
2016 Refunding	8,510,000	2/15/2036	2.00-3.00%	5,245,000
2018 Refunding	4,225,000	2/15/2038	2.00-5.00%	3,785,000
<b>Certificates of Obligation</b>				
2018 Series	1,810,000	2/15/2038	4.00%	1,570,000
2020 Series	7,505,000	2/15/2039	2.00-5.00%	7,105,000
2022 Series	7,780,000			7,780,000
<b>Private Placement Obligations</b>				
2021 GO Refunding	1,900,000	2/15/2031	1.26%	<u>1,725,000</u>
Total				<u>\$ 32,036,869</u>
<b>Business-type Activities:</b>	Issue Amount	Maturity Date	Interest Rate	Balance
<b>General Obligation Bonds</b>				
2015 Refunding Utility	3,285,000	2/15/2045	3.00-5.00%	\$ 1,020,000
2015 Refunding Sanitation	251,934	2/15/2045	3.00-5.00%	103,132
2017 Refunding	7,895,000	2/15/2027	2.29%	4,735,000
2020 Refunding	2,060,000	2/15/2030	2.00-4.00%	1,705,000
<b>Certificates of Obligation</b>				
2020 Series	2,680,000	2/15/2039	2.00-5.00%	2,540,000
<b>Private Placement Obligations</b>				
2009 Certificate of Obligation	1,935,000	2/15/2028	.798-3.018%	710,000
2021 GO Refunding	1,900,000	2/15/2031	1.26%	1,725,000
2022 Certificate of Obligation	7,155,000			<u>7,155,000</u>
Total				<u>\$ 19,693,132</u>

Annual future debt service requirements of bonded debt as of September 30, 2022, are as follows:

*Governmental activities:*

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,346,427	\$ 426,076	\$ 1,772,503	\$ 1,320,000	\$ 694,456	\$ 2,014,456
2024	1,389,954	382,492	1,772,446	630,000	545,000	1,175,000
2025	1,438,481	336,700	1,775,180	665,000	516,000	1,181,000
2026	1,307,007	292,614	1,599,621	690,000	485,625	1,175,625
2027	1,370,000	248,428	1,618,428	725,000	453,900	1,178,900
2028-2032	3,435,000	866,203	4,301,203	4,110,000	1,766,875	5,876,875
2033-2037	2,500,000	382,553	2,882,553	4,885,000	988,700	5,873,700
2038-2042	710,000	120,438	830,438	3,430,000	216,400	3,646,400
2043-2047	360,000	20,625	380,625	-	-	-
Total	\$ 13,856,869	\$ 3,076,128	\$ 16,932,997	\$ 16,455,000	\$ 5,666,956	\$ 22,121,956

Year Ended September 30,	Private Placement Debt General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 185,000	\$ 20,570	\$ 205,570
2024	185,000	18,239	203,239
2025	185,000	15,908	200,908
2026	190,000	13,545	203,545
2027	190,000	11,151	201,151
2028-2032	790,000	20,034	810,034
Total	\$ 1,725,000	\$ 99,446	\$ 1,824,446

*Business-type activities:*

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,443,573	\$ 274,733	\$ 1,898,306	\$ 395,000	\$ 447,731	\$ 842,731
2024	1,480,047	227,432	1,892,479	520,000	325,450	845,450
2025	1,521,519	175,957	1,887,476	540,000	303,125	843,125
2026	1,207,993	128,397	1,536,390	560,000	279,950	839,950
2027	1,205,000	89,036	1,504,036	585,000	255,825	840,825
2028-2032	705,000	137,100	1,762,100	3,310,000	896,350	4,206,350
2033-2037	-	-	-	3,395,000	318,600	3,713,600
2038-2042	-	-	-	390,000	15,800	405,800
Total	\$ 7,563,132	\$ 1,032,656	\$ 10,480,787	\$ 9,695,000	\$ 2,842,831	\$ 12,537,831

Year Ended September 30,	Private Placement Debt General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 185,000	\$ 20,570	\$ 205,570	\$ 110,000	\$ 18,615	\$ 128,615
2024	185,000	18,239	203,239	115,000	15,672	130,672
2025	185,000	15,908	200,908	115,000	12,511	127,511
2026	190,000	13,545	203,545	120,000	9,167	129,167
2027	190,000	11,151	201,151	125,000	5,604	130,604
2028-2032	790,000	20,034	810,034	125,000	1,886	126,886
Total	\$ 1,725,000	\$ 99,446	\$ 1,824,446	\$ 710,000	\$ 63,456	\$ 773,456

**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.

## Leases Payable

A summary of leases payable as of September 30, 2022, are as follows:

Purpose of Leases	Interest Rates	Initial Year of Lease	Amount of Initial Liability	Interest Current Year	Outstanding at 09/30/2022
Vehicles	0.30%	2020	\$ 14,116	\$ 7	\$ -
Land	0.30%	2020	1,110	1	348
Equipment	0.30%	2022-2022	28,391	40	12,594
Total			\$ 43,617	\$ 48	\$ 12,942

Principal and interest payments to maturity are as follows:

Year Ended September 30,	Leases		
	Principal	Interest	Total
2023	\$ 5,861	\$ 29	\$ 5,890
2024	2,166	18	2,184
2025	2,102	12	2,114
2026	2,108	6	2,114
2027	705	1	706
Total	\$ 12,942	\$ 66	\$ 13,008

## Financed Purchases Payable

The City has purchased equipment and vehicles under financed purchase agreements. The interest rates on the leases range from 1.52% - 3.12%.

Principal and interest payments to maturity are as follows:

Year Ended September 30,	Financed Purchases					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 654,726	\$ 49,213	\$ 703,939	\$ 328,492	\$ 12,014	\$ 340,506
2024	620,268	37,080	657,348	242,247	8,053	250,300
2025	419,727	26,719	446,446	228,914	4,717	233,631
2026	282,550	19,295	301,845	105,544	1,724	107,268
2027	242,223	13,037	255,260	31,817	126	31,943
2028-2032	531,748	12,264	544,012	-	-	-
Total	\$ 2,751,242	\$ 157,608	\$ 2,908,850	\$ 937,014	\$ 26,634	\$ 963,648

## Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended September 30 2022, are as follows:

	Beginning Balance	Increased	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable - Negotiated:					
Certificates of obligation	\$ 9,025,000	\$ 7,780,000	\$ 350,000	\$ 16,455,000	\$ 1,320,000
General obligation bonds	15,168,296	-	1,311,427	13,856,869	1,346,427
Bonds payable - Private Placement:					
General obligation bonds	1,900,000	-	175,000	1,725,000	185,000
Less deferred amounts:					
Issuance premium	1,777,109	370,553	129,692	2,017,970	-
Total bonds payable	27,870,405	8,150,553	1,966,119	34,054,839	2,851,427
Financed purchases	2,705,102	648,380	602,240	2,751,242	654,726
Leases	15,397	10,490	12,945	12,942	5,861
Compensated absences	1,795,514	718,205	480,552	2,033,167	508,292
Total	\$ 32,386,418	\$ 9,527,628	\$ 3,061,856	\$ 38,852,190	\$ 4,020,306

Governmental compensated absences will be liquidated by the general fund and nonmajor governmental funds (hotel/motel occupancy fees and Corsicana/Navarro County economic development funds).

	Beginning Balance	Increased	Retired	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable - Negotiated:					
Certificates of obligation	\$ 2,640,000	\$ 7,155,000	\$ 100,000	\$ 9,695,000	\$ 395,000
General obligation bonds	9,596,705	-	2,033,573	7,563,132	1,443,573
Bonds payable - Private Placement:					
Certificates of obligation	820,000	-	110,000	710,000	110,000
General obligation bonds	1,900,000	-	175,000	1,725,000	185,000
Less deferred amounts:					
Issuance premium	706,225	482,278	68,524	1,119,979	-
Total bonds payable	15,662,930	7,637,278	2,487,097	20,813,111	2,133,573
Landfill closure	2,156,558	319,548	-	2,476,106	-
Financed purchases	885,667	456,827	405,480	937,014	328,492
Compensated absences	620,439	170,254	382,313	408,380	97,982
Total	\$ 19,325,594	\$ 8,583,907	\$ 3,274,890	\$ 24,634,611	\$ 2,560,047

Business-type compensated absences are repaid from the Utility Operations Fund, Sanitation Fund, and EMS Fund activities, depending on where the employee was employed.

#### F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022, is as follows:

Receivable Fund	Payable Fund	Total
General	Nonmajor governmental	\$ 1,079,716
General	Debt Service	591
General	Emergency Medical Services	671,508
Total		\$ 1,751,815

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.

#### G. Interfund Transfers

The composition of interfund transfers as of September 30, 2022, is as follows:

Transfer from	Transfer to	Amount
General	Nonmajor governmental	\$ 3,116,203
Nonmajor governmental	Nonmajor governmental	801,105
Nonmajor governmental	Utility	241,341
Sanitation	General	694,553
Utility	General	1,844,807
Utility	Nonmajor governmental	2,954,114
Total		\$ 9,652,123

Transfers are primarily used for:

- General Fund to nonmajor governmental funds for subsidy for other programs in the City.
- Nonmajor governmental funds to other nonmajor governmental funds for economic development programs.
- Nonmajor governmental funds to Utility Operations Fund to recognize Utility Operations Fund assets purchased with combined lease purchase 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.

## H. DEFINED BENEFIT PENSION PLANS

### 1. Texas Municipal Retirement System

**Plan Description.** The City participates as one of 901 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 agency 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

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

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

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	50% Repeating, Transfers
Annuity increase to retirees	50% of CPI Repeating

**Employees covered by benefit terms.** At the December 31, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	85
Active employees	<u>150</u>
Total	<u>408</u>

**Contributions.** The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions 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 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.07% and 14.77% in calendar years 2022 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$1,376,505, and were equal to the required contributions.

**Net Pension Liability.** The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions.** The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	1.85% per year
Investment Rate of Return	6.75%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	<u>10.00%</u>	10.00%
Total	<u>100.0%</u>	

**Discount Rate.** The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period 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 12/31/2020	\$ 61,720,653	\$ 57,315,538	\$ 4,405,115
Changes for the year:			
Service cost	1,366,728	-	1,366,728
Interest	4,094,855	-	4,094,855
Difference between expected and actual experience	761,946	-	761,946
Contributions - employer	-	1,371,370	( 1,371,370)
Contributions - employee	-	649,939	( 649,939)
Net investment income	-	7,467,370	( 7,467,370)
Benefit payments, including refunds of employee contributions	( 3,478,990)	( 3,478,990)	-
Administrative expense	-	( 34,572)	34,572
Other changes	-	235	( 235)
Net changes	<u>2,744,539</u>	<u>5,975,352</u>	<u>( 3,230,813)</u>
Balance at 12/31/2021	<u>\$ 64,465,192</u>	<u>\$ 63,290,890</u>	<u>\$ 1,174,302</u>

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 9,623,992	\$ 1,174,302	\$ 5,808,526

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained on the Internet at [www.tmrs.org](http://www.tmrs.org).

**Pension Expense and Deferred Outflows and inflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended September 30, 2022, the City recognized pension expense of \$609,393.

At September 30 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 525,317	\$ 480,726
Changes in actuarial assumptions	5,465	-
Difference between projected and actual investment earnings	-	3,842,695
Contributions subsequent to the measurement date	<u>981,605</u>	<u>-</u>
Total	<u>\$ 1,512,387</u>	<u>\$ 4,323,421</u>

Amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,	Amount
2023	\$( 820,379)
2024	( 1,494,268)
2025	( 758,278)
2026	( 719,714)

## 2. Corsicana Firemen’s Relief and Retirement Fund

**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” or “FRRF”). 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 Fund is not considered a part of the City’s reporting entity because the City does not have a fiduciary responsibility for the Fund’s assets, nor can the City impose its will on the Fund. Also, the Fund is not fiscally dependent on the City since the Board of Trustees can determine employee contribution rates without approval by the City. Finally, the City appoints two members of the Board, which is not a voting majority. 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.

**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.

**Members Covered by the Fund.** In the December 31, 2020, actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>42</u>
Total	<u>81</u>

**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 a percentage of payroll according to a City ordinance effective January 1, 2018, that is the greater of 14% and the City contribution rate to the Texas Municipal Retirement System for all other city employees. The Fund’s December 31, 2021, actuarial valuation includes the assumption that the City contribution rate will be 14% for at least as long as the unfunded liability 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, 2021, the money-weighted rate of return on pension plan investments was 19.50%. 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.

**Net Pension Liability.** The City of Corsicana's net pension liability was measured as December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of December 31, 2021.

Total pension liability	\$ 19,458,693
Plan fiduciary net position	<u>13,347,874</u>
City's net pension liability	<u>\$ 6,110,819</u>
Plan fiduciary net position as a percentage of the total pension liability	68.6%

**Actuarial Assumptions.** The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75%, plus promotion, step and longevity increases that vary by service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

PubS-2010 (public safety) below median income mortality tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018.

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 4.25%) and by adding expected inflation (2.75%), resulting in the 7% net investment rate of return assumption. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities:		
Domestic	73%	5.90%
Fixed Income:		
Domestic core	23%	0.90%
Cash	4%	0.00%
Total	100%	
Weighted Average		4.51%

**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, 2020, actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 52 years. Because of the 52-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% Decrease in Discount Rate (6%)	Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's net pension liability \$	8,591,380 \$	6,110,819 \$	4,061,891

**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.

**Changes in the Net Pension Liability.**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2020	\$ 19,051,592	\$ 11,310,922	\$ 7,740,670
Changes for the year:			
Service cost	435,988	-	435,988
Interest	1,317,024	-	1,317,024
Differences between expected and actual experience	-	-	-
Contributions - employer	-	632,734	( 632,734)
Contributions - employee	-	586,629	( 586,629)
Net investment income	-	2,190,352	( 2,190,352)
Benefit payments	( 1,345,911)	( 1,345,911)	-
Administrative expense	-	( 26,852)	26,852
Net changes	<u>407,101</u>	<u>2,036,952</u>	<u>( 1,629,851)</u>
Balance at 12/31/2021	<u>\$ 19,458,693</u>	<u>\$ 13,347,874</u>	<u>\$ 6,110,819</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended September 30, 2022, the City's pension income was \$121,484. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 174,195	\$ 834,303
Changes in actuarial assumptions	684,895	-
Difference between projected and actual investment earnings	-	1,760,866
Contributions subsequent to the measurement date	<u>388,616</u>	<u>-</u>
Total	<u>\$ 1,247,706</u>	<u>\$ 2,595,169</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	Amount
2023	\$( 389,876)
2024	( 609,270)
2025	( 461,275)
2026	( 274,240)
2027	( 1,418)

## I. **OTHER POST-EMPLOYMENT BENEFIT PLANS**

### 1. **TMRS Supplemental Death Benefits Fund**

**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 does not 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 annual financial comprehensive report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

**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.

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.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees currently receiving benefits	121
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>150</u>
Total	<u><u>294</u></u>

**Actuarial Assumptions and Other Inputs.** The total OPEB liability in the December 31, 2021, 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 11.50% including inflation
Discount rate	1.84%
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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

**Changes in the Total OPEB Liability:**

	<u>Total OPEB Liability</u>
Balance at 12/31/2020	\$ 889,967
Changes for the year:	
Service cost	33,425
Interest	17,911
Difference between expected and actual experience	( 6,494)
Changes of assumptions	27,480
Benefit payments	( 22,285)
Net changes	<u>50,037</u>
Balance at 12/31/2021	<u>\$ 940,004</u>

**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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	<u>1% Decrease in Discount Rate (0.84%)</u>	<u>Discount Rate (1.84%)</u>	<u>1% Increase in Discount Rate (2.84%)</u>
Total OPEB Liability	\$ 1,139,482	\$ 940,004	\$ 784,818

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended September 30 2022, the City recognized OPEB expense of \$80,595. At September 30 2022, the City reported deferred outflows of resources and related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 54,237
Changes in actuarial assumptions	129,261	8,535
Contributions subsequent to the measurement date	<u>16,046</u>	<u>-</u>
Total	<u>\$ 145,307</u>	<u>\$ 62,772</u>

Amounts 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	<u>Amount</u>
2023	\$ 20,586
2024	30,856
2025	12,799
2026	2,248

**J. 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%) of the operating budget. The City will appropriate at least \$100,000 or one percent (1%) of each year's General Fund operating budget to fund balance until the identified goal is met.

## **K. Construction Commitments**

The City has active construction projects as of September 30 2022. The projects include infrastructure and utility system 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	\$ 13,556,819	\$ 12,073,634
Utility system improvements	12,223,978	1,814,469
	<u>\$ 25,780,797</u>	<u>\$ 13,888,103</u>

The infrastructure improvements projects are commitments of the City's capital projects funds. Certificates of obligation are funding the projects.

The utility system improvements projects are commitments of the City's Utility Operations Fund. Utility revenues and certificates of obligation are funding the projects.

## **L. 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 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.

*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 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.

During the current fiscal year, the City abated property taxes under these programs in the amount of \$425,477.

## **M. Other Significant Commitments**

- 1. 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 were 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 using TIF funds.

Subject to the terms of the agreement, the City agreed 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.

- 2. 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 costs incurred. Actual expenses for the year ended September 30, 2022, were \$782,289.

## **N. 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.

## **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 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. Landfill Closure Liability**

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 post closure care costs will be paid only near or after the date that the landfill stops accepting waste, in compliance with generally accepted accounting principles, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,476,106 reported to date is based on the use of 28 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post closure care of \$6,273,053 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2021. The landfill has an estimated remaining life of 96 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 \$222,650 at September 30, 2022. 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 post closure 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.

**Q. Special Items**

Special items are significant transactions or events within the control of management that are either unusual in nature or infrequent in occurrence. In 2022, the City's EMS Fund recognized two separate transactions recorded as special items. First, the City ceased ambulance operations and wrote off all EMS receivables in fiscal year 2022, leading to a decrease in net position of \$897,880. Second, employees previously assigned to the EMS fund have been transferred to positions in governmental funds, which caused a significant decline in the EMS fund's proportional share of the FRRF net pension liability, increasing net position in the amount of \$2,187,531. The net effect of these two transactions resulted in an increase in net position in the amount of \$1,289,651.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CORSICANA, TEXAS**

**EXHIBIT D-1**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 7,350,478	\$ 7,350,478	\$ 7,828,357	\$ 477,879
Sales taxes	8,265,000	8,265,000	9,770,034	1,505,034
Franchise taxes	2,058,000	2,058,000	2,230,426	172,426
Alcoholic beverage taxes	48,000	48,000	69,646	21,646
Intergovernmental	65,177	65,177	228,104	162,927
Charges for services	306,550	306,550	340,086	33,536
Licenses and permits	286,000	286,000	241,327	( 44,673)
Fines and forfeitures	189,500	189,500	244,362	54,862
Investment earnings	20,000	20,000	113,281	93,281
Miscellaneous	64,300	64,300	129,858	65,558
Total revenues	<u>18,653,005</u>	<u>18,653,005</u>	<u>21,195,481</u>	<u>2,542,476</u>
<b>EXPENDITURES</b>				
General government:				
Administration:				
Mayor and council	29,700	29,700	26,950	2,750
Administration	323,302	323,302	308,951	14,351
Human resources	128,369	128,369	102,353	26,016
Civil service	88,337	88,337	82,565	5,772
Tax	178,500	178,500	173,597	4,903
Finance	665,204	665,204	452,152	213,052
Health services	55,000	55,000	55,000	-
Total administration	<u>1,468,412</u>	<u>1,468,412</u>	<u>1,201,568</u>	<u>266,844</u>
Non-departmental	467,200	467,200	1,346,021	( 878,821)
Total general government	<u>1,935,612</u>	<u>1,935,612</u>	<u>2,547,589</u>	<u>( 611,977)</u>
Judicial:				
Legal	140,696	140,696	142,047	( 1,351)
Municipal court	246,465	246,465	242,450	4,015
Total judicial	<u>387,161</u>	<u>387,161</u>	<u>384,497</u>	<u>2,664</u>
Public safety:				
Police	6,125,275	6,125,275	5,813,007	312,268
Fire	4,852,368	4,852,368	5,600,342	( 747,974)
Emergency management	34,100	34,100	26,502	7,598
Animal control	147,240	147,240	65,245	81,995
Animal shelter	167,259	167,259	189,773	( 22,514)
Total public safety	<u>11,326,242</u>	<u>11,326,242</u>	<u>11,694,869</u>	<u>( 368,627)</u>
Community support services:				
Inspections	183,207	183,207	83,744	99,463
Planning and zoning	74,910	74,910	66,751	8,159
Code compliance	230,436	230,436	104,844	125,592
Total community support services	<u>488,553</u>	<u>488,553</u>	<u>255,339</u>	<u>233,214</u>

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

**CITY OF CORSICANA, TEXAS**

**EXHIBIT D-1**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Information technology	238,627	238,627	288,445	( 49,818)
Engineering	458,281	458,281	324,601	133,680
Streets	<u>2,297,977</u>	<u>2,297,977</u>	<u>3,007,621</u>	<u>( 709,644)</u>
Total public works	<u>2,994,885</u>	<u>2,994,885</u>	<u>3,620,667</u>	<u>( 625,782)</u>
Cultural and recreational:				
Parks and recreation	1,264,900	1,264,900	1,288,144	( 23,244)
Lakes and grounds	118,264	118,264	123,386	( 5,122)
Senior activity center	140,948	140,948	146,536	( 5,588)
Swimming pool	144,792	144,792	124,009	20,783
Library	<u>466,278</u>	<u>466,278</u>	<u>412,064</u>	<u>54,214</u>
Total cultural and recreational	<u>2,135,182</u>	<u>2,135,182</u>	<u>2,094,139</u>	<u>41,043</u>
Building and vehicle maintenance:				
K. Wolens BIC	87,625	87,625	78,067	9,558
Maintenance service center	267,865	267,865	225,105	42,760
Municipal buildings	<u>294,437</u>	<u>294,437</u>	<u>216,763</u>	<u>77,674</u>
Total building and vehicle maintenance	<u>649,927</u>	<u>649,927</u>	<u>519,935</u>	<u>129,992</u>
Debt service:				
Principal retirement	-	-	12,945	( 12,945)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>47</u>	<u>( 47)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>12,992</u>	<u>( 12,992)</u>
Capital outlay:	<u>32,400</u>	<u>32,400</u>	<u>10,490</u>	<u>( 21,910)</u>
Total expenditures	<u>19,949,962</u>	<u>19,949,962</u>	<u>21,140,517</u>	<u>( 1,190,555)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 1,296,957)</u>	<u>( 1,296,957)</u>	<u>54,964</u>	<u>1,351,921</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,398,862	2,398,862	2,539,360	140,498
Transfers out	<u>( 1,083,560)</u>	<u>( 1,083,560)</u>	<u>( 3,116,203)</u>	<u>( 2,032,643)</u>
Issuance of leases	-	-	10,490	10,490
Insurance recoveries	8,500	8,500	33,213	24,713
Sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>47,929</u>	<u>27,929</u>
Total other financing sources (uses)	<u>1,343,802</u>	<u>1,343,802</u>	<u>( 485,211)</u>	<u>( 1,829,013)</u>
<b>NET CHANGE IN FUND BALANCE</b>	46,845	46,845	( 430,247)	( 477,092)
<b>FUND BALANCES - BEGINNING</b>	<u>9,166,961</u>	<u>9,166,961</u>	<u>9,166,961</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 9,213,806</u>	<u>\$ 9,213,806</u>	<u>\$ 8,736,714</u>	<u>\$( 477,092)</u>

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

**CITY OF CORSICANA, TEXAS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>Measurement Date December 31,</b>	<u><b>2014</b></u>	<u><b>2015</b></u>
<b>A. Total pension liability</b>		
Service Cost	\$ 1,166,449	\$ 1,267,264
Interest (on the Total Pension Liability)	3,198,111	3,337,570
Difference between expected and actual experience	( 387,823)	( 117,414)
Change of assumptions	-	831,486
Benefit payments, including refunds of employee contributions	( 1,916,569)	( 2,153,179)
Net change in total pension liability	2,060,168	3,165,727
Total pension liability - beginning	<u>46,062,363</u>	<u>48,122,531</u>
Total pension liability - ending (a)	<u>\$ 48,122,531</u>	<u>\$ 51,288,258</u>
<b>B. Plan fiduciary net position</b>		
Contributions - employer	\$ 1,188,150	\$ 1,245,047
Contributions - employee	591,961	622,079
Net investment income	2,270,579	61,680
Benefit payments, including refunds of employee contributions	( 1,916,569)	( 2,153,179)
Administrative expenses	( 23,707)	( 37,569)
Other	( 1,949)	( 1,856)
Net change in plan fiduciary net position	2,108,465	( 263,798)
Plan fiduciary net position - beginning	<u>39,692,461</u>	<u>41,800,926</u>
Plan fiduciary net position - ending (b)	<u>\$ 41,800,926</u>	<u>\$ 41,537,128</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 6,321,605</u>	<u>\$ 9,751,130</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	87%	81%
<b>E. Covered payroll</b>	\$ 8,456,582	\$ 8,886,844
<b>F. Net position liability as a percentage of covered payroll</b>	75%	110%

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$	1,321,047	\$ 1,391,938	\$ 1,467,383	\$ 1,423,697	\$ 1,334,768	\$ 1,366,728
	3,427,059	3,598,108	3,763,344	3,895,244	4,007,243	4,094,855
	125,722	( 8,605)	( 372,426)	( 715,195)	( 897,004)	761,946
	-	-	-	32,339	-	-
	( 2,355,072)	( 2,395,363)	( 2,747,092)	( 3,017,662)	( 2,847,078)	( 3,478,990)
	2,518,756	2,586,078	2,111,209	1,618,423	1,597,929	2,744,539
	<u>51,288,258</u>	<u>53,807,014</u>	<u>56,393,092</u>	<u>58,504,301</u>	<u>60,122,724</u>	<u>61,720,653</u>
\$	<u>53,807,014</u>	<u>56,393,092</u>	<u>58,504,301</u>	<u>60,122,724</u>	<u>61,720,653</u>	<u>64,465,192</u>
\$	1,226,436	\$ 1,502,439	\$ 1,603,285	\$ 1,476,039	\$ 1,392,066	\$ 1,371,370
	613,218	650,005	689,375	666,168	633,879	649,939
	2,807,235	6,070,106	( 1,485,333)	7,360,571	4,102,295	7,467,370
	( 2,355,072)	( 2,395,363)	( 2,747,092)	( 3,017,662)	( 2,847,078)	( 3,478,990)
	( 31,703)	( 31,457)	( 28,709)	( 41,598)	( 26,554)	( 34,572)
	( 1,708)	( 1,594)	( 1,500)	( 1,248)	( 1,036)	235
	2,258,406	5,794,136	( 1,969,974)	6,442,270	3,253,572	5,975,352
	<u>41,537,128</u>	<u>43,795,534</u>	<u>49,589,670</u>	<u>47,619,696</u>	<u>54,061,966</u>	<u>57,315,538</u>
\$	<u>43,795,534</u>	<u>49,589,670</u>	<u>47,619,696</u>	<u>54,061,966</u>	<u>57,315,538</u>	<u>63,290,890</u>
\$	<u>10,011,480</u>	<u>6,803,422</u>	<u>10,884,605</u>	<u>6,060,758</u>	<u>4,405,115</u>	<u>1,174,302</u>
	81%	88%	81%	90%	93%	98%
\$	8,760,258	\$ 9,285,779	\$ 9,848,208	\$ 9,516,692	\$ 9,055,412	\$ 9,284,837
	114%	73%	111%	64%	49%	13%

**CITY OF CORSICANA, TEXAS**

SCHEDULE OF CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>Fiscal Year September 30,</b>	<b>2015</b>	<b>2016</b>
Actuarial determined contribution	\$ 1,194,803	\$ 1,205,524
Contributions in relation to the actuarially determined contribution	( 1,194,803)	( 1,205,524)
Contribution deficiency (excess)	-	-
Covered payroll	8,522,039	8,609,078
Contributions as a percentage of covered payroll	14.0%	14.0%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year fair market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	1,479,915	\$ 1,574,342	\$ 1,550,739	\$ 1,409,548	\$ 1,371,124	\$ 1,376,505
	( 1,479,915)	( 1,574,342)	( 1,550,739)	( 1,409,548)	( 1,371,124)	( 1,376,505)
	-	-	-	-	-	-
	9,146,569	9,670,405	9,998,318	9,146,569	9,178,340	9,650,246
	16.2%	16.3%	15.5%	15.4%	14.9%	14.3%

**CITY OF CORSICANA, TEXAS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
CORSICANA FIREMEN'S RELIEF AND RETIREMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>Measurement Date December 31,</b>	<b>2014</b>	<b>2015</b>
<b>A. Total pension liability</b>		
Service Cost	\$ 519,873	\$ 538,114
Interest (on the Total Pension Liability)	1,135,753	1,185,805
Changes of benefit provisions	-	-
Difference between expected and actual experience	-	-
Change of assumptions	-	-
Benefit payments	<u>( 1,076,197)</u>	<u>( 936,812)</u>
Net change in total pension liability	579,429	787,107
Total pension liability - beginning	<u>15,161,602</u>	<u>15,741,031</u>
Total pension liability - ending (a)	\$ <u>15,741,031</u>	\$ <u>16,528,138</u>
<b>B. Plan fiduciary net position</b>		
Contributions - employer	\$ 509,659	\$ 555,435
Contributions - employee	509,550	555,332
Net investment income	22,056	( 180,420)
Benefit payments	( 1,076,197)	( 936,812)
Administrative expenses	<u>( 13,081)</u>	<u>( 33,535)</u>
Net change in plan fiduciary net position	( 48,013)	( 40,000)
Plan fiduciary net position - beginning	<u>8,209,631</u>	<u>8,161,618</u>
Plan fiduciary net position - ending (b)	\$ <u>8,161,618</u>	\$ <u>8,121,618</u>
<b>C. Net pension liability - ending (a) - (b)</b>	\$ <u>7,579,413</u>	\$ <u>8,406,520</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	52%	49%
<b>E. Covered payroll</b>	\$ 3,639,643	\$ 3,966,657
<b>F. Net position liability as a percentage of covered payroll</b>	208%	212%

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 556,948	\$ 560,230	\$ 577,037	\$ 570,987	\$ 586,689	\$ 435,988
1,238,557	1,195,044	1,217,650	1,282,271	1,319,317	1,317,024
29,027	-	( 13,550)	-	-	-
( 840,640)	-	238,003	-	( 403,605)	-
990,888	-	138,299	-	-	-
<u>( 1,141,978)</u>	<u>( 1,698,239)</u>	<u>( 1,200,012)</u>	<u>( 1,256,456)</u>	<u>( 1,423,013)</u>	<u>( 1,345,911)</u>
832,802	57,035	957,427	596,802	79,388	407,101
<u>16,528,138</u>	<u>17,360,940</u>	<u>17,417,975</u>	<u>18,375,402</u>	<u>18,972,204</u>	<u>19,051,592</u>
<u>\$ 17,360,940</u>	<u>\$ 17,417,975</u>	<u>\$ 18,375,402</u>	<u>\$ 18,972,204</u>	<u>\$ 19,051,592</u>	<u>\$ 19,458,693</u>
\$ 546,329	\$ 554,105	\$ 693,482	\$ 674,496	\$ 656,178	\$ 632,734
546,261	554,030	586,217	600,083	589,443	586,629
294,255	1,254,318	( 466,960)	1,339,438	1,620,944	2,190,352
( 1,141,978)	( 1,698,239)	( 1,200,012)	( 1,256,456)	( 1,423,013)	( 1,345,911)
<u>( 22,168)</u>	<u>( 38,769)</u>	<u>( 18,892)</u>	<u>( 17,777)</u>	<u>( 36,011)</u>	<u>( 26,852)</u>
222,699	625,445	( 406,165)	1,339,784	1,407,541	2,036,952
<u>8,121,618</u>	<u>8,344,317</u>	<u>8,969,762</u>	<u>8,563,597</u>	<u>9,903,381</u>	<u>11,310,922</u>
<u>\$ 8,344,317</u>	<u>\$ 8,969,762</u>	<u>\$ 8,563,597</u>	<u>\$ 9,903,381</u>	<u>\$ 11,310,922</u>	<u>\$ 13,347,874</u>
<u>\$ 9,016,623</u>	<u>\$ 8,448,213</u>	<u>\$ 9,811,805</u>	<u>\$ 9,068,823</u>	<u>\$ 7,740,670</u>	<u>\$ 6,110,819</u>
48%	51%	47%	52%	59%	69%
\$ 3,901,864	\$ 3,957,357	\$ 4,143,829	\$ 4,286,307	\$ 4,210,307	\$ 4,769,678
231%	213%	237%	212%	184%	128%

**CITY OF CORSICANA, TEXAS**

SCHEDULE OF CONTRIBUTIONS  
CORSICANA FIREMEN'S RELIEF AND RETIREMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>Fiscal Year September 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarial determined contribution	\$ 517,209	\$ 559,302	\$ 549,907
Contributions in relation to the actuarially determined contribution	<u>( 517,209)</u>	<u>( 559,302)</u>	<u>( 549,907)</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	3,694,350	3,995,014	3,927,908
Contributions as a percentage of covered payroll	14%	14%	14%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date**

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	2.75%
Salary Increases	2.75%, 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	PubS-2010 (public safety) below median income mortality tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018.

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 681,196	\$ 702,229	\$ 657,271	\$ 656,178	\$ 557,159
( 681,196)	( 702,229)	( 657,271)	( 656,178)	( 557,159)
-	-	-	-	-
4,865,689	5,015,923	4,694,790	4,686,986	3,817,952
14%	14%	14%	14%	15%

**CITY OF CORSICANA, TEXAS**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 18,572	\$ 23,636	\$ 19,033	\$ 26,261	\$ 33,425
Interest (on the Total OPEB Liability)	23,703	23,658	25,486	21,768	17,911
Difference between expected and actual experience	-	( 18,400)	( 53,365)	( 45,073)	( 6,494)
Change of assumptions and other inputs	51,959	( 45,648)	117,280	112,201	27,480
Benefit payments	<u>( 8,357)</u>	<u>( 9,848)</u>	<u>( 7,613)</u>	<u>( 7,243)</u>	<u>( 22,286)</u>
Net change in total OPEB liability	85,877	( 26,602)	100,821	107,914	50,036
Total OPEB liability - beginning	<u>621,958</u>	<u>707,835</u>	<u>681,233</u>	<u>782,054</u>	<u>889,968</u>
Total OPEB liability - ending (a)	\$ <u>707,835</u>	\$ <u>681,233</u>	\$ <u>782,054</u>	\$ <u>889,968</u>	\$ <u>940,004</u>
<b>Covered Payroll</b>	\$ 9,285,779	\$ 9,848,208	\$ 9,516,692	\$ 9,055,412	\$ 9,284,837
<b>OPEB liability as a percentage of covered payroll</b>	7.6%	6.9%	8.2%	9.8%	10.1%

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

**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 the notes 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.

**CITY OF CORSICANA, TEXAS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,920,237	\$ 20,484,574	\$ 28,404,811
Receivables (net of allowance for uncollectibles)	393,997	-	393,997
Notes receivable	-	491,893	491,893
Inventories	61,130	-	61,130
Prepaid items	5,067	-	5,067
Total assets	<u>\$ 8,380,431</u>	<u>\$ 20,976,467</u>	<u>\$ 29,356,898</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 365,357	\$ 945,901	\$ 1,311,258
Accrued payroll payable	14,775	-	14,775
Developer deposits	1,154,340	-	1,154,340
Due to other funds	337,797	741,919	1,079,716
Total liabilities	<u>1,872,269</u>	<u>1,687,820</u>	<u>3,560,089</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - other	37,500	-	37,500
Related to leases	229,462	-	229,462
Total deferred inflows of resources	<u>266,962</u>	<u>-</u>	<u>266,962</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	61,130	-	61,130
Prepaid items	5,067	-	5,067
Restricted for:			
Tourism	494,358	-	494,358
Economic development	4,536,982	-	4,536,982
Municipal court	199,632	-	199,632
Public safety	56,924	-	56,924
Cemetery	196,265	-	196,265
Airport	177,719	-	177,719
Parks and recreation	527,464	-	527,464
Other purposes	65,545	-	65,545
Capital projects	-	17,182,492	17,182,492
Committed for:			
Streets	239,859	-	239,859
Assigned for:			
Capital projects	-	2,106,155	2,106,155
Unassigned	<u>(319,745)</u>	<u>-</u>	<u>(319,745)</u>
Total fund balances	<u>6,241,200</u>	<u>19,288,647</u>	<u>25,529,847</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,380,431</u>	<u>\$ 20,976,467</u>	<u>\$ 29,356,898</u>

**CITY OF CORSICANA, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 2,665	\$ 2,665
Hotel occupancy taxes	996,845	-	996,845
Intergovernmental	266,555	267,974	534,529
Charges for services	1,480,940	-	1,480,940
Fines and forfeitures	109,447	-	109,447
Investment earnings	40,973	87,396	128,369
Miscellaneous	12,574	33,353	45,927
Contributions and donations	480,094	-	480,094
Total revenues	<u>3,387,428</u>	<u>391,388</u>	<u>3,778,816</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,278,212	-	1,278,212
Judicial	13,401	-	13,401
Public safety	104,120	-	104,120
Public works	2,045,458	-	2,045,458
Cultural and recreation	745,744	-	745,744
Debt service:			
Principal retirement	43,022	-	43,022
Interest and fiscal charges	2,296	-	2,296
Bond issuance cost	-	141,865	141,865
Capital outlay:			
General government	-	542,304	542,304
Public safety	5,792	147,473	153,265
Public works	-	920,928	920,928
Cultural and recreation	111,396	-	111,396
Total expenditures	<u>4,349,441</u>	<u>1,752,570</u>	<u>6,102,011</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 962,013)</u>	<u>( 1,361,182)</u>	<u>( 2,323,195)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,656,105	5,215,317	6,871,422
Transfers out	( 801,105)	( 241,341)	( 1,042,446)
Sale of capital assets	-	2,096,007	2,096,007
Issuance of leases	-	648,380	648,380
Issuance of bonds	-	7,780,000	7,780,000
Premium on issuance of bonds	-	370,553	370,553
Total other financing sources (uses)	<u>855,000</u>	<u>15,868,916</u>	<u>16,723,916</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 107,013)</u>	<u>14,507,734</u>	<u>14,400,721</u>
<b>FUND BALANCE, BEGINNING</b>	<u>6,348,213</u>	<u>4,780,913</u>	<u>11,129,126</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 6,241,200</u>	<u>\$ 19,288,647</u>	<u>\$ 25,529,847</u>

# COMBINING FINANCIAL STATEMENTS 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 **Convention and Visitors Bureau** 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.

The **Airport Operating** fund was established to account for the operation of the airport. Revenue consists of hangar rentals, gas sales, and grants.

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 Occupancy Fees 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 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 of the Senior Activity Center.

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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 **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 **Animal Services** fund was created to account for funds specifically designated for animal control within the City. It is funded through donations.

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

The **Economic Development Recovery** fund was created to account for 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.

The **Court - Local Truancy Prevention/Diversion** fund accounts for municipal court fines designated for the purpose of truancy prevention.

The **Local Municipal Jury** fund accounts for municipal court fines designated for the purpose of funding municipal jury pools.

**CITY OF CORSICANA, TEXAS**

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

SEPTEMBER 30, 2022

	Hotel/Motel Occupancy Fees	Convention and Visitors Bureau	Airport Operating	Cemetary	Forfeitures
<b>ASSETS</b>					
Cash and cash equivalents	\$ 238,604	\$ 328,464	\$ 186,157	\$ 198,056	\$ 42,653
Receivables (net of allowance)	37,500	-	232,970	237	-
Inventories	4,545	-	56,585	-	-
Prepaid items	-	-	5,067	-	-
Total assets	<u>280,649</u>	<u>328,464</u>	<u>480,779</u>	<u>198,293</u>	<u>42,653</u>
<b>LIABILITIES</b>					
Accounts payable	44,536	22,258	6,994	1,660	504
Accrued liabilities	5,916	-	4,952	368	-
Developer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>50,452</u>	<u>22,258</u>	<u>11,946</u>	<u>2,028</u>	<u>504</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - other	37,500	-	-	-	-
Related to leases	-	-	229,462	-	-
Total deferred inflows of resources	<u>37,500</u>	<u>-</u>	<u>229,462</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	4,545	-	56,585	-	-
Prepaid items	-	-	5,067	-	-
Restricted for:					
Tourism	188,152	306,206	-	-	-
Economic development	-	-	-	-	-
Municipal court	-	-	-	-	-
Public safety	-	-	-	-	42,149
Cemetary	-	-	-	196,265	-
Airport	-	-	177,719	-	-
Parks and recreation	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed for:					
Streets	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>192,697</u>	<u>306,206</u>	<u>239,371</u>	<u>196,265</u>	<u>42,149</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>280,649</u>	\$ <u>328,464</u>	\$ <u>480,779</u>	\$ <u>198,293</u>	\$ <u>42,653</u>

Parks/ Recreation	Parks/ Recreation Special Events	Library	Corsicana/ Navarro County Economic Development	Police	Community Support Services	Fire	Palace Theatre
\$ 590,151	\$ 5,263	\$ 29,857	\$ 2,023	\$ 10,823	\$ 8,999	\$ 6,616	\$ -
-	-	-	25,796	-	-	-	5,480
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>590,151</u>	<u>5,263</u>	<u>29,857</u>	<u>27,819</u>	<u>10,823</u>	<u>8,999</u>	<u>6,616</u>	<u>5,480</u>
67,950	-	-	11,708	5,792	-	-	-
-	-	-	3,539	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	230,000	-	-	-	6,625
<u>67,950</u>	<u>-</u>	<u>-</u>	<u>245,247</u>	<u>5,792</u>	<u>-</u>	<u>-</u>	<u>6,625</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,031	-	6,616	-
-	-	-	-	-	-	-	-
522,201	5,263	-	-	-	-	-	-
-	-	29,857	-	-	8,999	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	( 217,428)	-	-	-	( 1,145)
<u>522,201</u>	<u>5,263</u>	<u>29,857</u>	<u>( 217,428)</u>	<u>5,031</u>	<u>8,999</u>	<u>6,616</u>	<u>( 1,145)</u>
<u>\$ 590,151</u>	<u>\$ 5,263</u>	<u>\$ 29,857</u>	<u>\$ 27,819</u>	<u>\$ 10,823</u>	<u>\$ 8,999</u>	<u>\$ 6,616</u>	<u>\$ 5,480</u>

**CITY OF CORSICANA, TEXAS**

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

SEPTEMBER 30, 2022

	Police LEOSE	Senior Activity Center	Court Technology	Court Security	FEMA Grant
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,128	\$ 15,792	\$ 33,474	\$ 79,225	\$ -
Receivables (net of allowance)	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>3,128</u>	<u>15,792</u>	<u>33,474</u>	<u>79,225</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Developer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	101,172
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,172</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - other	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Tourism	-	-	-	-	-
Economic development	-	-	-	-	-
Municipal court	-	-	33,474	79,225	-
Public safety	3,128	-	-	-	-
Cemetery	-	-	-	-	-
Airport	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Other purposes	-	15,792	-	-	-
Committed for:					
Streets	-	-	-	-	-
Unassigned	-	-	-	-	( 101,172)
Total fund balances	<u>3,128</u>	<u>15,792</u>	<u>33,474</u>	<u>79,225</u>	<u>( 101,172)</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>3,128</u>	\$ <u>15,792</u>	\$ <u>33,474</u>	\$ <u>79,225</u>	\$ <u>-</u>

Court Fines Street Improvement	Court Fines - Judicial	Court Fines - Child Safety	Animal Services	380 Agreement Retained Funds	Economic Development Recovery	Street Maintenance and Reconstruction
\$ 53,074	\$ 56,763	\$ 274	\$ 10,897	\$ 3,969,728	\$ 1,721,594	\$ 313,609
-	-	-	-	-	-	92,014
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>53,074</u>	<u>56,763</u>	<u>274</u>	<u>10,897</u>	<u>3,969,728</u>	<u>1,721,594</u>	<u>405,623</u>
38,191	-	-	-	-	-	165,764
-	-	-	-	-	-	-
-	-	-	-	-	1,154,340	-
-	-	-	-	-	-	-
<u>38,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,340</u>	<u>165,764</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,883	56,763	274	-	3,969,728	567,254	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	10,897	-	-	-
-	-	-	-	-	-	239,859
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,883</u>	<u>56,763</u>	<u>274</u>	<u>10,897</u>	<u>3,969,728</u>	<u>567,254</u>	<u>239,859</u>
<u>\$ 53,074</u>	<u>\$ 56,763</u>	<u>\$ 274</u>	<u>\$ 10,897</u>	<u>\$ 3,969,728</u>	<u>\$ 1,721,594</u>	<u>\$ 405,623</u>

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**CITY OF CORSICANA, TEXAS**

**EXHIBIT E-1**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET**

SEPTEMBER 30, 2022

	Court - Local Truancy Prevention/ Diversion	Local Municipal Jury	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,738	\$ 1,275	\$ 7,920,237
Receivables (net of allowance)	-	-	393,997
Inventories	-	-	61,130
Prepaid items	-	-	5,067
Total assets	<u>13,738</u>	<u>1,275</u>	<u>8,380,431</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	365,357
Accrued liabilities	-	-	14,775
Developer deposits	-	-	1,154,340
Due to other funds	-	-	337,797
Total liabilities	<u>-</u>	<u>-</u>	<u>1,872,269</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - other	-	-	37,500
Related to leases	-	-	229,462
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>266,962</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	61,130
Prepaid items	-	-	5,067
Restricted for:			
Tourism	-	-	494,358
Economic development	-	-	4,536,982
Municipal court	13,738	1,275	199,632
Public safety	-	-	56,924
Cemetary	-	-	196,265
Airport	-	-	177,719
Parks and recreation	-	-	527,464
Other purposes	-	-	65,545
Committed for:			
Streets	-	-	239,859
Unassigned	-	-	(319,745)
Total fund balances	<u>13,738</u>	<u>1,275</u>	<u>6,241,200</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,738</u>	<u>\$ 1,275</u>	<u>\$ 8,380,431</u>

**CITY OF CORSICANA, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Hotel/Motel Occupancy Fees	Convention and Visitors Bureau	Airport Operating	Cemetery	Forfeitures
<b>REVENUES</b>					
Hotel occupancy taxes	\$ 593,032	\$ 403,813	\$ -	\$ -	\$ -
Intergovernmental	-	198,783	43,718	-	-
Charges for services	41,208	-	482,431	77,666	-
Fines and forfeitures	-	-	-	-	32,317
Investment earnings	940	-	473	1,287	-
Miscellaneous	7,546	-	1,585	-	-
Contributions and donations	-	-	-	-	-
Total revenues	<u>642,726</u>	<u>602,596</u>	<u>528,207</u>	<u>78,953</u>	<u>32,317</u>
<b>EXPENDITURES</b>					
Current:					
General government	570,583	278,233	-	229,186	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	11,752
Public works	-	-	-	-	-
Cultural and recreation	-	-	497,968	-	-
Capital Outlay:					
Public safety	-	-	-	-	-
Cultural and recreation	-	18,157	-	-	-
Debt service:					
Principal retirement	43,022	-	-	-	-
Interest and fiscal charges	2,296	-	-	-	-
Total expenditures	<u>615,901</u>	<u>296,390</u>	<u>497,968</u>	<u>229,186</u>	<u>11,752</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,825</u>	<u>306,206</u>	<u>30,239</u>	<u>( 150,233)</u>	<u>20,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	105,000	-
Transfers out	<u>( 3,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>( 3,850)</u>	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	22,975	306,206	30,239	( 45,233)	20,565
<b>FUND BALANCE, BEGINNING</b>	<u>169,722</u>	<u>-</u>	<u>209,132</u>	<u>241,498</u>	<u>21,584</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 192,697</u>	<u>\$ 306,206</u>	<u>\$ 239,371</u>	<u>\$ 196,265</u>	<u>\$ 42,149</u>

Parks/ Recreation	Parks/ Recreation Special Events	Library	Corsicana/ Navarro County Economic Development	Police	Community Support Services	Fire	Palace Theatre
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,189	-	-	-	598	-
-	-	-	816	-	-	-	-
-	-	-	-	-	-	-	-
3,857	-	-	31	-	-	-	-
-	-	-	-	-	-	-	3,443
<u>323,021</u>	<u>7,725</u>	<u>11,017</u>	<u>108,675</u>	<u>6,116</u>	<u>-</u>	<u>15,378</u>	<u>6,000</u>
<u>326,878</u>	<u>7,725</u>	<u>12,206</u>	<u>109,522</u>	<u>6,116</u>	<u>-</u>	<u>15,976</u>	<u>9,443</u>
-	-	-	180,210	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,626	-
-	-	-	-	-	-	-	-
198,457	20,286	14,620	-	-	-	-	14,413
-	-	-	-	5,792	-	-	-
93,239	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>291,696</u>	<u>20,286</u>	<u>14,620</u>	<u>180,210</u>	<u>5,792</u>	<u>-</u>	<u>12,626</u>	<u>14,413</u>
<u>35,182</u>	<u>( 12,561)</u>	<u>( 2,414)</u>	<u>( 70,688)</u>	<u>324</u>	<u>-</u>	<u>3,350</u>	<u>( 4,970)</u>
48,778	5,072	-	700,000	-	-	-	-
-	-	-	( 797,255)	-	-	-	-
<u>48,778</u>	<u>5,072</u>	<u>-</u>	<u>( 97,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
83,960	( 7,489)	( 2,414)	( 167,943)	324	-	3,350	( 4,970)
<u>438,241</u>	<u>12,752</u>	<u>32,271</u>	<u>( 49,485)</u>	<u>4,707</u>	<u>8,999</u>	<u>3,266</u>	<u>3,825</u>
\$ <u>522,201</u>	\$ <u>5,263</u>	\$ <u>29,857</u>	\$ <u>( 217,428)</u>	\$ <u>5,031</u>	\$ <u>8,999</u>	\$ <u>6,616</u>	\$ <u>( 1,145)</u>

**CITY OF CORSICANA, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Police LEOSE	Senior Activity Center	Court Technology	Court Security	FEMA Grant
<b>REVENUES</b>					
Hotel occupancy taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,479	-	-	-	19,788
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	6,212	7,306	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Total revenues	<u>2,479</u>	<u>-</u>	<u>6,212</u>	<u>7,306</u>	<u>19,788</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	20,000	-	-	-
Judicial	-	-	11,893	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital Outlay:					
Public safety	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>20,000</u>	<u>11,893</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,479</u>	<u>( 20,000)</u>	<u>( 5,681)</u>	<u>7,306</u>	<u>19,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,479	( 20,000)	( 5,681)	7,306	19,788
<b>FUND BALANCE, BEGINNING</b>	<u>649</u>	<u>35,792</u>	<u>39,155</u>	<u>71,919</u>	<u>( 120,960)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,128</u>	<u>\$ 15,792</u>	<u>\$ 33,474</u>	<u>\$ 79,225</u>	<u>\$ ( 101,172)</u>

Court Fines Street Improvement	Court Fines - Judicial	Court Fines - Child Safety	Animal Services	380 Agreement Retained Funds	Economic Development Recovery	Street Maintenance and Reconstruction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	878,819
51,410	4,970	133	-	-	-	-
-	-	-	-	22,550	10,783	1,052
-	-	-	-	-	-	-
-	-	-	2,162	-	-	-
<u>51,410</u>	<u>4,970</u>	<u>133</u>	<u>2,162</u>	<u>22,550</u>	<u>10,783</u>	<u>879,871</u>
-	-	-	-	-	-	-
-	1,508	-	-	-	-	-
79,742	-	-	-	-	-	-
-	-	-	-	-	-	2,045,458
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>79,742</u>	<u>1,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,045,458</u>
( 28,332)	3,462	133	2,162	22,550	10,783	( 1,165,587)
-	-	-	-	797,255	-	-
-	-	-	-	-	-	-
-	-	-	-	797,255	-	-
( 28,332)	3,462	133	2,162	819,805	10,783	( 1,165,587)
<u>43,215</u>	<u>53,301</u>	<u>141</u>	<u>8,735</u>	<u>3,149,923</u>	<u>556,471</u>	<u>1,405,446</u>
\$ <u>14,883</u>	\$ <u>56,763</u>	\$ <u>274</u>	\$ <u>10,897</u>	\$ <u>3,969,728</u>	\$ <u>567,254</u>	\$ <u>239,859</u>

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**CITY OF CORSICANA, TEXAS**

**EXHIBIT E-2**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Court - Local Truancy Prevention/ Diversion	Local Municipal Jury	Totals
<b>REVENUES</b>			
Hotel occupancy taxes	\$ -	\$ -	\$ 996,845
Intergovernmental	-	-	266,555
Charges for services	-	-	1,480,940
Fines and forfeitures	6,959	140	109,447
Investment earnings	-	-	40,973
Miscellaneous	-	-	12,574
Contributions and donations	-	-	480,094
Total revenues	<u>6,959</u>	<u>140</u>	<u>3,387,428</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	1,278,212
Judicial	-	-	13,401
Public safety	-	-	104,120
Public works	-	-	2,045,458
Cultural and recreation	-	-	745,744
Capital Outlay:			
Public safety	-	-	5,792
Cultural and recreation	-	-	111,396
Debt service:			
Principal retirement	-	-	43,022
Interest and fiscal charges	-	-	2,296
Total expenditures	<u>-</u>	<u>-</u>	<u>4,349,441</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,959</u>	<u>140</u>	<u>( 962,013)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	1,656,105
Transfers out	-	-	( 801,105)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>855,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,959	140	( 107,013)
<b>FUND BALANCE, BEGINNING</b>	<u>6,779</u>	<u>1,135</u>	<u>6,348,213</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 13,738</u>	<u>\$ 1,275</u>	<u>\$ 6,241,200</u>

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## **Nonmajor 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 **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 **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 **Financed 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 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.

The **Business Park Infrastructure** fund was created to separately account for funds received and expended for infrastructure improvements at the business park.

The **Airport Improvements** fund was created to separately account for funds received and expended for airport improvements.

The **Housing Authority Street Improvements** fund accounts for grant funds received to reconstruct the streets surrounding government housing.

The **Housing Renovations** fund accounts for grant funds received to renovate government housing.

The **TP&W Grant Athletic Complex** fund was created to account for grant 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.

**CITY OF CORSICANA, TEXAS**

**NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

SEPTEMBER 30, 2022

	2013 General Obligation	2018 General Obligation	2018 Certificates of Obligation	2022 Certificates of Obligation	Financed Purchase
<b>ASSETS</b>					
Cash and cash equivalents	\$ 132,362	\$ 788,154	\$ 966,056	\$ 14,430,799	\$ 530,320
Due from other governments	-	-	-	-	-
Notes receivable	-	491,893	-	-	-
Total assets	<u>132,362</u>	<u>1,280,047</u>	<u>966,056</u>	<u>14,430,799</u>	<u>530,320</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	5,247	845,257	90,166
Due to other funds	-	-	-	600,000	141,919
Total liabilities	<u>-</u>	<u>-</u>	<u>5,247</u>	<u>1,445,257</u>	<u>232,085</u>
<b>FUND BALANCES</b>					
Restricted for:					
Capital projects	132,362	1,280,047	960,809	12,985,542	298,235
Unassigned	-	-	-	-	-
Total fund balances	<u>132,362</u>	<u>1,280,047</u>	<u>960,809</u>	<u>12,985,542</u>	<u>298,235</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 132,362</u>	<u>\$ 1,280,047</u>	<u>\$ 966,056</u>	<u>\$ 14,430,799</u>	<u>\$ 530,320</u>

Public Works	Tax Increment Reinvestment Zone	Business Park Infrastructure	Airport Improvements	Housing Renovations	Housing Authority Street Improvements	TP&W Grant Athletic Complex	Total
\$ -	\$ 745,888	\$ 2,106,155	\$ 716,303	\$ -	\$ -	\$ 68,537	\$ 20,484,574
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	491,893
-	<u>745,888</u>	<u>2,106,155</u>	<u>716,303</u>	-	-	<u>68,537</u>	<u>20,976,467</u>
-	5,231	-	-	-	-	-	945,901
-	-	-	-	-	-	-	741,919
-	<u>5,231</u>	-	-	-	-	-	<u>1,687,820</u>
-	740,657	-	716,303	-	-	68,537	17,182,492
-	-	<u>2,106,155</u>	-	-	-	-	<u>2,106,155</u>
-	<u>740,657</u>	<u>2,106,155</u>	<u>716,303</u>	-	-	<u>68,537</u>	<u>19,288,647</u>
\$ -	\$ <u>745,888</u>	\$ <u>2,106,155</u>	\$ <u>716,303</u>	\$ -	\$ -	\$ <u>68,537</u>	\$ <u>20,976,467</u>

**CITY OF CORSICANA, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	2013 General Obligation	2018 General Obligation	2018 Certificates of Obligation	2022 Certificates of Obligation	Financed Purchase
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Investment earnings	-	4,237	7,482	55,956	60
Miscellaneous	-	18,629	-	-	-
Total revenues	<u>-</u>	<u>22,866</u>	<u>7,482</u>	<u>55,956</u>	<u>60</u>
<b>EXPENDITURES</b>					
Capital outlay:					
General government	10,146	-	-	30,111	215,333
Public safety	-	-	-	-	147,473
Public works	-	15,886	525,990	-	75,392
Debt service:					
Bond issuance cost	-	-	-	141,865	-
Total expenditures	<u>10,146</u>	<u>15,886</u>	<u>525,990</u>	<u>171,976</u>	<u>438,198</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 10,146)</u>	<u>6,980</u>	<u>( 518,508)</u>	<u>( 116,020)</u>	<u>( 438,138)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	4,951,009	101,946
Transfers out	-	-	-	-	( 241,341)
Sale of capital assets	-	1,100	-	-	-
Issuance of bonds	-	-	-	7,780,000	-
Premium on issuance of bonds	-	-	-	370,553	-
Issuance of financed purchase	-	-	-	-	648,380
Total other financing sources (uses)	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>13,101,562</u>	<u>508,985</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 10,146)</u>	<u>8,080</u>	<u>( 518,508)</u>	<u>12,985,542</u>	<u>70,847</u>
<b>FUND BALANCE, BEGINNING</b>	<u>142,508</u>	<u>1,271,967</u>	<u>1,479,317</u>	<u>-</u>	<u>227,388</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 132,362</u>	<u>\$ 1,280,047</u>	<u>\$ 960,809</u>	<u>\$ 12,985,542</u>	<u>\$ 298,235</u>

Public Works	Tax Increment Reinvestment Zone	Business Park Infrastructure	Airport Improvements	Housing Renovations	Housing Authority Street Improvements	TP&W Grant Athletic Complex	Total
\$ -	\$ 2,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,665
-	-	27,201	-	5,100	235,673	-	267,974
-	4,518	11,248	3,895	-	-	-	87,396
<u>14,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,353</u>
<u>14,724</u>	<u>7,183</u>	<u>38,449</u>	<u>3,895</u>	<u>5,100</u>	<u>235,673</u>	<u>-</u>	<u>391,388</u>
-	-	-	286,714	-	-	-	542,304
-	-	-	-	-	-	-	147,473
2,650	2,665	34,447	-	230	263,668	-	920,928
-	-	-	-	-	-	-	141,865
<u>2,650</u>	<u>2,665</u>	<u>34,447</u>	<u>286,714</u>	<u>230</u>	<u>263,668</u>	<u>-</u>	<u>1,752,570</u>
<u>12,074</u>	<u>4,518</u>	<u>4,002</u>	<u>( 282,819)</u>	<u>4,870</u>	<u>( 27,995)</u>	<u>-</u>	<u>( 1,361,182)</u>
71,329	-	19,288	-	19,477	52,268	-	5,215,317
-	-	-	-	-	-	-	( 241,341)
-	-	2,094,907	-	-	-	-	2,096,007
-	-	-	-	-	-	-	7,780,000
-	-	-	-	-	-	-	370,553
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,380</u>
<u>71,329</u>	<u>-</u>	<u>2,114,195</u>	<u>-</u>	<u>19,477</u>	<u>52,268</u>	<u>-</u>	<u>15,868,916</u>
83,403	4,518	2,118,197	( 282,819)	24,347	24,273	-	14,507,734
<u>( 83,403)</u>	<u>736,139</u>	<u>( 12,042)</u>	<u>999,122</u>	<u>( 24,347)</u>	<u>( 24,273)</u>	<u>68,537</u>	<u>4,780,913</u>
\$ <u>-</u>	\$ <u>740,657</u>	\$ <u>2,106,155</u>	\$ <u>716,303</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>68,537</u>	\$ <u>19,288,647</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 3,299,901	\$ 3,299,901	\$ 3,335,149	\$ 35,248
Investment earnings	<u>8,040</u>	<u>8,040</u>	<u>10,245</u>	<u>2,205</u>
Total revenues	<u>3,307,941</u>	<u>3,307,941</u>	<u>3,345,394</u>	<u>37,453</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,395,749	2,395,749	2,395,645	104
Interest and fiscal charges	<u>906,415</u>	<u>906,415</u>	<u>892,997</u>	<u>13,418</u>
Total expenditures	<u>3,302,164</u>	<u>3,302,164</u>	<u>3,288,642</u>	<u>13,522</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,777	5,777	56,752	50,975
<b>FUND BALANCE, BEGINNING</b>	<u>1,293,593</u>	<u>1,293,593</u>	<u>1,293,593</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>1,299,370</u>	\$ <u>1,299,370</u>	\$ <u>1,350,345</u>	\$ <u>50,975</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - HOTEL/MOTEL OCCUPANCY FEES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Hotel occupancy taxes	\$ 584,000	\$ 584,000	\$ 593,032	\$ 9,032
Charges for services	32,500	32,500	41,208	8,708
Investment earnings	8	8	940	932
Miscellaneous	<u>500</u>	<u>500</u>	<u>7,546</u>	<u>7,046</u>
Total revenues	<u>617,008</u>	<u>617,008</u>	<u>642,726</u>	<u>25,718</u>
<b>EXPENDITURES</b>				
Current:				
General government	542,035	542,035	570,583	( 28,548)
Debt service:				
Principal retirement	43,022	43,022	43,022	-
Interest and fiscal charges	<u>2,296</u>	<u>2,296</u>	<u>2,296</u>	<u>-</u>
Total expenditures	<u>587,353</u>	<u>587,353</u>	<u>615,901</u>	<u>( 28,548)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>29,655</u>	<u>29,655</u>	<u>26,825</u>	<u>( 2,830)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>( 3,850)</u>	<u>( 3,850)</u>	<u>( 3,850)</u>	<u>-</u>
Total other financing sources (uses)	<u>( 3,850)</u>	<u>( 3,850)</u>	<u>( 3,850)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	25,805	25,805	22,975	( 2,830)
<b>FUND BALANCE, BEGINNING</b>	<u>169,722</u>	<u>169,722</u>	<u>169,722</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>195,527</u>	\$ <u>195,527</u>	\$ <u>192,697</u>	\$ <u>( 2,830)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - CONVENTION AND VISITORS BUREAU

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Hotel occupancy taxes	\$ 243,600	\$ 243,600	\$ 403,813	\$ 160,213
Intergovernmental	-	-	198,783	198,783
Investment earnings	<u>500</u>	<u>500</u>	<u>-</u>	<u>( 500)</u>
Total revenues	<u>244,100</u>	<u>244,100</u>	<u>602,596</u>	<u>358,496</u>
<b>EXPENDITURES</b>				
Current:				
General government	246,701	246,701	278,233	( 31,532)
Capital outlay:				
Cultural and recreation	<u>20,000</u>	<u>20,000</u>	<u>18,157</u>	<u>1,843</u>
Total expenditures	<u>266,701</u>	<u>266,701</u>	<u>296,390</u>	<u>( 29,689)</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 22,601)	( 22,601)	306,206	328,807
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>( 22,601)</u>	\$ <u>( 22,601)</u>	\$ <u>306,206</u>	\$ <u>328,807</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - AIRPORT OPERATING

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 355,700	\$ 355,700	\$ 482,431	\$ 126,731
Investment earnings	200	200	473	273
Miscellaneous	-	-	1,585	1,585
Intergovernmental	-	-	43,718	43,718
Contributions and donations	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>( 50,000)</u>
Total revenues	<u>405,900</u>	<u>405,900</u>	<u>528,207</u>	<u>122,307</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreational	<u>412,922</u>	<u>412,922</u>	<u>497,968</u>	<u>( 85,046)</u>
Total expenditures	<u>412,922</u>	<u>412,922</u>	<u>497,968</u>	<u>( 85,046)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 7,022)</u>	<u>( 7,022)</u>	<u>30,239</u>	<u>37,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total other financing sources (uses)	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 6,522)</u>	<u>( 6,522)</u>	<u>30,239</u>	<u>36,761</u>
<b>FUND BALANCE, BEGINNING</b>	<u>209,132</u>	<u>209,132</u>	<u>209,132</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 202,610</u>	<u>\$ 202,610</u>	<u>\$ 239,371</u>	<u>\$ 36,761</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - CEMETERY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 128,050	\$ 128,050	\$ 77,666	\$( 50,384)
Investment earnings	<u>140</u>	<u>140</u>	<u>1,287</u>	<u>1,147</u>
Total revenues	<u>128,190</u>	<u>128,190</u>	<u>78,953</u>	<u>( 49,237)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>233,723</u>	<u>233,723</u>	<u>229,186</u>	<u>4,537</u>
Total expenditures	<u>233,723</u>	<u>233,723</u>	<u>229,186</u>	<u>4,537</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 105,533)</u>	<u>( 105,533)</u>	<u>( 150,233)</u>	<u>( 44,700)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Total other financing sources (uses)	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 533)</u>	<u>( 533)</u>	<u>( 45,233)</u>	<u>( 44,700)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>241,498</u>	<u>241,498</u>	<u>241,498</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 240,965</u>	<u>\$ 240,965</u>	<u>\$ 196,265</u>	<u>\$( 44,700)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - FORFEITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 32,317	\$ 12,317
Investment earnings	<u>6</u>	<u>6</u>	<u>-</u>	<u>(6)</u>
Total revenues	<u>20,006</u>	<u>20,006</u>	<u>32,317</u>	<u>12,311</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>22,300</u>	<u>22,300</u>	<u>11,752</u>	<u>10,548</u>
Total expenditures	<u>22,300</u>	<u>22,300</u>	<u>11,752</u>	<u>10,548</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 2,294)	( 2,294)	20,565	22,859
<b>FUND BALANCE, BEGINNING</b>	<u>21,584</u>	<u>21,584</u>	<u>21,584</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>19,290</u>	\$ <u>19,290</u>	\$ <u>42,149</u>	\$ <u>22,859</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - PARKS/RECREATION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Investment earnings	\$ 60	\$ 60	\$ 3,857	\$ 3,797
Contributions and donations	<u>64,150</u>	<u>64,150</u>	<u>323,021</u>	<u>258,871</u>
Total revenues	<u>64,210</u>	<u>64,210</u>	<u>326,878</u>	<u>262,668</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreation	58,100	58,100	198,457	( 140,357)
Capital outlay:				
Cultural and recreation	<u>9,500</u>	<u>9,500</u>	<u>93,239</u>	<u>( 83,739)</u>
Total expenditures	<u>67,600</u>	<u>67,600</u>	<u>291,696</u>	<u>( 140,357)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 3,390)</u>	<u>( 3,390)</u>	<u>35,182</u>	<u>38,572</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>48,778</u>	<u>( 13,778)</u>
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>48,778</u>	<u>( 13,778)</u>
<b>NET CHANGE IN FUND BALANCE</b>	31,610	31,610	83,960	52,350
<b>FUND BALANCE, BEGINNING</b>	<u>438,241</u>	<u>438,241</u>	<u>438,241</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 469,851</u>	<u>\$ 469,851</u>	<u>\$ 522,201</u>	<u>\$ 52,350</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - PARKS/RECREATION SPECIAL EVENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Contributions and donations	\$ 250	\$ 250	\$ 7,725	\$ 7,475
Total revenues	<u>250</u>	<u>250</u>	<u>7,725</u>	<u>7,475</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreation	<u>4,550</u>	<u>4,550</u>	<u>20,286</u>	<u>( 15,736)</u>
Total expenditures	<u>4,550</u>	<u>4,550</u>	<u>20,286</u>	<u>( 15,736)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 4,300)</u>	<u>( 4,300)</u>	<u>( 12,561)</u>	<u>( 8,261)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>3,850</u>	<u>3,850</u>	<u>5,072</u>	<u>( 1,222)</u>
Total other financing sources (uses)	<u>3,850</u>	<u>3,850</u>	<u>5,072</u>	<u>( 1,222)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 450)</u>	<u>( 450)</u>	<u>( 7,489)</u>	<u>( 7,039)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>12,752</u>	<u>12,752</u>	<u>12,752</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 12,302</u>	<u>\$ 12,302</u>	<u>\$ 5,263</u>	<u>\$ ( 7,039)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - LIBRARY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 1,189	\$( 8,811)
Contributions and donations	<u>8,500</u>	<u>8,500</u>	<u>11,017</u>	<u>2,517</u>
Total revenues	<u>18,500</u>	<u>18,500</u>	<u>12,206</u>	<u>( 6,294)</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreation	<u>10,980</u>	<u>10,980</u>	<u>14,620</u>	<u>( 3,640)</u>
Total expenditures	<u>10,980</u>	<u>10,980</u>	<u>14,620</u>	<u>( 3,640)</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,520	7,520	( 2,414)	( 9,934)
<b>FUND BALANCE, BEGINNING</b>	<u>32,271</u>	<u>32,271</u>	<u>32,271</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>39,791</u>	\$ <u>39,791</u>	\$ <u>29,857</u>	\$( <u>9,934)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - CORSICANA/NAVARRO COUNTY  
ECONOMIC DEVELOPMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 816	\$( 4,184)
Investment earnings	50	50	31	( 19)
Contributions and donations	<u>101,618</u>	<u>101,618</u>	<u>108,675</u>	<u>7,057</u>
Total revenues	<u>106,668</u>	<u>106,668</u>	<u>109,522</u>	<u>2,854</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>206,368</u>	<u>206,368</u>	<u>180,210</u>	<u>26,158</u>
Total expenditures	<u>206,368</u>	<u>206,368</u>	<u>180,210</u>	<u>26,158</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 99,700)</u>	<u>( 99,700)</u>	<u>( 70,688)</u>	<u>29,012</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	700,000	700,000	700,000	-
Transfers out	<u>( 600,000)</u>	<u>( 600,000)</u>	<u>( 797,255)</u>	<u>197,255</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>( 97,255)</u>	<u>197,255</u>
<b>NET CHANGE IN FUND BALANCE</b>	300	300	( 167,943)	( 168,243)
<b>FUND BALANCE, BEGINNING</b>	<u>( 49,485)</u>	<u>( 49,485)</u>	<u>( 49,485)</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$( 49,185)</u>	<u>\$( 49,185)</u>	<u>\$( 217,428)</u>	<u>\$( 168,243)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - POLICE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Contributions and donations	\$ 8,400	\$ 8,400	\$ 6,116	\$( 2,284)
Total revenues	<u>8,400</u>	<u>8,400</u>	<u>6,116</u>	<u>( 2,284)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	7,500	7,500	-	7,500
Capital outlay:				
Public safety	-	-	5,792	( 5,792)
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>5,792</u>	<u>1,708</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	900	900	324	( 576)
<b>FUND BALANCE, BEGINNING</b>	<u>4,707</u>	<u>4,707</u>	<u>4,707</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>5,607</u>	\$ <u>5,607</u>	\$ <u>5,031</u>	\$( <u>576</u> )

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COMMUNITY SUPPORT SERVICES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Community support services	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 2,500)	( 2,500)	-	2,500
<b>FUND BALANCE, BEGINNING</b>	<u>8,999</u>	<u>8,999</u>	<u>8,999</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 6,499</u>	<u>\$ 6,499</u>	<u>\$ 8,999</u>	<u>\$ 2,500</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - FIRE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 800	\$ 800	\$ 598	\$( 202)
Contributions and donations	<u>15,000</u>	<u>15,000</u>	<u>15,378</u>	<u>378</u>
Total revenues	<u>15,800</u>	<u>15,800</u>	<u>15,976</u>	<u>176</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>15,800</u>	<u>15,800</u>	<u>12,626</u>	<u>3,174</u>
Total expenditures	<u>15,800</u>	<u>15,800</u>	<u>12,626</u>	<u>3,174</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	3,350	3,350
<b>FUND BALANCE, BEGINNING</b>	<u>3,266</u>	<u>3,266</u>	<u>3,266</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>3,266</u>	\$ <u>3,266</u>	\$ <u>6,616</u>	\$ <u>3,350</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - PALACE THEATRE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	3,000	3,000	3,443	443
Contributions and donations	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>9,443</u>	<u>443</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreation	<u>9,000</u>	<u>9,000</u>	<u>14,413</u>	<u>( 5,413)</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>14,413</u>	<u>( 5,413)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	( 4,970)	( 4,970)
<b>FUND BALANCE, BEGINNING</b>	<u>3,825</u>	<u>3,825</u>	<u>3,825</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>3,825</u>	\$ <u>3,825</u>	\$ <u>( 1,145)</u>	\$ <u>( 4,970)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - POLICE LEOSE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>2,479</u>	\$ <u>( 2,521)</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,479</u>	<u>( 2,521)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	2,479	2,479
<b>FUND BALANCE, BEGINNING</b>	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>649</u></u>	\$ <u><u>649</u></u>	\$ <u><u>3,128</u></u>	\$ <u><u>2,479</u></u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - SENIOR ACTIVITY CENTER

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
General government	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 20,000)	( 20,000)	( 20,000)	-
<b>FUND BALANCE, BEGINNING</b>	<u>35,792</u>	<u>35,792</u>	<u>35,792</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 15,792</u>	<u>\$ 15,792</u>	<u>\$ 15,792</u>	<u>\$ -</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COURT TECHNOLOGY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ <u>6,000</u>	\$ <u>6,000</u>	\$ <u>6,212</u>	\$ <u>212</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>6,212</u>	<u>212</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>19,000</u>	<u>19,000</u>	<u>11,893</u>	<u>7,107</u>
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>11,893</u>	<u>7,107</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 13,000)	( 13,000)	( 5,681)	7,319
<b>FUND BALANCE, BEGINNING</b>	<u>39,155</u>	<u>39,155</u>	<u>39,155</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>26,155</u>	\$ <u>26,155</u>	\$ <u>33,474</u>	\$ <u>7,319</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COURT SECURITY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 7,306	\$ 1,806
Investment earnings	<u>70</u>	<u>70</u>	<u>-</u>	<u>( 70)</u>
Total revenues	<u>5,570</u>	<u>5,570</u>	<u>7,306</u>	<u>1,736</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 7,930)	( 7,930)	7,306	15,236
<b>FUND BALANCE, BEGINNING</b>	<u>71,919</u>	<u>71,919</u>	<u>71,919</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>63,989</u>	\$ <u>63,989</u>	\$ <u>79,225</u>	\$ <u>15,236</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - STREET IMPROVEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 51,410	\$ 10,410
Investment earnings	<u>50</u>	<u>50</u>	<u>-</u>	<u>( 50)</u>
Total revenues	<u>41,050</u>	<u>41,050</u>	<u>51,410</u>	<u>10,360</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>-</u>	<u>-</u>	<u>79,742</u>	<u>( 79,742)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>79,742</u>	<u>( 79,742)</u>
<b>NET CHANGE IN FUND BALANCE</b>	41,050	41,050	( 28,332)	( 69,382)
<b>FUND BALANCE, BEGINNING</b>	<u>43,215</u>	<u>43,215</u>	<u>43,215</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>84,265</u>	\$ <u>84,265</u>	\$ <u>14,883</u>	\$ <u>( 69,382)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - JUDICIAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 4,500	\$ 4,500	\$ 4,970	\$ 470
Investment earnings	<u>6</u>	<u>6</u>	<u>-</u>	<u>(6)</u>
Total revenues	<u>4,506</u>	<u>4,506</u>	<u>4,970</u>	<u>464</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>1,000</u>	<u>1,000</u>	<u>1,508</u>	<u>(508)</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,508</u>	<u>(508)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,506	3,506	3,462	(44)
<b>FUND BALANCE, BEGINNING</b>	<u>53,301</u>	<u>53,301</u>	<u>53,301</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>56,807</u>	\$ <u>56,807</u>	\$ <u>56,763</u>	\$ <u>(44)</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - COURT FINES - CHILD SAFETY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Fines and forfeitures	\$ <u>110</u>	\$ <u>110</u>	\$ <u>133</u>	\$ <u>23</u>
Total revenues	<u>110</u>	<u>110</u>	<u>133</u>	<u>23</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	110	110	133	23
<b>FUND BALANCE, BEGINNING</b>	<u>141</u>	<u>141</u>	<u>141</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>251</u>	\$ <u>251</u>	\$ <u>274</u>	\$ <u>23</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - 380 AGREEMENT RETAINED FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Investment earnings	\$ 700	\$ 700	\$ 22,550	\$ 21,850
Total revenues	<u>700</u>	<u>700</u>	<u>22,550</u>	<u>21,850</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>700</u>	<u>700</u>	<u>22,550</u>	<u>21,850</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>797,255</u>	<u>197,255</u>
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>797,255</u>	<u>197,255</u>
<b>NET CHANGE IN FUND BALANCE</b>	600,700	600,700	819,805	219,105
<b>FUND BALANCE, BEGINNING</b>	<u>3,149,923</u>	<u>3,149,923</u>	<u>3,149,923</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>3,750,623</u>	\$ <u>3,750,623</u>	\$ <u>3,969,728</u>	\$ <u>219,105</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT RECOVERY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Investment earnings	\$ 88	\$ 88	\$ 10,783	\$ 10,695
Total revenues	<u>88</u>	<u>88</u>	<u>10,783</u>	<u>10,695</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>4,498</u>	<u>4,498</u>	<u>-</u>	<u>4,498</u>
Total expenditures	<u>4,498</u>	<u>4,498</u>	<u>-</u>	<u>4,498</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 4,410)	( 4,410)	10,783	15,193
<b>FUND BALANCE, BEGINNING</b>	<u>556,471</u>	<u>556,471</u>	<u>556,471</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>552,061</u>	\$ <u>552,061</u>	\$ <u>567,254</u>	\$ <u>15,193</u>

**CITY OF CORSICANA, TEXAS**

BUDGETARY COMPARISON SCHEDULE  
NONMAJOR SPECIAL REVENUE FUND - STREET MAINTENANCE AND RECONSTRUCTION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 900,000	\$ 900,000	\$ 878,819	\$( 21,181)
Investment earnings	<u>250</u>	<u>250</u>	<u>1,052</u>	<u>802</u>
Total revenues	<u>900,250</u>	<u>900,250</u>	<u>879,871</u>	<u>( 20,379)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>680,000</u>	<u>680,000</u>	<u>2,045,458</u>	<u>( 1,365,458)</u>
Total expenditures	<u>680,000</u>	<u>680,000</u>	<u>2,045,458</u>	<u>( 1,365,458)</u>
<b>NET CHANGE IN FUND BALANCE</b>	220,250	220,250	( 1,165,587)	( 1,385,837)
<b>FUND BALANCE, BEGINNING</b>	<u>1,405,446</u>	<u>1,405,446</u>	<u>1,405,446</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>1,625,696</u>	\$ <u>1,625,696</u>	\$ <u>239,859</u>	\$ <u>( 1,385,837)</u>

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**CITY OF CORSICANA, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
STATISTICAL SECTION INDEX  
(Unaudited)**

This part of the City of Corsicana's annual comprehensive 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** **TABLES**

**FINANCIAL TRENDS** 1-4

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

**REVENUE CAPACITY** 5-8

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**DEBT CAPACITY** 9-12

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

**DEMOGRAPHIC AND ECONOMIC INFORMATION** 13-14

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

**OPERATING INFORMATION** 15-17

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.

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

**CITY OF CORSICANA, TEXAS**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	2013	2014	2015	2016
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 40,990,194	\$ 41,570,801	\$ 44,233,994	\$ 45,756,066
Restricted	6,187,752	4,123,119	287,398	2,227,592
Unrestricted	<u>( 339,366)</u>	<u>3,255,640</u>	<u>242,026</u>	<u>( 3,777,748)</u>
Total governmental activities net position	<u>\$ 46,838,580</u>	<u>\$ 48,949,560</u>	<u>\$ 44,763,418</u>	<u>\$ 44,205,910</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 23,022,166	\$ 24,274,258	\$ 28,352,433	\$ 32,264,793
Restricted	1,646,643	1,660,084	1,042,449	934,127
Unrestricted	<u>2,593,190</u>	<u>2,724,112</u>	<u>( 2,413,077)</u>	<u>( 2,565,450)</u>
Total business-type activities net position	<u>\$ 27,261,999</u>	<u>\$ 28,658,454</u>	<u>\$ 26,981,805</u>	<u>\$ 30,633,470</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 64,012,360	\$ 65,845,059	\$ 72,586,427	\$ 78,020,859
Restricted	7,834,395	5,783,203	1,329,847	3,161,719
Unrestricted	<u>2,253,824</u>	<u>5,979,752</u>	<u>( 2,171,051)</u>	<u>( 6,343,198)</u>
Total primary government net position	<u>\$ 74,100,579</u>	<u>\$ 77,608,014</u>	<u>\$ 71,745,223</u>	<u>\$ 74,839,380</u>

**TABLE 1**

<b>Fiscal Year</b>					
2017	2018	2019	2020	2021	2022
\$ 45,436,934	\$ 46,531,239	\$ 46,849,362	\$ 50,448,766	\$ 52,633,007	\$ 57,511,254
2,642,079	2,699,207	3,975,869	5,519,903	8,390,022	10,352,846
( 4,860,258)	( 4,792,740)	( 3,141,848)	( 1,616,011)	( 379,538)	( 331,734)
<u>\$ 43,218,755</u>	<u>\$ 44,437,706</u>	<u>\$ 47,683,383</u>	<u>\$ 54,352,658</u>	<u>\$ 60,643,491</u>	<u>\$ 67,532,366</u>
\$ 38,624,251	\$ 42,244,429	\$ 44,160,354	\$ 43,243,937	\$ 47,489,908	\$ 46,692,181
963,143	251,031	27,373	42,770	-	-
( 4,483,120)	( 5,024,952)	( 4,926,765)	( 2,282,042)	( 1,428,779)	1,359,565
<u>\$ 35,104,274</u>	<u>\$ 37,470,508</u>	<u>\$ 39,260,962</u>	<u>\$ 41,004,665</u>	<u>\$ 46,061,129</u>	<u>\$ 48,051,746</u>
\$ 84,061,185	\$ 88,775,668	\$ 91,009,716	\$ 93,692,703	\$ 100,122,915	\$ 104,203,435
3,605,222	2,950,238	4,003,242	5,562,673	8,390,022	10,352,846
( 9,343,378)	( 9,817,692)	( 8,068,613)	( 3,898,053)	( 1,808,317)	1,027,831
<u>\$ 78,323,029</u>	<u>\$ 81,908,214</u>	<u>\$ 86,944,345</u>	<u>\$ 95,357,323</u>	<u>\$ 106,704,620</u>	<u>\$ 115,584,112</u>

**CITY OF CORSICANA, TEXAS**

CHANGE IN NET POSITION (Unaudited)  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	<b>Fiscal Year</b>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses:				
Governmental activities:				
General government	\$ 3,428,726	\$ 4,292,718	\$ 3,298,549	\$ 2,784,969
Judicial	439,868	415,245	438,625	531,183
Public safety	8,137,238	8,108,969	8,744,400	9,388,690
Community support services	1,679,358	534,337	895,261	515,566
Public works	3,201,281	3,037,206	4,221,379	4,786,855
Cultural and recreational	1,953,716	2,039,772	2,193,046	2,353,565
Building and vehicle maintenance	574,845	608,363	482,805	451,202
Interest and other fees	<u>776,903</u>	<u>673,765</u>	<u>726,296</u>	<u>765,951</u>
Total governmental activities expenses	<u>20,191,935</u>	<u>19,710,375</u>	<u>21,000,361</u>	<u>21,577,981</u>
Business-type activities:				
Utility operations	10,949,139	11,503,228	10,778,885	12,204,997
Sanitation	2,610,537	2,637,125	2,654,619	2,862,410
Emergency medical services	<u>2,335,385</u>	<u>5,786,377</u>	<u>6,749,335</u>	<u>2,581,997</u>
Total business-type activities expenses	<u>15,895,061</u>	<u>19,926,730</u>	<u>20,182,839</u>	<u>17,649,404</u>
Total primary government expenses	<u>\$ 36,086,996</u>	<u>\$ 39,637,105</u>	<u>\$ 41,183,200</u>	<u>\$ 39,227,385</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General Government	\$ 193,017	\$ 195,053	\$ 461,659	\$ 163,424
Judicial	-	4,029	3,889	-
Public safety	620,291	626,745	517,706	423,888
Community support services	252,413	208,632	208,389	349,988
Public works	395,133	366,670	10,387	842,467
Cultural and recreational	35,920	36,352	49,637	291,049
Operating grants and contributions	1,770,791	1,953,146	778,129	468,043
Capital grants and contributions	<u>749,503</u>	<u>317,777</u>	<u>2,000,997</u>	<u>102,030</u>
Total governmental activities program revenues	<u>4,017,068</u>	<u>3,708,404</u>	<u>4,030,793</u>	<u>2,640,889</u>
Business-type activities:				
Charges for services:				
Utility operations	14,703,547	14,038,278	15,227,616	15,691,253
Sanitation	3,358,419	3,533,135	3,561,216	3,869,133
Emergency medical services	2,062,901	5,409,269	6,052,389	2,645,266
Operating grants and contributions	11,083	-	879,834	468,230
Capital grants and contributions	<u>35,531</u>	<u>131,146</u>	<u>-</u>	<u>70,730</u>
Total business-type activities program revenues	<u>20,171,481</u>	<u>23,111,828</u>	<u>25,721,055</u>	<u>22,744,612</u>
Total primary government program revenues	<u>\$ 24,188,549</u>	<u>\$ 26,820,232</u>	<u>\$ 29,751,848</u>	<u>\$ 25,385,501</u>
Net (expense)/revenue				
Governmental activities	\$( 16,174,867)	\$( 16,001,971)	\$( 16,969,568)	\$( 18,937,092)
Business-type activities	<u>4,276,420</u>	<u>3,185,098</u>	<u>5,538,216</u>	<u>5,095,208</u>
Total primary government net expense	<u>\$( 11,898,447)</u>	<u>\$( 12,816,873)</u>	<u>\$( 11,431,352)</u>	<u>\$( 13,841,884)</u>

**TABLE 2**

<b>Fiscal Year</b>						
2017	2018	2019	2020	2021	2022	
\$ 2,825,532	\$ 1,496,155	\$ 3,067,686	\$ 1,795,490	\$ 3,184,167	\$ 4,062,494	
658,221	520,020	542,262	511,884	909,608	355,146	
9,777,706	11,038,626	10,704,031	8,750,532	10,205,469	13,098,605	
522,514	515,574	640,148	678,879	795,050	223,275	
5,255,798	5,084,510	4,211,109	5,947,676	5,984,503	7,082,792	
2,412,918	2,439,116	2,149,254	2,437,481	2,383,340	2,913,644	
488,138	526,821	421,840	433,692	776,257	509,245	
719,760	795,291	898,765	980,263	875,293	810,218	
<u>22,660,587</u>	<u>22,416,113</u>	<u>22,635,095</u>	<u>21,535,897</u>	<u>25,113,687</u>	<u>29,055,419</u>	
12,343,943	13,637,200	13,153,808	14,527,867	12,996,137	15,113,379	
3,040,602	2,821,251	3,206,422	3,508,809	3,256,952	3,680,807	
3,422,466	3,633,794	3,718,189	3,515,011	2,681,327	835,341	
<u>18,807,011</u>	<u>20,092,245</u>	<u>20,078,419</u>	<u>21,551,687</u>	<u>18,934,416</u>	<u>19,629,527</u>	
<u>\$ 41,467,598</u>	<u>\$ 42,508,358</u>	<u>\$ 42,713,514</u>	<u>\$ 43,087,584</u>	<u>\$ 44,048,103</u>	<u>\$ 48,684,946</u>	
\$ 268,603	\$ 141,801	\$ 135,092	\$ 93,863	\$ 293,214	\$ 307,847	
-	-	-	-	287,071	-	
439,494	407,896	418,898	238,497	201,467	276,901	
294,911	276,208	270,697	297,620	353,500	398,029	
858,251	869,362	882,182	861,289	863,506	884,894	
279,228	319,240	309,281	317,474	389,698	525,871	
704,816	1,136,412	515,537	766,164	2,880,783	931,481	
52,348	492,689	340,740	3,216,144	1,446,769	2,707,688	
<u>2,897,651</u>	<u>3,643,608</u>	<u>2,872,427</u>	<u>5,791,051</u>	<u>6,716,008</u>	<u>6,032,711</u>	
15,834,004	16,547,963	16,803,685	16,978,298	17,219,318	18,861,856	
3,982,334	4,261,665	4,363,494	4,485,007	5,104,785	6,020,758	
2,861,320	2,868,622	2,441,995	2,372,736	2,726,395	520,033	
506,638	189,701	135,476	278,838	618,730	119,250	
1,040,715	8,542	-	180,330	-	-	
<u>24,225,011</u>	<u>23,876,493</u>	<u>23,744,650</u>	<u>24,295,209</u>	<u>25,669,228</u>	<u>25,521,897</u>	
<u>\$ 27,122,662</u>	<u>\$ 27,520,101</u>	<u>\$ 26,617,077</u>	<u>\$ 30,086,260</u>	<u>\$ 32,385,236</u>	<u>\$ 31,554,608</u>	
\$( 19,762,936)	\$( 18,772,505)	\$( 19,762,668)	\$( 16,744,846)	\$( 18,397,679)	\$( 23,022,708)	
5,418,000	3,784,248	3,666,231	2,743,522	6,734,812	5,892,370	
<u>\$( 14,344,936)</u>	<u>\$( 14,988,257)</u>	<u>\$( 16,096,437)</u>	<u>\$( 14,001,324)</u>	<u>\$( 11,662,867)</u>	<u>\$( 17,130,338)</u>	

**CITY OF CORSICANA, TEXAS**

CHANGE IN NET POSITION (Unaudited)  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	<b>Fiscal Year</b>			
	2013	2014	2015	2016
General Revenues and Other				
Changes in Net Position:				
Governmental activities:				
Taxes:				
Property	\$ 8,173,945	\$ 7,463,669	\$ 7,860,959	\$ 8,109,922
Sales	5,789,582	6,019,571	6,163,208	6,359,457
Franchise	1,971,939	2,021,723	2,124,384	2,017,440
Hotel occupancy	399,656	455,671	556,702	472,337
Alcoholic beverage	33,885	43,850	45,814	48,679
Investment earnings	18,019	12,655	10,551	29,487
Gain on sale of capital assets	( 113,028)	41,436	( 180,473)	5,568
Miscellaneous	229,050	123,535	165,499	190,370
Transfers	<u>1,260,277</u>	<u>1,930,841</u>	<u>2,278,510</u>	<u>1,335,328</u>
Total governmental activities	<u>17,763,325</u>	<u>18,112,951</u>	<u>19,025,154</u>	<u>18,568,588</u>
Business-type activities:				
Investment earnings	12,336	3,868	2,108	6,169
Gain on sale of capital assets	6,073	50,761	11,228	26,940
Miscellaneous	-	87,570	91,371	-
Transfers	<u>( 1,260,277)</u>	<u>( 1,930,841)</u>	<u>( 2,278,510)</u>	<u>( 1,335,328)</u>
Total business-type activities	<u>( 1,241,868)</u>	<u>( 1,788,642)</u>	<u>( 2,173,803)</u>	<u>1,302,219</u>
Total primary government	\$ <u>16,521,457</u>	\$ <u>16,324,309</u>	\$ <u>16,851,351</u>	\$ <u>17,266,369</u>
Change in Net Position:				
Governmental activities	\$ 1,588,458	\$ 2,110,980	\$ 2,055,586	\$ ( 368,504)
Business-type activities	<u>3,034,552</u>	<u>1,396,456</u>	<u>3,364,413</u>	<u>3,792,989</u>
Total primary government	\$ <u>4,623,010</u>	\$ <u>3,507,436</u>	\$ <u>5,419,999</u>	\$ <u>3,424,485</u>

**TABLE 2**

<b>Fiscal Year</b>					
2017	2018	2019	2020	2021	2022
\$ 8,305,309	\$ 8,663,754	\$ 9,600,713	\$ 11,090,936	\$ 11,353,367	\$ 11,094,292
6,497,484	6,456,406	7,037,188	7,224,247	8,413,802	9,770,034
2,053,150	2,150,662	2,255,172	2,046,354	2,027,623	2,230,426
556,176	581,701	623,053	492,898	647,158	1,004,373
46,782	50,223	53,275	48,319	66,294	69,646
51,291	85,927	293,481	156,023	28,301	273,607
16,282	23,543	945,513	981,167	-	-
159,775	272,491	249,628	384,117	455,929	217,072
<u>1,089,532</u>	<u>2,111,980</u>	<u>1,950,322</u>	<u>1,024,424</u>	<u>1,696,038</u>	<u>5,252,133</u>
<u>18,775,781</u>	<u>20,396,693</u>	<u>23,008,345</u>	<u>23,448,485</u>	<u>24,688,512</u>	<u>29,911,583</u>
13,302	20,717	63,905	46,968	2,709	55,666
129,034	19,069	10,640	5,011	14,981	5,063
-	-	-	-	-	-
<u>( 1,089,532)</u>	<u>( 2,111,980)</u>	<u>( 1,950,322)</u>	<u>( 1,024,424)</u>	<u>( 1,696,038)</u>	<u>( 5,252,133)</u>
<u>( 947,196)</u>	<u>( 2,072,194)</u>	<u>( 1,875,777)</u>	<u>( 972,445)</u>	<u>( 1,678,348)</u>	<u>( 5,191,404)</u>
<u>\$ 17,828,585</u>	<u>\$ 18,324,499</u>	<u>\$ 21,132,568</u>	<u>\$ 22,476,040</u>	<u>\$ 23,010,164</u>	<u>\$ 24,720,179</u>
\$( 987,155)	\$ 1,624,188	\$ 3,245,677	\$ 6,703,639	\$ 6,290,833	\$ 6,888,875
<u>4,470,804</u>	<u>1,712,054</u>	<u>1,790,454</u>	<u>1,771,077</u>	<u>5,056,464</u>	<u>1,990,617</u>
<u>\$ 3,483,649</u>	<u>\$ 3,336,242</u>	<u>\$ 5,036,131</u>	<u>\$ 8,474,716</u>	<u>\$ 11,347,297</u>	<u>\$ 8,879,492</u>

**CITY OF CORSICANA, TEXAS**

FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 55,572	\$ 58,924	\$ 80,272	\$ 106,705
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	1,178,248	80,000	80,000	82,018
Unassigned	<u>4,692,009</u>	<u>6,486,647</u>	<u>5,917,339</u>	<u>4,500,302</u>
Total general fund	<u>\$ 5,925,829</u>	<u>\$ 6,625,571</u>	<u>\$ 6,077,611</u>	<u>\$ 4,689,025</u>
All Other Governmental Funds:				
Nonspendable	\$ 43,877	\$ 40,168	\$ 21,022	\$ 20,118
Restricted	6,187,752	3,508,724	5,421,865	7,381,284
Committed	-	-	-	548,614
Assigned	21,818	126,222	757,113	58,832
Unassigned	<u>( 627,358)</u>	<u>( 485,135)</u>	<u>( 397,123)</u>	<u>( 240,997)</u>
Total all other governmental funds	<u>\$ 5,582,212</u>	<u>\$ 3,189,979</u>	<u>\$ 5,802,877</u>	<u>\$ 7,767,851</u>

**TABLE 3**

<b>Fiscal Year</b>					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 114,162	\$ 101,478	\$ 208,776	\$ 60,779	\$ 96,768	\$ 68,604
-	-	-	-	112,978	112,978
-	-	-	319,165	-	-
83,546	84,182	3,380	1,499,064	-	-
<u>5,144,505</u>	<u>5,556,276</u>	<u>6,926,977</u>	<u>5,802,493</u>	<u>8,957,215</u>	<u>8,555,132</u>
<u>\$ 5,342,213</u>	<u>\$ 5,741,936</u>	<u>\$ 7,139,133</u>	<u>\$ 7,681,501</u>	<u>\$ 9,166,961</u>	<u>\$ 8,736,714</u>
\$ 42,549	\$ 36,865	\$ 31,365	\$ 35,101	\$ 62,162	\$ 66,197
4,327,333	6,774,291	7,368,575	13,388,197	12,224,374	25,602,080
41,828	306,068	748,463	1,509,732	1,405,446	239,859
47,891	-	550,000	-	-	2,106,155
( 159,632)	( 562,990)	( 348,865)	239,182	( 321,309)	( 319,745)
<u>\$ 4,299,969</u>	<u>\$ 6,554,234</u>	<u>\$ 8,349,538</u>	<u>\$ 14,693,848</u>	<u>\$ 13,370,673</u>	<u>\$ 27,694,546</u>

**CITY OF CORSICANA, TEXAS**

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (Unaudited)  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	<b>Fiscal Year</b>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>				
Property taxes	\$ 8,222,550	\$ 7,479,874	\$ 7,851,370	\$ 8,060,920
Sales taxes	5,789,582	6,019,571	6,163,208	6,359,457
Franchise taxes	1,971,939	2,021,723	2,124,384	2,017,440
Hotel occupancy taxes	404,973	466,590	598,862	472,337
Alcoholic beverage taxes	33,885	43,850	45,814	48,679
Licenses and permits	225,117	189,217	192,472	266,116
Fines and forfeitures	630,167	502,551	486,290	393,167
Charges for current services	511,908	516,528	444,656	1,280,655
Investment earnings	18,014	12,655	10,551	29,486
Miscellaneous	400,243	260,835	298,831	358,408
Intergovernmental	1,981,557	1,565,481	1,513,796	470,535
Contributions and donations	523,046	444,490	1,311,501	190,282
Total revenues	<u>20,712,981</u>	<u>19,523,365</u>	<u>21,041,735</u>	<u>19,947,482</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,242,689	4,081,164	3,131,469	2,584,023
Judicial	422,985	412,027	435,845	604,967
Public safety	7,854,553	7,863,862	8,362,547	8,448,469
Community support services	1,683,762	530,330	891,386	634,418
Public works	3,017,473	3,033,383	3,315,838	4,150,413
Cultural and recreational	2,443,232	2,334,182	2,807,332	2,525,434
Building and vehicle maintenance	506,143	469,709	409,895	373,926
<b>Debt service:</b>				
Principal	1,321,533	1,524,086	1,735,930	1,825,300
Interest and fiscal charges	600,085	715,258	616,622	659,034
Bond issuance costs	117,560	-	52,020	180,324
Capital outlay	<u>1,478,705</u>	<u>3,148,346</u>	<u>3,971,816</u>	<u>3,619,518</u>
Total expenditures	<u>22,688,720</u>	<u>24,112,347</u>	<u>25,730,700</u>	<u>25,605,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>( 1,975,739)</u>	<u>( 4,588,982)</u>	<u>( 4,688,965)</u>	<u>( 5,658,344)</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,779,759	4,189,044	5,345,901	4,079,466
Transfers out	( 2,519,482)	( 2,258,203)	( 3,067,391)	( 2,744,138)
Insurance recoveries	-	-	-	-
Refunding bonds issued	-	-	-	-
Certificates of obligation issued	-	-	-	-
General obligation bonds issued	3,400,000	-	4,243,066	8,510,000
Premium on bonds issued	219,168	-	270,227	589,791
Discount on bonds issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	( 663,664)	( 4,997,351)
Leases and financed purchases	1,072,405	878,750	594,810	267,787
Notes issued	-	-	-	366,124
Sale of capital assets	<u>43,385</u>	<u>43,023</u>	<u>30,954</u>	<u>163,053</u>
Total other financing sources (uses)	<u>5,995,235</u>	<u>2,852,614</u>	<u>6,753,903</u>	<u>6,234,732</u>
Net change in fund balances	\$ <u>4,019,496</u>	\$ <u>( 1,736,368)</u>	\$ <u>2,064,938</u>	\$ <u>576,388</u>
Debt service as a percentage of non-capital expenditures (1)	10%	11%	11%	13%

(1) There are some capital expenditures reported in various functional expenditure line items and are included in this calculation.

**TABLE 4**

							<b>Fiscal Year</b>					
<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		
\$	8,202,802	\$	8,737,342	\$	9,540,741	\$	10,972,414	\$	11,353,367	\$	11,166,171	
	6,497,484		6,456,406		7,037,188		7,224,247		8,413,802		9,770,034	
	2,053,150		2,150,662		2,255,172		2,046,354		2,027,623		2,230,426	
	556,176		581,701		623,053		492,898		647,158		996,845	
	46,782		50,223		53,275		48,319		66,294		69,646	
	213,732		199,486		192,666		287,508		212,806		241,327	
	410,307		384,637		396,195		238,497		255,793		353,809	
	1,388,538		1,319,159		1,293,989		1,282,738		1,657,993		1,821,026	
	51,279		85,928		293,481		156,023		28,301		275,263	
	310,604		406,641		409,926		404,948		214,779		177,503	
	343,552		1,066,208		734,311		3,258,310		4,120,272		1,029,872	
	413,613		296,998		344,962		558,114		221,882		480,094	
	<u>20,488,019</u>		<u>21,735,391</u>		<u>23,174,959</u>		<u>26,970,370</u>		<u>29,220,070</u>		<u>28,612,016</u>	
	2,512,448		2,749,114		3,079,986		4,170,849		3,797,558		3,825,801	
	578,790		517,485		510,593		518,860		487,696		397,898	
	8,645,434		9,303,672		9,174,379		9,384,205		10,204,195		11,798,989	
	457,822		471,048		486,666		635,867		345,021		255,339	
	3,798,673		3,017,195		3,003,971		3,937,190		2,972,620		5,965,691	
	2,247,833		2,781,605		2,475,115		2,449,416		2,598,922		2,839,883	
	379,304		453,673		367,699		459,454		790,226		519,935	
	1,974,215		1,945,582		2,470,884		2,383,303		2,195,334		2,451,612	
	869,727		679,898		872,278		773,593		1,143,367		895,340	
	-		150,220		-		125,088		55,746		141,865	
	<u>3,628,981</u>		<u>5,002,166</u>		<u>1,122,300</u>		<u>7,780,332</u>		<u>6,958,293</u>		<u>1,864,742</u>	
	<u>25,093,227</u>		<u>27,071,658</u>		<u>23,563,871</u>		<u>32,618,157</u>		<u>31,548,978</u>		<u>30,957,095</u>	
(	4,605,208)	(	5,336,267)	(	388,912)	(	5,647,787)	(	2,328,908)	(	2,345,079)	
	3,727,640		3,540,571		4,125,688		4,354,302		4,776,703		9,410,782	
(	2,638,108)	(	1,428,591)	(	2,175,366)	(	3,329,878)	(	3,080,665)	(	4,158,649)	
	-		-		-		-		309,361		33,213	
	-		1,300,000		-		-		-		-	
	-		1,810,000		-		7,505,000		1,900,000		7,780,000	
	-		2,925,000		-		-		( 1,869,179)		-	
	-		165,567		-		1,020,088		-		370,553	
	-		( 19,444)		-		-		-		-	
	-		( 1,341,321)		-		-		-		-	
	684,700		1,014,930		237,160		1,596,262		436,957		658,870	
	-		-		-		-		-		-	
	<u>16,282</u>		<u>23,543</u>		<u>1,393,931</u>		<u>1,388,691</u>		<u>18,016</u>		<u>2,143,936</u>	
	<u>1,790,514</u>		<u>7,990,255</u>		<u>3,581,413</u>		<u>12,534,465</u>		<u>2,491,193</u>		<u>16,238,705</u>	
\$	<u>( 2,814,694)</u>	\$	<u>2,653,988</u>	\$	<u>3,192,501</u>	\$	<u>6,886,678</u>	\$	<u>162,285</u>	\$	<u>13,893,626</u>	
	13%		12%		15%		14%		14%		14%	

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**CITY OF CORSICANA, TEXAS**

**TABLE 5**

ASSESSED VALUE AND ESTIMATED ACTUAL  
VALUE OF TAXABLE PROPERTY (Unaudited)

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			
2013	\$ 881,569,127	\$ 423,714,980	\$ 55,434,726	\$ 1,222,239,080	0.6272
2014	877,314,365	378,409,500	50,374,434	1,205,349,431	0.6272
2015	906,720,250	435,913,320	73,276,488	1,269,357,082	0.6272
2016	1,117,741,790	437,513,449	266,440,312	1,288,814,927	0.6272
2017	1,173,461,334	422,682,507	293,992,340	1,302,151,501	0.6272
2018	1,261,843,941	439,891,144	315,844,210	1,385,890,875	0.6272
2019	1,477,975,725	571,681,230	354,653,806	1,695,003,149	0.6272
2020	1,484,604,954	609,260,790	400,272,842	1,693,592,902	0.6272
2021	1,583,650,493	579,173,660	398,960,293	1,763,863,860	0.6120
2022	1,762,653,343	670,101,230	420,923,433	2,011,831,140	0.5288

Source: City Finance Department

**CITY OF CORSICANA, TEXAS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)

LAST TEN FISCAL YEARS

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>OVERLAPPING RATES</b>				
Corsicana Independent School District	1.2830	1.2803	1.2803	1.3703
Navarro College	0.1190	0.1202	0.1202	0.1183
Navarro County	0.6270	0.6270	0.6270	0.6270
<b>CITY DIRECT RATES</b>				
Operating / General Rate	0.4979	0.4690	0.4704	0.4564
General Obligation Debt Service	0.1293	0.1582	0.1568	0.1708
Total Direct Rate	0.6272	0.6272	0.6272	0.6272
Total Direct and Overlapping Rates	2.6562	2.6547	2.6547	2.7428

Sources: City Finance Department

Note: Overlapping rates are those of local governments that apply to property owners within the

Some of the jurisdictions are mutually exclusive.

**TABLE 6**

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
1.3703	1.3703	1.3703	1.2831	1.2666	1.1620
0.1218	0.1218	0.1218	0.1164	0.1164	0.1072
0.6270	0.6270	0.6270	0.6270	0.6045	0.5173
0.4397	0.4622	0.4301	0.4101	0.4214	0.3396
0.1875	0.1650	0.1971	0.2171	0.1906	0.1892
0.6272	0.6272	0.6272	0.6272	0.6120	0.5288
2.7463	2.7463	2.7463	2.6537	2.5995	2.3153

**CITY OF CORSICANA, TEXAS**

**TABLE 7**

PRINCIPAL PROPERTY TAX PAYERS (Unaudited)

CURRENT AND NINE YEARS AGO

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	
Guardian Industries	\$ 69,952,830	1	3.48%	\$ 47,902,205	1	3.83%
Pactiv-Foam	62,823,082	2	3.12%	14,148,400	7	1.13%
Russell Stover Candies Inc.	56,909,160	3	2.83%	41,788,490	2	3.34%
Audubon Metals Texas LLC	44,671,490	4	2.22%			
True Value Co	41,221,650	5	2.05%	30,657,820	5	2.45%
Navarro Pecan Co Inc.	36,233,260	6	1.80%			
2200 South Business 45 LLC	29,732,210	7	1.48%			
Oncor Electric Delivery Co LLC	28,269,050	8	1.41%	11,285,560	9	0.90%
TREMCO	25,551,390	9	1.27%			
Watkins Construction Co Inc	17,694,660	10	0.88%			
HD USA 5147				39,242,590	3	3.14%
Corsicana Technologies, Inc.				32,423,520	4	2.59%
NIP Owner, LLC				17,686,270	6	1.42%
Oil City Iron Works				12,119,950	8	0.97%
Sunoco Pipeline LP				<u>9,818,250</u>	10	0.79%
<b>Total</b>	<b>\$ 413,058,782</b>		<b>20.53%</b>	<b>\$ 257,073,055</b>		<b>20.57%</b>
Total valuation of City net of exempt property	<u>\$ 2,011,831,140</u>			<u>\$ 1,249,849,381</u>		

Source: Navarro County Appraisal District

**CITY OF CORSICANA, TEXAS**

PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)

LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Actual Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 7,839,055	\$ 7,652,006	97.61%	\$ 152,554	\$ 7,804,560	99.56%
2014	2013	7,559,951	7,421,489	98.17%	138,462	7,559,951	100.00%
2015	2014	7,961,408	7,831,740	98.37%	94,284	7,926,024	99.56%
2016	2015	8,068,143	7,904,441	97.97%	78,997	7,983,438	98.95%
2017	2016	8,160,202	7,985,321	97.86%	85,415	8,070,736	98.90%
2018	2017	8,633,793	8,442,843	97.79%	150,409	8,593,252	99.53%
2019	2018	9,347,129	9,072,498	97.06%	143,992	9,216,490	98.60%
2020	2019	10,543,715	10,263,757	97.34%	180,873	10,444,630	99.06%
2021	2020	10,688,396	10,484,009	98.09%	152,244	10,484,009	98.09%
2022	2021	10,813,473	10,831,728	100.17%	-	11,006,505	100.17%

Sources: City Finance Department  
 Adjustments to the levy may cause collections in excess of 100%.

**CITY OF CORSICANA, TEXAS**

RATIOS OF OUTSTANDING DEBT BY TYPE  
AND GENERAL BONDED DEBT OUTSTANDING (Unaudited)

LAST TEN FISCAL YEARS

Governmental Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation (1)	Notes Payable	Line of Credit	Leases	Financed Purchases
2013	\$ 12,445,000	\$ 4,344,715	\$ 516,047	\$ 515,966	\$ -	\$ 1,754,185
2014	11,695,000	4,195,340	486,726	412,154	-	2,069,783
2015	15,248,066	3,300,000	486,726	302,649	-	1,926,928
2016	22,099,949	-	715,476	192,823	-	1,581,547
2017	20,738,198	-	666,907	87,464	-	1,662,851
2018	22,309,509	1,926,791	632,130	-	-	2,142,278
2019	20,818,165	1,886,791	271,070	-	-	1,833,619
2020	19,270,576	10,303,582	-	-	-	2,860,578
2021	17,811,501	10,058,904	-	-	15,397	2,705,102
2022	17,599,839	16,455,000	-	-	12,942	2,751,242

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

- (1) Includes certificate of obligation secured by a combination of property and sales tax revenue.
- (2) Includes governmental activities and business-type activities debt.
- (3) See Table 13 for population and personal income data.

**TABLE 9**

Business-type Activities						
General Obligation Bonds	Certificates of Obligation	Financed Purchases	Revenue Bonds	Total Primary Government (2)	Percentage of Personal Income (3)	Per Capita (3)
\$ 6,505,000	\$ 19,645,285	\$ 1,186,736	\$ 11,640,000	\$ 58,552,934	5.08%	\$ 1,438
5,520,000	18,639,660	829,987	10,530,000	54,378,650	4.62%	1,319
8,026,934	17,315,000	1,299,012	5,355,000	53,260,315	4.38%	1,251
7,092,902	16,249,852	1,780,584	4,588,488	54,301,621	4.20%	1,235
13,382,017	7,499,517	2,385,322	3,818,488	50,240,764	3.64%	1,120
14,246,093	6,354,181	2,101,642	-	49,712,624	3.35%	1,090
12,145,606	5,623,447	1,381,544	-	43,960,242	10.81%	3,512
11,982,928	5,997,617	954,665	-	51,369,946	9.98%	3,340
11,868,050	3,794,880	885,667	-	47,124,104	8.79%	1,877
10,408,111	10,405,000	937,014	-	58,556,206	10.34%	2,278

## CITY OF CORSICANA, TEXAS

## NET GENERAL BONDED DEBT OUTSTANDING (Unaudited)

## LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available for Debt Service	Total	Percentage of Actual Property Value (1)
2013	\$ 18,950,000	\$ 23,990,000	\$ 112,361	\$ 42,827,639	3.50%
2014	17,215,000	22,835,000	98,387	39,951,613	3.31%
2015	23,275,000	20,615,000	149,800	43,740,200	3.45%
2016	29,192,851	16,249,852	144,852	45,297,851	3.51%
2017	34,120,215	7,499,517	200,907	41,418,825	3.18%
2018	36,555,602	8,280,972	225,856	44,610,718	3.22%
2019	32,963,771	7,510,238	391,190	40,082,819	2.36%
2020	31,253,504	16,301,199	1,214,129	46,340,574	2.74%
2021	29,679,551	13,853,784	1,293,595	42,239,740	2.39%
2022	28,007,950	26,860,000	1,346,893	53,521,057	2.66%

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

(1) See Table 5 for taxable value of property data.

(2) See Table 13 for population and personal income data.

**CITY OF CORSICANA, TEXAS**

DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)

SEPTEMBER 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Corsicana	\$ 36,819,023	100.00%	<u>\$ 36,819,023</u>
Corsicana ISD	78,530,304	74.18%	58,253,780
Mildred ISD	17,360,000	12.98%	2,253,328
Navarro County	6,023,000	40.22%	<u>2,422,451</u>
Total overlapping debt			<u>\$ 62,929,559</u>
Total direct and overlapping debt			<u>\$ 99,748,582</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

## PLEGGED REVENUE BOND WATER AND SEWER COVERAGE (Unaudited)

## LAST TEN FISCAL YEARS

Water and Sewer Debt							
Fiscal Year	Gross Revenues(1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Revenue Bonds Debt Service			Coverage
				Principal	Interest	Total	
2013	\$ 14,714,761	\$ 7,694,325	\$ 7,020,436	\$ 440,000	\$ 495,583	\$ 935,583	7.50
2014	14,204,608	8,314,023	5,890,585	1,110,000	474,639	1,584,639	3.72
2015	15,401,972	7,652,691	7,749,281	1,150,000	360,430	1,510,430	5.13
2016	15,715,368	9,377,582	6,337,786	745,000	217,929	962,929	6.58
2017	15,814,017	9,475,252	6,338,765	770,000	188,129	958,129	6.62
2018	16,572,061	10,836,310	5,735,751	2,595,000	607,650	3,202,650	1.79
2019	16,843,008	10,400,037	6,442,971	2,720,000	556,706	3,276,706	1.97
2020	17,009,612	11,701,917	5,307,695	2,810,000	477,812	3,287,812	1.61
2021	17,221,074	10,167,018	7,054,056	2,292,100	438,379	2,730,479	2.58
2022	18,901,170	12,437,189	6,463,981	2,395,000	364,256	2,759,256	2.34

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

(1) Includes operating revenues and interest income.

(2) Direct operating expenses are total operating expenses excluding depreciation expense.

## CITY OF CORSICANA, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)  
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (2)	Median Age (3)	Public School Enrollment (4)
2013	23,820	N/A	N/A	33	5,891
2014	23,850	\$ 436,574,250	\$ 18,305	32.7	5,906
2015	23,850	437,027,400	18,324	34.0	5,826
2016	23,952	446,082,040	18,624	39.0	5,900
2017	24,040	467,073,160	19,429	39.0	5,916
2018	24,200	475,239,600	19,638	35.5	6,020
2019	25,736	535,386,008	20,803	34.5	6,034
2020	23,923	464,799,967	19,429	34.3	6,061
2021	25,109	535,901,387	21,343	35.5	6,047
2022	25,710	566,314,170	22,027	33.5	6,059

Sources: (1) Population X Per Capita Income-Areavibes, U.S. Census, GIS Planning  
(2) North Central Texas Council of Governments, and U.S. Census  
(3) Retail Coach Report 2016-Areadvibes, and U.S. Census, GIS Planning  
(4) Corsicana Independent School District  
(5) Texas Workforce Commission, Labor Market & Career Information (LMCI) Department

N/A - Not available

**CITY OF CORSICANA, TEXAS**

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS (UNAUDITED)

Tax rate limitations imposed by the Home Rules Section of the Texas Constitution, Article II, Section 5, provide that a maximum tax rate of \$2.50 per \$100 valuation be imposed in any one year.

## CITY OF CORSICANA, TEXAS

PRINCIPAL EMPLOYERS (Unaudited)

CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	Percent	Employees	Rank	Percent
Russell Stover Candies	936	1	7.67%	680	2	4.81%
Corsicana ISD	886	2	7.26%	811	1	5.74%
Pactiv	525	3	4.30%			
Navarro Regional Hospital	356	4	2.92%	354	4	2.50%
Wal Mart	350	5	2.87%			
Guardian Industries	305	6	2.50%	318	5	2.25%
Navarro County	300	7	2.46%	284	6	2.01%
Navarro College	265	8	2.17%	568	3	4.02%
Corsicana Mattress	260	9	2.13%	257	8	1.82%
Oil City Iron Works	253	10	2.07%			
City of Corsicana	252	11	2.06%	284	7	2.01%
Kohl's Call Center	187	12	1.53%	200	10	1.41%
Morgan Corporation	170	13	1.39%			
Collin Street Bakery	<u>113</u>	14	<u>0.93%</u>			
Heritage Oaks				<u>236</u>	9	<u>1.67%</u>
Total	<u>5,158</u>		<u>42.25%</u>	<u>3,992</u>		<u>26.57%</u>
Total City Employment	<u>12,208</u>			<u>14,137</u>		

Source: City Economic Development Department.

- 1 Employee number may vary significantly in accordance with seasonal employment.
- 2 Includes part-time employees.
- 3 Corsicana Mattress was previously Corsicana Bedding

**CITY OF CORSICANA, TEXAS**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM (Unaudited)

LAST TEN FISCAL YEARS

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Government:				
Administration	12.0	12.0	13.5	13.5
Public Safety:				
Police	60.0	60.0	60.0	60.0
Judicial	4.0	4.0	4.0	4.0
Fire	35.0	35.0	35.0	35.0
EMS	26.0	28.0	28.0	34.0
Animal Control/Shelter	5.0	4.0	4.0	4.0
Public Works:				
Engineering/IT	7.0	7.0	7.0	6.5
Streets	15.7	15.7	15.7	15.7
Community Services	4.8	4.8	4.8	4.4
Cemetery Admin/Mtc	0.3	0.3	0.3	0.1
Bldg/Equip Mtc	4.0	4.0	4.0	4.0
Cultural and Recreational:				
Parks and Recreation	14.0	14.0	12.0	12.0
Library	5.0	5.0	5.0	5.0
Airport	-	-	-	-
Sanitation Services	15.8	15.8	15.8	15.8
Utility Operating:				
Environmental Svc/Analysis	5.3	5.3	5.3	5.3
Utility System Mtc	20.8	20.8	19.8	19.8
Utility Billing/Collections	7.0	7.0	6.5	6.5
Water	15.2	15.2	15.2	15.2
<b>Total</b>	<b>266.1</b>	<b>269.1</b>	<b>270.0</b>	<b>269.0</b>

Source: City Finance Department

TABLE 16

<b>Fiscal Year</b>					
2017	2018	2019	2020	2021	2022
13.5	15.0	15.0	15.0	13.0	13.5
60.0	60.0	60.0	60.0	60.0	60.0
4.0	4.0	4.0	4.0	3.0	2.0
35.0	35.0	35.0	35.0	35.0	44.0
34.0	34.0	34.0	34.0	34.0	3.0
4.0	4.0	4.0	4.0	4.0	4.0
6.5	7.0	6.0	6.0	5.7	5.9
15.7	15.9	15.5	15.5	15.5	15.5
4.4	4.8	4.8	4.8	4.7	5.5
0.1	0.3	0.3	0.3	0.7	0.7
4.0	4.0	4.0	4.0	4.0	4.0
12.0	10.5	10.5	10.5	10.5	10.5
5.0	6.0	6.0	5.0	5.0	5.0
-	-	-	1.0	1.1	1.1
15.8	16.0	14.9	14.9	14.8	14.8
5.3	5.2	5.4	5.4	5.4	5.4
19.8	19.8	20.0	20.0	20.0	20.0
6.5	6.5	7.5	7.5	7.5	7.0
15.2	29.2	29.2	29.2	29.2	30.2
<b>274.0</b>	<b>277.0</b>	<b>276.0</b>	<b>276.0</b>	<b>273.0</b>	<b>252.0</b>

**CITY OF CORSICANA, TEXAS**

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

		Fiscal Year			
		2013	2014	2015	2016
Police:					
	Reported Crimes (Calendar Year)	1,365	1,290	1,141	1,090
	Number of Violations (Citations)	5,906	6,375	5,217	4,743
Judicial:					
	Municipal Court Fines-Cash	618,886	476,987	468,451	373,721
Fire:					
	Fire Calls (Including City and County)	2,094	2,229	2,259	2,255
EMS:					
	EMS Calls (Including City and County)	5,823	6,110	6,350	6,254
Planning & Zoning:					
	Building Permits Issued (Units)	211	349	517	455
	Permit Value	1,254,467	1,920,876	13,974,934	2,205,648
Health:					
	Animals Impounded (Calendar Year)	2,575	2,344	2,002	1,922
Cultural and Recreational:					
	Parks	13	13	13	16
Library:					
	Patrons	86,177	78,434	76,222	76,737
Water:					
	Number of Water Customers	8,885	9,020	8,891	8,898
Sewer:					
	Number of Wastewater Customers	7,937	7,986	7,928	7,934

\* Total includes all permits issued, not just building permits. Data for building permits only is not available.  
Source: Various City Departments

**TABLE 17**

Fiscal Year					
2017	2018	2019	2020	2021	2022
1,050	1,476	1,500	1,748	1,900	2,242
4,777	3,310	2,287	2,663	2,776	2,549
393,020	349,920	356,198	210,817	176,347	223,824
2,312	2,440	2,482	1,283	1,417	1,699
6,212	6,378	6,630	6,263	5,994	3,156
300	422	465	451	632	148
1,295,576	2,405,198	12,501,006	49,793,277	30,068,766	21,900,561
2,022	1,677	1,599	1,706	1,616	1,694
16	16	16	16	16	16
76,438	78,531	72,551	48,316	59,192	73,770
8,879	8,474	10,903	8,675	9,149	9,245
7,947	7,988	9,872	8,108	8,164	8,196

**CITY OF CORSICANA, TEXAS**

MISCELLANEOUS STATISTICS

LAST TEN FISCAL YEARS  
(Unaudited)

		Fiscal Year			
		2013	2014	2015	2016
Police:					
	Number of Stations	1	1	1	1
Fire:					
	Number of Stations	4	4	4	4
	Fire Hydrants	916	925	945	941
Streets:					
	Miles of Streets Maintained	160	160	160	160
Library:					
	Number of Libraries	1	1	1	1
Water:					
	Water Plant Capacity (million gallons per day)	24.25	24.25	24.25	24.25
	Water Storage Capacity (million gallons per day)	13.015	13.015	13.015	13.015
Sewer:					
	Sewer Plant Capacity (million gallons per day)	9.11	9.11	9.11	9.11

Source: Various City Departments

**TABLE 18**

Fiscal Year						
2017	2018	2019	2020	2021	2022	
1	1	1	1	1	1	1
4	4	4	4	4	4	4
941	943	1,022	1,022	1,022	1,035	
160	160	160	160	160	161	
1	1	1	1	1	1	1
24.25	24.25	24.25	24.25	24.25	24.25	24.25
13.015	13.015	12.61	12.61	12.61	12.61	12.61
9.11	9.11	9.11	9.11	9.11	9.11	9.11

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor,  
City Council and City Manager  
City of Corsicana, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corsicana, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2023.

***Report on Internal Control over Financial Reporting***

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

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

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

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**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas  
March 31, 2023

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*Corsicana*  
TEXAS

