



**** PUBLIC NOTICE ****

**NOTICE OF A FINANCE AUDIT COMMITTEE
OF THE CITY OF CORINTH
REGULAR SESSION**

Thursday, February 20, 2020, 4:30 P.M.

City Hall

Conference Room - Suite 200

3300 Corinth Parkway

Corinth, Texas 76208

* Pursuant to Texas Government Code Section 551.002, a quorum of the City Council of Corinth may attend the following meeting and may participate in discussion on the agenda items listed below, but will not take any action.

CALL TO ORDER

CONSENT AGENDA

1. Consider and act on minutes from the December 17, 2019 Regular Session.

BUSINESS AGENDA

2. Consider and act on the September 2019 Monthly Financials.
3. Accept, hold a discussion and provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR) and the audit adjusting entries.
4. Consider and act on the Fiscal Year 2019-2020 First Quarter Investment Report

CLOSED SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Committee to seek advice from the City Attorney as to the posted subject matter of this Committee Meeting, the Committee will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the Committee. The Committee shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

ADJOURN

Posted this ____ day of _____, _____ at _____ on the bulletin board at Corinth City Hall.

Lee Ann Bunselmeyer, Finance Director
City of Corinth, Texas

CONSENT ITEM 1.

Finance Audit Committee Regular Session

Meeting Date: 02/20/2020
Title: December 17, 2019 Regular Session Minutes
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Chris Rodriguez, Financial Services Manager
Finance Review: N/A **Legal Review:** N/A
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the December 17, 2019 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the December 17, 2019 Regular Session. The minutes are in draft form and are not considered official until formally approved by the Finance Audit Committee.

RECOMMENDATION

Staff recommends approval of the December 17, 2019 Regular Session minutes.

Attachments

December 2019 Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 17th day of December 2019 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 4:30 P.M. at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purposes as required by Title 5, Subchapter A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Councilmembers Present:

Mayor Heidemann
Councilmember Scott Garber
Sam Burke (arrived at 4:37)

Councilmembers Absent:

Citizen Members Present:

Richard Weir
Catherine Miller

Staff Members Present:

Bob Hart, City Manager
Lee Ann Bunselmeyer, Director of Finance, Communication & Strategic Services
Chris Rodriguez, Assistant Finance Director
Becky Buck, Comptroller
Diane Terrell, Eide Bailey

CALL TO ORDER

Councilmember Scott Garber called the meeting to order at 4:30 pm

CONCENT AGENDA

- 1) Consider and act on minutes from the August 11, 2019 Regular Session.
- 2) Consider and act on the 2019-2020 Authorized Broker/Dealer List for the City of Corinth
- 3) Review and approve the Investment Policy for the City of Corinth, Economic Development Corporation and Crime Control & Prevention District.

MOTION made by Mayor Heidemann to approve the Consent Agenda. Councilmember Garber seconded the motion.

AYES: Heidemann, Garber

NOES: None

MOTION CARRIED

BUSINESS AGENDA

- 4) Discuss and provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR)

No action required.

- 5) Consider and act on the Fiscal Year 2018-2019 Annual Investment Report.

MOTION made by Councilmember Burke to approve the FY 2018-2019 Annual Investment Report. Mayor Heidemann seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

- 6) Receive a report, hold a discussion and provide direction on the Debt Management and Continuing Disclosure Policy.

MOTION made by Mayor Heidemann to approve the Debt Management and Continuing Disclosure Policy. Councilmember Burke seconded the motion.

AYES: Heidemann, Garber, Burke

NOES:

MOTION CARRIED

- 7) Review and discuss the Fiscal Year 2018-2019 Summary of Rebtable Arbitrage.

No action required.

ADJOURN THE REGULAR MEETING

Councilmember Garber adjourned the Regular Meeting at 5:22 pm.

Finance Audit Committee Regular Session

Meeting Date: 02/20/2020

Title: September 2019 Monthly Financials

Submitted For: Lee Ann Bunselmeyer, Director

Submitted By: Lee Ann Bunselmeyer, Director

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on the September 2019 Monthly Financials.

AGENDA ITEM SUMMARY/BACKGROUND

Financials are prepared and presented to the City Council on a monthly basis. The report is broken down into four sections: Financial Summary, Revenue & Economic Analysis, Executive Summary and Capital Improvement Program Report.

Typically, monthly financial reports are distributed the third Friday of every month and are available on the city's website for public review.

RECOMMENDATION

Staff recommends the acceptance of the monthly financial report.

Attachments

Sept 2019 Monthly Financials



City of Corinth
Monthly Financial Report
For the Period Ended September 30, 2019

About This Report

This report has been prepared by the City of Corinth's Finance Department. The Comprehensive Monthly Financial Report (CMFR) is intended to provide our audience (internal and external users) with timely and relevant information regarding the City's financial position.

This report includes information for the month ending September 2019 and is presented in four sections.

1. The Financial Summary section reports the performance of the major operating funds of the City. In addition, the report provides a comparison to budget for major revenue sources and expenditure items. Narrative disclosures are included to highlight any significant changes or fluctuations.
2. The Revenue & Economic Analysis section provides additional analysis regarding key revenue sources and economic indicators.
3. The Executive Summary section contains a high level fund balance summary for all City funds. The report provides year-to-date revenues, expenditures, and transfers.
4. The Capital Improvement Program Report contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures, and available fund balance.

If you would like additional information, feel free to contact the Finance Department at (940) 498-3241.

Section 1

City of Corinth
Monthly Financial Report
September 2019

FINANCIAL SUMMARY

This report is designed for internal use and does not include all the funds and accounts included in the City of Corinth's operations. For a complete report, refer to the City of Corinth's Annual Financial Report available on the city's website at www.cityofcorinth.com.



City of Corinth
General Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 9,222,506	\$ 2,374	\$ 9,244,761	\$ 22,255	100.2%	\$ 8,354,562
Delinquent Tax, Penalties & Interest	79,100	11,023	77,116	(1,984)	97.5%	53,037
Sales Tax	1,650,458	442,966	1,672,402	21,944	101.3%	1,609,767
Franchise Fees	1,176,428	253,717	1,083,553	(92,875)	92.1%	1,120,651
Utility Fees	17,500	-	6,860	(10,640)	39.2%	24,720
Traffic Fines & Forfeitures	712,385	49,607	600,873	(111,512)	84.3%	722,636
Development Fees & Permits	685,038	72,315	446,961	(238,077)	65.2%	710,424
Police Fees & Permits	568,471	1,987	577,503	9,032	101.6%	503,630
Recreation Program Revenue	234,538	5,187	150,210	(84,328)	64.0%	167,603
Fire Services	2,708,835	142,955	2,709,304	469	100.0%	2,748,660
Grants	554,162	100,686	326,757	(227,405)	59.0%	-
Investment Income	63,000	9,063	176,943	113,943	280.9%	123,265
Miscellaneous	45,853	18,041	81,199	35,346	177.1%	61,501
Transfers In	954,496	-	954,496	-	100.0%	913,173
TOTAL ACTUAL RESOURCES	18,672,770	1,109,920	18,108,939	(563,831)	97.0%	17,113,630
Use of Fund Balance	1,235,005	1,290,664	350,740		28.4%	
TOTAL RESOURCES	\$ 19,907,775	\$ 2,400,584	\$ 18,459,679	\$ (563,831)	92.7%	\$ 17,113,630
EXPENDITURES						
Wages & Benefits	\$ 13,341,393	\$ 1,419,383	\$ 12,370,877	\$ (970,516)	92.7%	\$ 11,762,607
Professional Fees	1,401,473	316,689	1,229,172	(172,301)	87.7%	1,224,076
Maintenance & Operations	1,038,564	167,134	962,722	(75,842)	92.7%	682,365
Supplies	625,074	258,124	569,533	(55,541)	91.1%	390,711
Utilities & Communications	689,660	82,222	623,253	(66,407)	90.4%	612,623
Vehicles/Equipment & Fuel	330,818	41,396	301,473	(29,345)	91.1%	347,523
Training	183,168	30,316	146,839	(36,329)	80.2%	105,160
Capital Outlay	432,905	85,320	391,089	(41,816)	90.3%	804,746
Transfer Out	1,864,720	-	1,864,720	-	100.0%	1,038,089
TOTAL EXPENDITURES	19,907,775	2,400,584	18,459,679	(1,448,096)	92.7%	16,967,900
EXCESS/(DEFICIT)	\$ -	\$ -	\$ -			\$ 145,729

KEY TRENDS	
Resources	Expenditures
<p>Property Taxes are received primarily in December & January and become delinquent February 1st.</p> <p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represents July collections.</p> <p>Franchise Fees - Oncor and Atmos franchise payments represent half of the total franchise taxes budgeted. Oncor remits payments on a quarterly basis. Atmos franchise payments are received annually, typically in January or February.</p> <p>Recreation revenue includes special events, facility rentals and summer camp programs. Summer camp registration starts April 1st.</p> <p>Transfer In includes \$101,673 from the Water/Wastewater Fund for the HOA Water Contracts, \$736,192 cost allocation from the Utility Fund, \$62,314 cost allocation from Storm Drainage and \$54,317 from Economic Development.</p>	<p>Transfer Out includes \$300,000 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$77,753 to the General Fund Vehicle Replacement Fund for the Enterprise Fleet Replacement Program, \$123,002 to the Tech Replacement Fund for the future purchases of computers, \$234,965 cost allocation to the Utility Fund, \$600,000 to the Capital Project Fund for the Lynchburg Creek Watershed project grant match, \$30,000 to the General Capital Fund for the joint Fire training field, \$90,000 to the General Capital Fund for Fire House Station alerting system, and \$82,000 to the General Capital Fund for the Public Safety radio replacement.</p> <p>Capital Outlay includes \$100,000 for City Hall lighting, \$100,000 for fiber between City Hall and the Public Safety Complex, \$325,000 for the Comprehensive Plan & Parks Master Plan, \$25,000 for Geo Institute Hazard Mitigation implementation \$40,000 for soccer netting, \$54,000 for City Hall camera system, and \$62,412 for Fire uniforms and equipment.</p> <p>Budget includes an amendment for three additional firefighters in the amount of \$246,294, and additional grant revenue in the amount of \$184,721. Approved by City Council on October 4, 2018, Ordinance #18-10-04-30.</p>



City of Corinth

Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
City Water Charges	\$ 2,862,813	\$ 1,090,208	\$ 2,843,266	\$ (19,547)	99.3%	\$ 2,756,270
Upper Trinity Water Charges*	5,089,446	658,535	4,721,323	(368,123)	92.8%	5,460,227
City Wastewater Disposal Charges	2,001,736	407,467	2,276,861	275,125	113.7%	2,245,039
Upper Trinity Wastewater Disposal Charges*	1,449,553	109,524	1,136,051	(313,502)	78.4%	1,251,833
Garbage Revenue	756,000	115,976	765,496	9,496	101.3%	761,218
Garbage Sales Tax Revenue	55,000	5,572	66,234	11,234	120.4%	61,672
Water Tap Fees	75,000	10,700	99,140	24,140	132.2%	191,977
Wastewater Tap Fees	50,000	6,050	63,857	13,857	127.7%	118,354
Service/Reconnect & Inspection Fees	53,000	3,373	58,337	5,337	110.1%	71,432
Penalties & Late Charges	160,000	6,613	132,438	(27,562)	82.8%	156,042
Investment Interest	17,500	6,161	58,947	41,447	336.8%	26,917
Credit Card Processing Fees	70,000	5,281	86,529	16,529	123.6%	76,369
Miscellaneous	9,300	5,077	29,569	20,269	317.9%	8,204
Transfers In	270,597	-	270,597	-	100.0%	(1,743,757)
TOTAL ACTUAL RESOURCES	12,919,945	2,430,536	12,608,645	(311,300)	97.6%	11,441,800
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 12,919,945	\$ 2,430,536	\$ 12,608,645		97.6%	\$ 11,441,800
EXPENDITURES						
Wages & Benefits	\$ 1,806,826	\$ 232,752	\$ 1,705,735	\$ (101,091)	94.4%	\$ 1,609,171
Professional Fees	951,729	79,275	872,013	(79,716)	91.6%	912,585
Maintenance & Operations	374,660	51,944	335,755	(38,905)	89.6%	407,982
Supplies	122,845	18,694	113,032	(9,813)	92.0%	52,392
Upper Trinity Region Water District	6,935,401	589,762	6,720,873	(214,528)	96.9%	6,734,974
Utilities & Communication	196,462	25,967	187,568	(8,894)	95.5%	194,979
Vehicles/Equipment & Fuel	99,346	12,432	96,761	(2,585)	97.4%	74,112
Training	17,970	2,447	13,902	(4,068)	77.4%	21,052
Capital Outlay	28,951	-	13,907	(15,044)	48.0%	41,979
Debt Service	1,215,964	-	1,215,964	-	100.0%	2,203,964
Transfers	1,108,883	-	1,108,883	-	100.0%	944,510
TOTAL EXPENDITURES	12,859,037	1,013,273	12,384,393	(474,644)	96.3%	13,197,700
EXCESS/(DEFICIT)	\$ 60,908	\$ 1,417,264	\$ 224,252			\$ (1,755,900)

* The water and sewer charges in October are for September services so there are no actuals for UTRWD.

KEY TRENDS	
Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p>Water and Wastewater Disposal Charges: The FY 2018-19 budget is the second year for water rates that separated out the Upper Trinity and the City portion of the rate revenue, as adopted by ordinance in September 2017.</p>	<p>Operating expenses are dominated by contractual payments for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton.</p> <p>Debt Service payments are processed in February and August.</p> <p>Capital Outlay includes \$49,500 for new furniture for the new Public Work facility and \$10,000 for a portable light tower.</p> <p>Transfer Out includes \$56,456 to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$101,673 allocation to the General Fund for the homeowner's association water credits, \$200,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$14,562 to the Tech Replacement Fund for the future purchases of computers and \$736,192 cost allocation to the General Fund.</p>



City of Corinth
Storm Water Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
Storm Water Utility Fee	\$ 712,050	\$ 106,420	\$ 723,694	\$ 11,644	101.6%	\$ 712,716
Investment Interest	4,800	453	7,071	2,271	147.3%	11,142
Miscellaneous	8,080	-	3,803	(4,277)	47.1%	6,832
Transfer In	-	-	-	-	0.0%	117,563
TOTAL ACTUAL RESOURCES	724,930	106,873	734,568	9,638	101.3%	848,252
Use of Fund Balance	334,887	-	304,771		91.0%	
TOTAL RESOURCES	\$ 1,059,817	\$ 106,873	\$ 1,039,338	\$ 9,638	98.1%	\$ 848,252
EXPENDITURES						
Wages & Benefits	\$ 181,341	\$ 23,224	\$ 183,148	\$ 1,807	101.0%	\$ 132,081
Professional Fees	101,995	12,636	86,613	(15,382)	84.9%	54,133
Maintenance & Operations	17,797	589	13,134	(4,663)	73.8%	4,352
Supplies	8,436	5,099	8,436	(0)	100.0%	5,319
Utilities & Communication	5,318	469	5,315	(3)	99.9%	5,595
Vehicles/Equipment & Fuel	13,745	1,151	13,744	(1)	100.0%	9,282
Training	2,236	-	-	(2,236)	0.0%	1,006
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	221,585	-	221,585	-	100.0%	348,473
Transfers	507,364	-	507,364	-	100.0%	492,038
TOTAL EXPENDITURES	1,059,817	43,169	1,039,338	(20,478)	98.1%	1,052,279
EXCESS/(DEFICIT)	\$ -	\$ 63,703	\$ -			\$ (204,027)

KEY TRENDS	
Resources	Expenditures
<p>Investment Interest - The budget for investment interest is based on prior year trends.</p>	<p>Debt Service payments are processed in February and August.</p> <p>Transfer Out includes \$596 to the Tech Replacement Fund for the future purchases of computers, \$62,314 cost allocation to the General Fund, \$35,633 cost allocation to the Utility Fund, \$8,821 to the Vehicle Replacement Fund, and \$400,000 to the Capital Fund for the Lynchburg Creek Watershed grant match.</p>



City of Corinth
Street Maintenance Sales Tax Fund
 Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 412,001	\$ 109,278	\$ 413,032	\$ 1,031	100.3%	\$ 398,015
Interest	7,000	2,283	22,924	15,924	327.5%	11,953
Miscellaneous Income	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	419,001	111,561	435,956	16,955	104.0%	409,968
Use of Fund Balance	23,332	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 442,333	\$ 111,561	\$ 435,956		98.6%	\$ 409,968
EXPENDITURES						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	387,333	3,801	303,011	(84,322)	78.2%	28,158
Capital Outlay	55,000	-	55,000	-	100.0%	-
Transfer Out	-	-	-	-	0.0%	45,413
TOTAL EXPENDITURES	442,333	3,801	358,011	(84,322)	80.9%	73,571
EXCESS/(DEFICIT)	\$ -	\$ 107,760	\$ 77,946			\$ 336,397

KEY TRENDS	
Resources	Expenditures
<p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represents July collections.</p>	<p>Capital Outlay - The budget includes \$55,000 for the shared replacement of a backhoe.</p> <p>Budget includes an amendment for additional funding for street improvements in the amount of \$175,000. Approved by City Council on May 9, 2019, Ordinance #18-05-09-16.</p>



City of Corinth

Crime Control & Prevention Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 378,175	\$ 98,507	\$ 378,037	\$ (138)	100.0%	\$ 362,534
Investment Interest	1,500	678	4,956	3,456	330.4%	3,340
Gain/Loss on Sale of Assets	-	42,440	42,440	42,440	0.0%	-
TOTAL ACTUAL RESOURCES	379,675	141,625	425,433	45,758	112.1%	365,874
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 379,675	\$ 141,625	\$ 425,433		112.1%	\$ 365,874
EXPENDITURES						
Wages & Benefits	\$ 168,235	\$ 14,442	\$ 166,449	\$ (1,786)	98.9%	\$ 175,929
Maintenance & Operations	4,220	4,220	4,220	-	100.0%	-
Supplies	-	-	-	-	0.0%	22,537
Capital Outlay	124	-	-	(124)	0.0%	5,249
Capital Leases	180,705	55,553	175,385	(5,320)	97.1%	39,945
TOTAL EXPENDITURES	353,284	74,216	346,054	(7,230)	98.0%	243,661
EXCESS/(DEFICIT)	\$ 26,391	\$ 67,409	\$ 79,380			\$ 122,213

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represents July collections.

Expenditures

Wages & Benefits - The budget reflects funding for two full-time police officers.

Capital Outlay - The budget includes \$17,500 for Active Shooter equipment.

Capital Leases - The budget includes \$167,549 for the Enterprise Lease program for the replacement of patrol vehicles.



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	September 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-18 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 823,975	\$ 218,548	\$ 826,036	2,061	100.3%	\$ 796,002
Interest Income	800	35	440	(360)	55.0%	285
Investment Income	25,000	2,032	60,283	35,283	241.1%	48,170
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	1,980	1,980	0.0%	-
TOTAL ACTUAL RESOURCES	849,775	220,614	888,740	38,965	104.6%	844,458
Use of Fund Balance	2,848,006	-	2,572,281		90.3%	
TOTAL RESOURCES	\$ 3,697,781	\$ 220,614	\$ 3,461,020		93.6%	\$ 844,458
EXPENDITURES						
Wages & Benefits	\$ 141,552	\$ 20,233	\$ 144,337	\$ 2,785	102.0%	130,995
Professional Fees	148,605	40,572	116,897	(31,708)	78.7%	13,920
Maintenance & Operations	310,081	71,517	124,333	(185,748)	40.1%	8,104
Supplies	6,723	1,371	6,718	(5)	99.9%	5,814
Utilities & Communication	2,311	188	2,259	(52)	97.7%	3,537
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,633	370	8,605	(22,028)	28.1%	12,791
Capital Outlay	2,952,676	-	2,952,671	(5)	100.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	105,200	-	105,200	-	100.0%	308,925
TOTAL EXPENDITURES	3,697,781	134,251	3,461,020	(236,761)	93.6%	484,085
EXCESS/(DEFICIT)	\$ -	\$ 86,363	\$ -			\$ 360,373

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represents July collections.

Expenditures

Transfer Out includes \$883 to the Technology Replacement Fund for the future purchases of computers.

Section 2

City of Corinth
Monthly Financial Report
September 2019

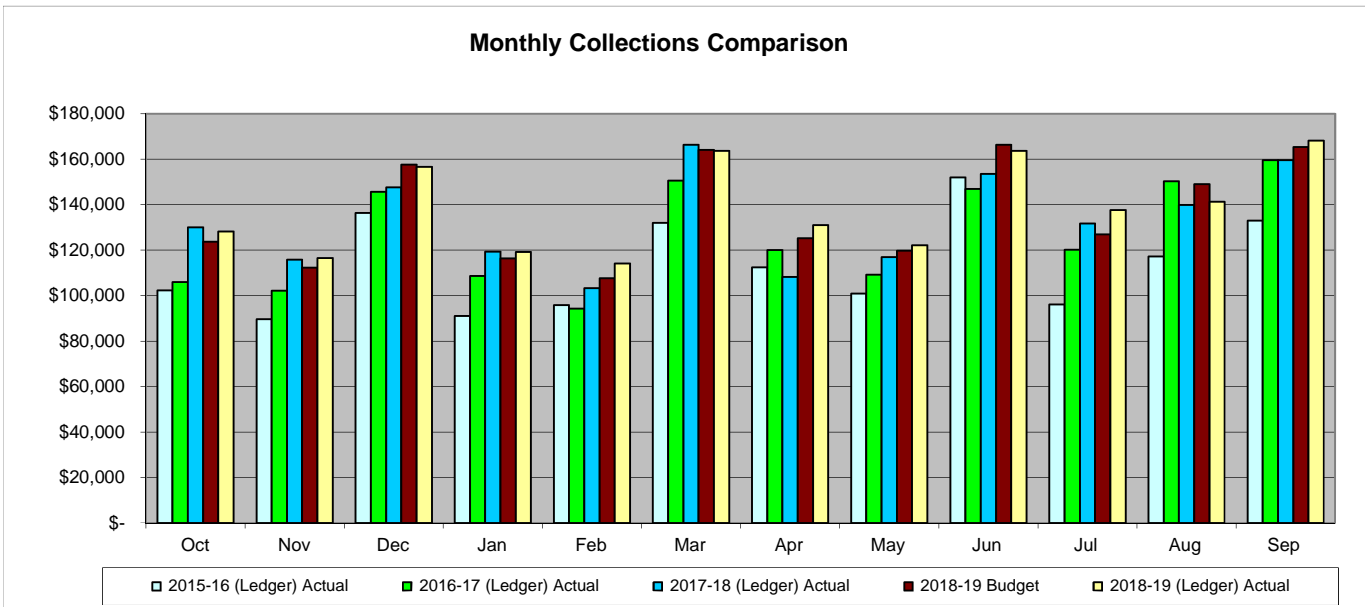
REVENUE & ECONOMIC ANALYSIS

This section provides additional analysis regarding key revenue sources and economic indicators.



General Fund
General Purpose Sales Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 102,297	\$ 105,950	\$ 130,060	\$ 123,644	\$ 139,866	\$ 128,174	\$ 4,530	3.7%	\$ (1,886)	-1.4%
Nov	89,656	102,142	115,781	112,321	159,565	116,473	4,152	3.7%	692	0.6%
Dec	136,322	145,669	147,582	157,576	128,174	156,667	(909)	-0.6%	9,085	6.2%
Jan	91,001	108,602	119,321	116,396	116,473	119,242	2,846	2.4%	(79)	-0.1%
Feb	95,820	94,295	103,271	107,687	156,667	114,088	6,401	5.9%	10,817	10.5%
Mar	132,047	150,618	166,333	164,059	119,242	163,588	(472)	-0.3%	(2,746)	-1.7%
Apr	112,463	120,008	108,157	125,285	114,088	130,981	5,695	4.5%	22,824	21.1%
May	100,967	109,182	116,974	119,797	163,588	122,202	2,404	2.0%	5,228	4.5%
Jun	151,980	146,946	153,473	166,329	130,981	163,583	(2,745)	-1.7%	10,110	6.6%
Jul	96,154	120,203	131,780	126,900	122,202	137,672	10,772	8.5%	5,892	4.5%
Aug	117,263	150,298	139,866	148,961	163,583	141,252	(7,709)	-5.2%	1,386	1.0%
Sep	132,907	159,565	159,565	165,309	137,672	168,147	2,839	1.7%	8,582	5.4%
TOTAL	\$ 1,358,877	\$ 1,513,477	\$ 1,592,163	\$ 1,634,264	\$ 1,652,101	\$ 1,662,069	\$ 27,805	1.7%	\$ 69,907	4.4%



KEY TRENDS	
<p>Description</p> <p>The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.</p> <p>As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represent July collections.</p>	<p>Analysis</p> <p>As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. The General Fund sales tax revenue reflects a year-to-date increase in collections compared to budgeted amounts.</p> <p>Revenues are deposited into the City's General Fund and may be used for any lawful purpose (Chapter 321 of the Tax Code).</p>

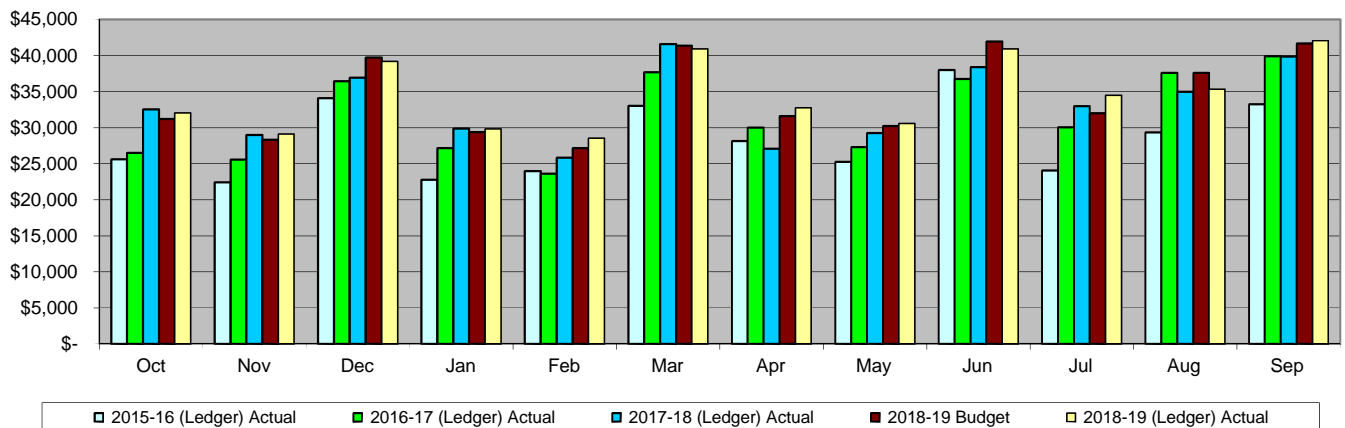


Street Maintenance Sales Tax Fund

Street Maintenance Sales Tax PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 25,575	\$ 26,488	\$ 32,516	\$ 31,172	\$ 34,967	\$ 32,044	\$ 872	2.8%	\$ (471)	-1.4%
Nov	22,414	25,536	28,946	28,317	39,859	29,119	802	2.8%	173	0.6%
Dec	34,081	36,418	36,896	39,726	32,044	39,167	(559)	-1.4%	2,271	6.2%
Jan	22,751	27,151	29,831	29,344	29,119	29,811	467	1.6%	(20)	-0.1%
Feb	23,955	23,574	25,818	27,149	39,167	28,523	1,374	5.1%	2,704	10.5%
Mar	33,012	37,655	41,584	41,361	29,811	40,898	(463)	-1.1%	(686)	-1.7%
Apr	28,116	30,002	27,040	31,585	28,523	32,746	1,160	3.7%	5,706	21.1%
May	25,242	27,296	29,244	30,202	40,898	30,551	349	1.2%	1,307	4.5%
Jun	37,996	36,737	38,369	41,933	32,746	40,897	(1,036)	-2.5%	2,528	6.6%
Jul	24,039	30,051	32,945	31,993	30,551	34,451	2,458	7.7%	1,506	4.6%
Aug	29,316	37,575	34,967	37,554	40,897	35,314	(2,241)	-6.0%	347	1.0%
Sep	33,227	39,892	39,859	41,665	34,451	42,038	373	0.9%	2,178	5.5%
TOTAL	\$ 339,725	\$ 378,376	\$ 398,015	\$ 412,001	\$ 413,032	\$ 415,557	\$ 3,556	0.9%	\$ 17,542	4.4%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represent July collections.

Analysis

The Street Maintenance Sales Tax revenue reflects a year-to-date increase in collections compared to budgeted amounts.

Funds are deposited into the Street Maintenance Sales Tax Fund and can only be used to repair and maintain existing city streets (Chapter 327 of the Tax Code).

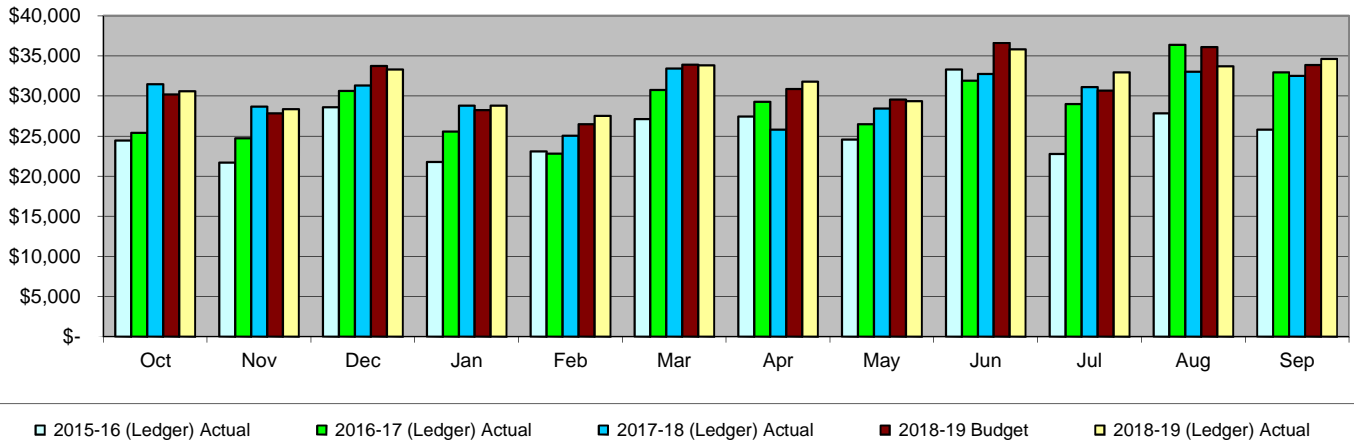
A special election was held on September 11, 2004 for the purpose of adopting a local .25% sales and use tax in Corinth for Street Maintenance. An election held on November 8, 2016 reauthorized the tax for four additional years.



Crime Control & Prevention District
Crime Control & Prevention Sales Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 24,447	\$ 25,436	\$ 31,487	\$ 30,199	\$ 33,044	\$ 30,611	\$ 413	1.4%	\$ (876)	-2.8%
Nov	21,722	24,747	28,674	27,856	32,506	28,367	511	1.8%	(307)	-1.1%
Dec	28,612	30,662	31,341	33,752	30,611	33,325	(427)	-1.3%	1,984	6.3%
Jan	21,807	25,578	28,829	28,248	28,367	28,795	548	1.9%	(34)	-0.1%
Feb	23,118	22,837	25,070	26,477	33,325	27,554	1,076	4.1%	2,484	9.9%
Mar	27,117	30,751	33,450	33,908	28,795	33,846	(61)	-0.2%	396	1.2%
Apr	27,466	29,306	25,821	30,871	27,554	31,822	951	3.1%	6,001	23.2%
May	24,586	26,479	28,436	29,574	33,846	29,360	(214)	-0.7%	924	3.2%
Jun	33,316	31,938	32,757	36,631	31,822	35,850	(781)	-2.1%	3,092	9.4%
Jul	22,775	29,008	31,119	30,688	29,360	32,957	2,269	7.4%	1,838	5.9%
Aug	27,841	36,388	33,044	36,115	35,850	33,733	(2,382)	-6.6%	690	2.1%
Sep	25,825	32,962	32,506	33,857	32,957	34,644	787	2.3%	2,138	6.6%
TOTAL	\$ 308,630	\$ 346,090	\$ 362,534	\$ 378,175	\$ 378,037	\$ 380,865	\$ 2,690	0.7%	\$ 18,331	5.1%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represent July collections.

Analysis

The Crime Control & Prevention Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Funds are deposited into the Crime Control & Prevention District Fund and may be used to finance a wide variety of crime control and prevention programs (Chapter 363 of the Local Government Code and Chapter 323.102 of the Tax Code)

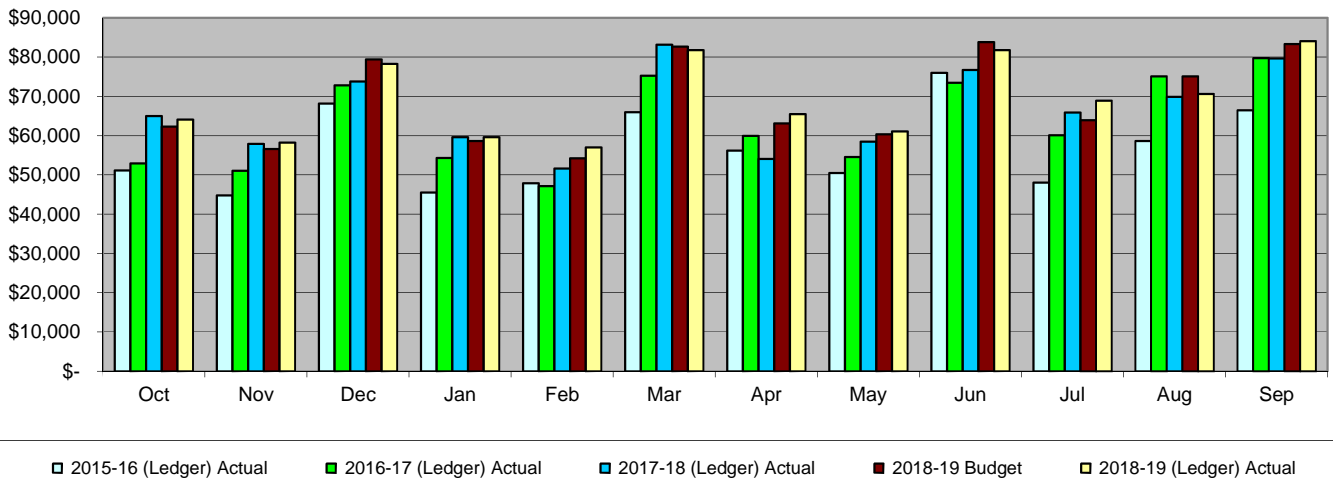
A special election was held on September 11, 2004 for the purpose of adopting a local .25% sales and use tax in Corinth for crime control and prevention. An election was held May 2019 reauthorizing the dedicated sales tax for ten additional years.



Corinth Economic Development Corporation
Economic Development Sales Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 51,148	\$ 52,974	\$ 65,029	\$ 62,342	\$ 69,932	\$ 64,086	\$ 1,744	2.8%	\$ (943)	-1.4%
Nov	44,827	51,070	57,889	56,632	79,716	58,235	1,603	2.8%	346	0.6%
Dec	68,160	72,833	73,790	79,450	64,086	78,332	(1,118)	-1.4%	4,542	6.2%
Jan	45,500	54,300	59,659	58,687	58,235	59,620	933	1.6%	(39)	-0.1%
Feb	47,909	47,147	51,635	54,296	78,332	57,043	2,747	5.1%	5,409	10.5%
Mar	66,022	75,308	83,165	82,719	59,620	81,792	(926)	-1.1%	(1,373)	-1.7%
Apr	56,230	60,003	54,077	63,169	57,043	65,489	2,320	3.7%	11,412	21.1%
May	50,483	54,590	58,486	60,402	81,792	61,100	698	1.2%	2,614	4.5%
Jun	75,989	73,472	76,735	83,863	65,489	81,790	(2,073)	-2.5%	5,055	6.6%
Jul	48,076	60,100	65,889	63,983	61,100	68,900	4,917	7.7%	3,011	4.6%
Aug	58,630	75,148	69,932	75,106	81,790	70,625	(4,482)	-6.0%	693	1.0%
Sep	66,452	79,781	79,716	83,326	68,900	84,072	746	0.9%	4,356	5.5%
TOTAL	\$ 679,427	\$ 756,725	\$ 796,002	\$ 823,975	\$ 826,036	\$ 831,085	\$ 7,110	0.9%	\$ 35,083	4.4%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2019 revenues are remitted to the City in November 2019. Sales Tax received in September represents July collections.

Analysis

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



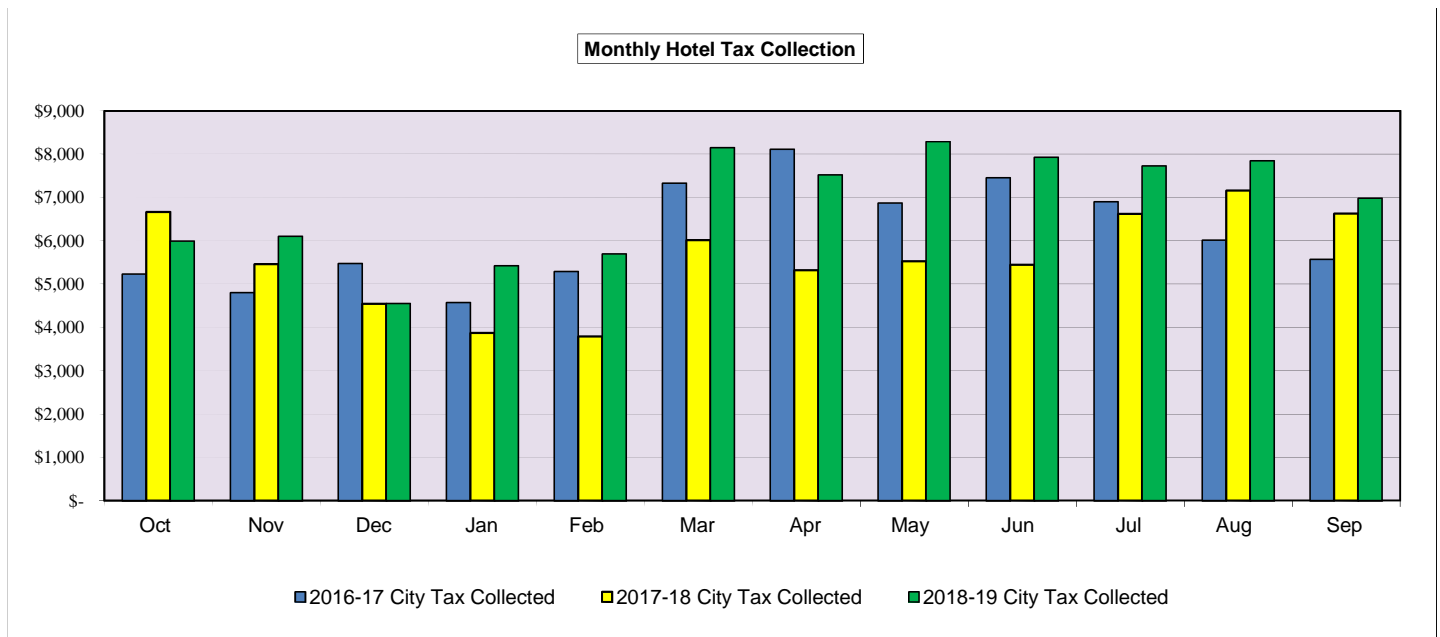
Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended September 2019

	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2018-19	Date Received	% Change CY to PY	City Tax Collected FY 2017-18	City Tax Collected FY 2016-17
Oct	\$ 86,497	\$ 847	\$ 85,650	\$ 5,995	\$ 5,995	\$ 5,995	11/21/2016	-10.1%	\$ 6,667	\$ 5,230
Nov	87,505	330	87,175	6,102	6,102	6,102	12/21/2018	11.7%	5,463	4,802
Dec	65,048	-	65,048	4,553	4,553	4,553	2/6/2019	0.2%	4,545	5,477
Jan	77,525	-	77,525	5,427	5,427	5,427	2/25/2019	40.1%	3,873	4,572
Feb	81,406	-	81,406	5,698	5,698	5,698	4/8/2019	50.2%	3,795	5,291
Mar	116,475	-	116,475	8,153	8,153	8,153	4/17/2019	35.6%	6,014	7,333
Apr	106,698	-	106,698	7,469	7,469	7,520	5/23/2019	41.3%	5,322	8,113
May	118,400	-	118,400	8,288	8,288	8,288	6/24/2019	49.9%	5,528	6,869
Jun	113,278	-	113,278	7,929	7,929	7,929	7/23/2019	45.6%	5,444	7,459
Jul	113,798	3,359	110,439	7,731	7,731	7,731	8/21/2019	16.7%	6,623	6,900
Aug	113,996	1,860	112,136	7,850	7,850	7,850	9/24/2019	9.6%	7,164	6,018
Sep	102,460	2,675	99,785	6,985	6,985	6,985	10/22/2019	5.3%	6,631	5,573
TOTALS	\$ 1,183,087	\$ 9,071	\$ 1,174,016	\$ 82,181	\$ 82,181	\$ 82,231			\$ 67,069	\$ 73,638

[Note: Ownership of the Comfort Inn changed in December 2018.



KEY TRENDS

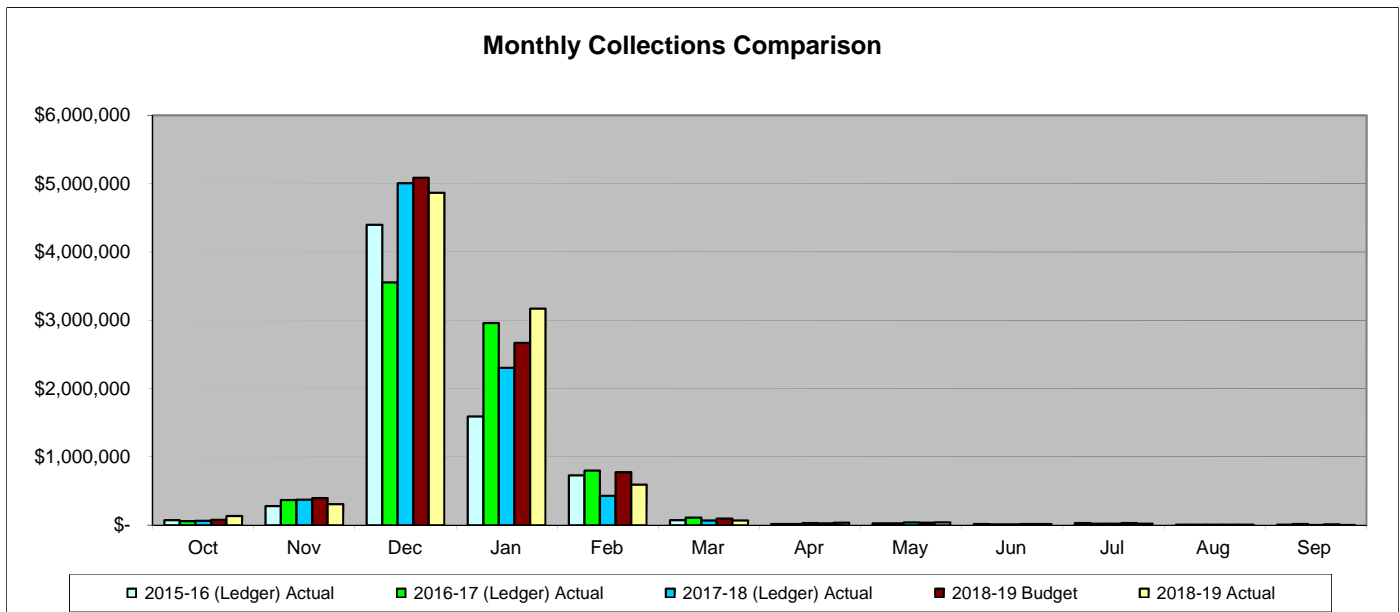
Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.



General Fund
Property Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 74,226	\$ 57,139	\$ 64,300	\$ 77,297	\$ 131,294	\$ 53,997	69.9%	\$ 66,994	104.2%
Nov	277,233	368,409	371,307	396,925	305,892	(91,033)	-22.9%	(65,415)	-17.6%
Dec	4,396,109	3,555,437	5,006,297	5,085,082	4,863,844	(221,238)	-4.4%	(142,453)	-2.8%
Jan	1,588,480	2,957,436	2,303,700	2,666,640	3,167,197	500,557	18.8%	863,497	37.5%
Feb	729,582	797,112	428,724	776,063	590,723	(185,340)	-23.9%	161,999	37.8%
Mar	72,713	108,295	67,435	97,599	68,488	(29,111)	-29.8%	1,054	1.6%
Apr	13,588	18,065	28,985	23,427	33,998	10,571	45.1%	5,012	17.3%
May	25,310	25,033	41,091	35,556	40,693	5,137	14.4%	(398)	-1.0%
Jun	16,432	11,668	10,857	15,489	13,850	(1,640)	-10.6%	2,993	27.6%
Jul	30,395	22,718	22,420	29,950	19,304	(10,647)	-35.5%	(3,116)	-13.9%
Aug	4,843	8,649	6,689	7,865	7,105	(760)	-9.7%	416	6.2%
Sep	8,170	15,839	2,757	10,613	2,374	(8,239)	-77.6%	(383)	-13.9%
TOTAL	\$ 7,237,081	\$ 7,945,800	\$ 8,354,562	\$ 9,222,506	\$ 9,244,761	\$ 22,255	0.2%	\$ 890,199	10.7%



KEY TRENDS	
<p>Description: The ad valorem (property tax) accounts for the largest source of revenue for the General Fund. Property tax is dependent on two variables: appraised value and the tax rate. The property tax rate is \$.53000 per \$100 valuation and is collected by the Denton County Tax Office. Denton County remits payment to the city on a monthly basis.</p>	<p>Analysis The city estimates 100% collection rate. The majority of taxes are collected in December and January.</p>



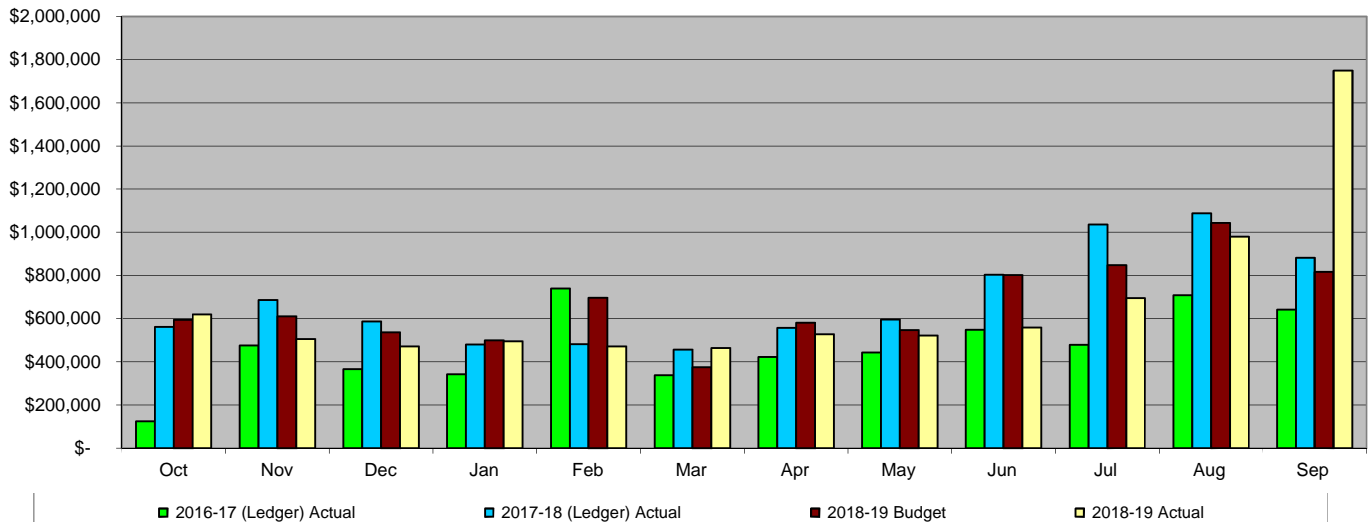
Water/Wastewater Fund

Water Charges

PY Comparison and Variance Analysis

	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 City Actual	2018-19 UTRWD Actual	2018-19 Combined Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 124,864	\$ 561,519	\$ 594,818	\$ 189,528	\$ 430,078	\$ 619,605	\$ 24,787	4.2%	\$ 58,086	10.3%
Nov	476,496	686,663	611,026	143,893	362,298	506,191	(104,835)	-17.2%	(180,473)	-26.3%
Dec	365,974	586,774	537,132	130,638	341,380	472,018	(65,114)	-12.1%	(114,756)	-19.6%
Jan	342,045	480,520	499,455	139,864	355,578	495,441	(4,014)	-0.8%	14,921	3.1%
Feb	740,074	481,645	697,004	131,703	339,718	471,422	(225,582)	-32.4%	(10,223)	-2.1%
Mar	338,485	456,070	375,167	129,373	334,730	464,104	88,937	23.7%	8,034	1.8%
Apr	422,060	557,084	581,046	148,347	378,869	527,216	(53,830)	-9.3%	(29,868)	-5.4%
May	443,915	596,143	547,416	147,542	374,466	522,008	(25,408)	-4.6%	(74,134)	-12.4%
Jun	548,509	803,962	801,441	161,942	396,677	558,618	(242,823)	-30.3%	(245,344)	-30.5%
Jul	479,370	1,035,918	847,533	220,469	475,440	695,909	(151,624)	-17.9%	(340,009)	-32.8%
Aug	709,184	1,088,327	1,044,197	363,241	616,577	979,818	(64,379)	-6.2%	(108,509)	-10.0%
Sep	641,629	881,871	816,024	1,090,208	658,535	1,748,743	932,719	114.3%	866,872	98.3%
TOTAL	\$ 5,632,605	\$ 8,216,497	\$ 7,952,259	\$ 2,996,746	\$ 5,064,347	\$ 8,061,093	\$ 108,834	1.4%	\$ (155,404)	-1.9%

Monthly Collections Comparison



KEY TRENDS

Description:

Water charges are billed on a monthly basis in two billing cycles. Citizens are billed on the 1st and 15th of every month based on their meter rate, as well as, the volume of water used. This revenue is highly influenced by weather patterns. Hot, dry summer results in high water sales.

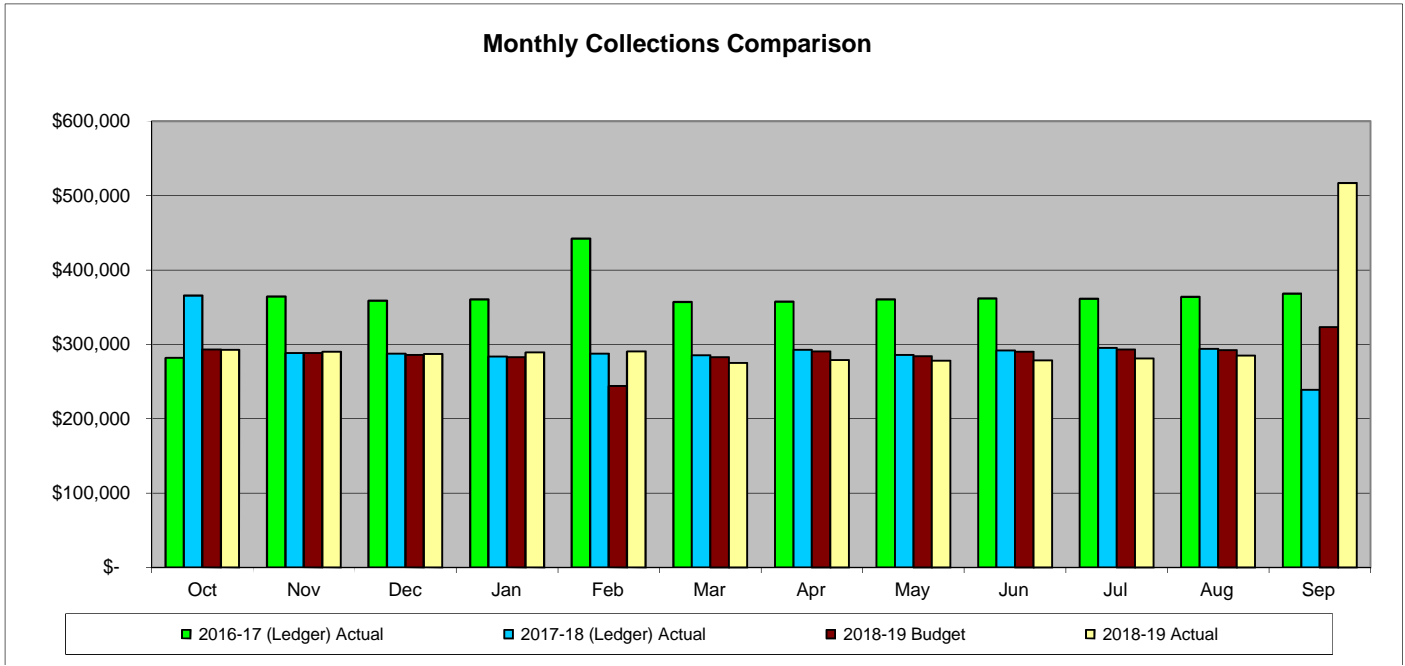
Analysis

The FY 2018-19 budget incorporates the water rates that breakout both the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.



Water/Wastewater Fund
Sewer Charges
 PY Comparison and Variance Analysis

	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 City Actual	2018-19 UTRWD Actual	2018-19 Combined Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 281,758	\$ 365,569	\$ 293,279	\$ 185,024	\$ 107,615	\$ 292,640	\$ (640)	-0.2%	\$ (72,929)	-19.9%
Nov	364,241	288,609	288,402	184,439	105,668	290,108	1,706	0.6%	1,499	0.5%
Dec	358,539	287,402	285,829	183,706	103,303	287,010	1,181	0.4%	(393)	-0.1%
Jan	360,366	283,876	282,660	184,383	104,955	289,337	6,677	2.4%	5,462	1.9%
Feb	441,891	287,600	244,268	184,775	105,863	290,638	46,370	19.0%	3,038	1.1%
Mar	356,668	285,274	282,998	180,710	94,463	275,173	(7,825)	-2.8%	(10,101)	-3.5%
Apr	357,049	292,874	290,463	181,676	97,159	278,835	(11,628)	-4.0%	(14,039)	-4.8%
May	360,172	285,736	284,151	181,689	96,446	278,135	(6,016)	-2.1%	(7,601)	-2.7%
Jun	361,702	291,859	290,264	181,912	96,661	278,573	(11,692)	-4.0%	(13,286)	-4.6%
Jul	361,008	295,109	293,112	182,504	98,371	280,875	(12,237)	-4.2%	(14,234)	-4.8%
Aug	363,795	293,908	292,463	183,545	101,320	284,865	(7,598)	-2.6%	(9,043)	-3.1%
Sep	367,989	239,057	323,398	407,467	109,524	516,991	193,592	59.9%	277,934	116.3%
TOTAL	\$ 4,335,178	\$ 3,496,872	\$ 3,451,289	\$ 2,421,830	\$ 1,221,350	\$ 3,643,179	\$ 191,891	5.6%	\$ 146,307	4.2%



KEY TRENDS	
<p>Description: Wastewater charges are determined by wastewater rates & volume of wastewater treated. Residential wastewater treatment charges are determined by a winter average process that takes the lowest three months of water consumption to determine a baseline wastewater treatment demand.</p>	<p>Analysis The FY 2018-19 budget incorporates the wastewater rates that breakout both the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.</p>

Section 3

City of Corinth
Monthly Financial Report
September 2019

EXECUTIVE SUMMARY

This section contains a high level fund balance summary for all city funds. The report provides year-to-date revenues, expenditures and transfers.



City of Corinth
Fund Balance Summary
 For the Period Ended September 2019

	Unaudited Appropriable Fund Balance 9/30/18	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/19
OPERATING FUNDS					
100 General Fund (1)	\$ 5,436,010	\$ 17,154,443	\$ 16,594,959	\$ (910,224)	\$ 5,085,270
110 Water/Wastewater Operations (2)	3,800,952	12,338,048	11,275,509	(838,285)	4,025,206
120 Storm Water Utility (3)	675,141	734,568	531,974	(507,364)	370,371
130 Economic Development Corporation (4)	3,896,699	888,740	3,355,820	(105,200)	1,324,418
131 Crime Control & Prevention	453,110	425,433	346,054	-	532,490
132 Street Maintenance Sales Tax	1,272,960	435,956	358,011	-	1,350,905
	<u>\$ 15,534,872</u>	<u>\$ 31,977,188</u>	<u>\$ 32,462,327</u>	<u>\$ (2,361,073)</u>	<u>\$ 12,688,660</u>
RESERVE FUNDS					
200 General Debt Service Fund	\$ 299,193	\$ 2,255,326	\$ 2,211,807	\$ -	\$ 342,712
	<u>\$ 299,193</u>	<u>\$ 2,255,326</u>	<u>\$ 2,211,807.18</u>	<u>\$ -</u>	<u>\$ 342,712</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (5)	\$ 1,792,425	\$ 61,121	\$ 177,600	\$ 529,000	\$ 2,204,945
194 Water/Wastewater Projects	872,065	22,979	269,204	(152,701)	473,138
195 Drainage Projects (6)	-	-	277,326	1,152,701	875,375
706 2016 C.O. - General Fund Capital Projects	1,260,032	23,355	203,993	-	1,079,394
708 2019 C.O. - General Fund Capital Projects	-	11,493,590	224,782	-	11,268,808
709 2017 C.O. - General Fund Capital Projects	1,702,522	440,826	1,304,771	-	838,578
803 2016 C.O. - Water Capital Projects (7)	1,562,871	39,029	11,381	400,000	1,990,519
804 2017 C.O. - Water Capital Projects	756,250	5,319	653,807	-	107,761
805 2017 C.O. - Wastewater Capital Projects	540,967	5,950	230,594	-	316,324
806 2019 C.O. - Water Capital Projects	8,800,000	98,191	174,912	-	8,723,279
	<u>\$ 17,287,132</u>	<u>\$ 12,190,360</u>	<u>\$ 3,528,371</u>	<u>\$ 1,929,000</u>	<u>\$ 27,878,121</u>
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement (8)	\$ 210,232	\$ 27,012	\$ 159,080	\$ 77,753	\$ 155,917
301 LCFD Vehicle & Equip Replacement (9)	559,427	63,353	462,893	300,000	459,886
302 Technology Replacement Fund (10)	90,047	7,500	60,078	144,751	182,220
310 Utility Vehicle & Equip Replacement (11)	439,263	96,792	92,716	65,277	508,616
311 Utility Meter Replacement Fund (12)	94,623	2,031	199,936	200,000	96,718
320 Insurance Claims and Risk Fund	345,306	41,696	114,856	-	272,146
	<u>\$ 1,738,898</u>	<u>\$ 238,384</u>	<u>\$ 1,089,560</u>	<u>\$ 787,781</u>	<u>\$ 1,675,503</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 170,716	\$ 84,982	\$ 55,174	\$ -	\$ 200,523
401 Keep Corinth Beautiful	28,906	5,341	3,988	-	30,258
404 County Child Safety Program	26,901	28,247	26,057	-	29,091
405 Municipal Court Security	79,516	12,758	2,317	-	89,957
406 Municipal Court Technology (13)	45,591	16,074	26,456	(5,708)	29,501
420 Police Lease Fund	9,126	2,674	6,726	-	5,073
421 Police Donations	4,727	527	5,254	-	-
422 Police Confiscation - State	1,967	3,823	2,308	-	3,481
423 Police Confiscation - Federal	-	-	-	-	-
451 Parks Development (18)	324,014	3,385	129,618	50,000	247,781
452 Community Park Improvement	6,278	9,635	-	-	15,912
453 Tree Mitigation Fund	156,048	151,309	2,411	-	304,946
460 Fire Donations	30,550	4,863	1,435	-	33,978
497 Festival Donations	6,083	2,972	-	-	9,055
	<u>\$ 890,422</u>	<u>\$ 326,589</u>	<u>\$ 261,745</u>	<u>\$ 44,292</u>	<u>\$ 999,558</u>
GRANT FUNDS					
522 Bullet Proof Vest Grant	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees (14)	\$ 459,351	\$ 164,156	\$ -	\$ (400,000)	\$ 223,507
611 Wastewater Impact Fees	743,528	101,760	-	-	845,289
620 Storm Drainage Impact Fees	92,301	1,076	-	-	93,377
630 Roadway Impact Fees	301,860	564,916	-	-	866,776
699 Street Escrow	154,732	1,804	-	-	156,536
	<u>\$ 1,751,772</u>	<u>\$ 833,712</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ 2,185,485</u>
TOTAL ALL FUNDS	<u>\$ 37,502,290</u>	<u>\$ 47,821,559</u>	<u>\$ 39,553,810</u>	<u>\$ -</u>	<u>\$ 45,770,039</u>



City of Corinth
Fund Balance Summary
For the Period Ended September 2019

TRANSFER IN/(OUT) EXPLANATIONS:

- (1) The transfer in of \$101,673 represents the annual contribution the Water/Wastewater Fund for the homeowners association water contracts, the \$736,192 cost allocation from the Utility Fund, and \$62,314 cost allocation from Storm Drainage. The transfer out of \$300,000 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$77,753 to the General Fund Vehicle Replacement Fund for the Enterprise Fleet Replacement Program, \$123,002 to the Tech Replacement Fund for the future purchases of computers, \$234,965 cost allocation to the Utility Fund, \$600,000 to the Capital Project Fund for the Lynchburg Creek Watershed project grant match, \$30,000 to the General Capital Fund for the joint Fire training field, \$90,000 to the General Capital Fund for Fire House Station alerting system, \$82,000 to the General Capital Fund for the Public Safety radio replacement, \$319,000 for the Comprehensive Plan and Parks Master Plan Update and \$8,000 for the Climate Resiliency plan.
- (2) The transfer in of \$234,964 for the cost allocation from the General Fund and \$35,633 from Storm Drainage. The transfer out of \$56,456 to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$101,673 allocation to the General Fund for the homeowner's association water credits, \$200,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$14,562 to the Tech Replacement Fund for the future purchases of computers and \$736,192 cost allocation to the General Fund.
- (3) The transfer out of \$596 to the Tech Replacement Fund for the future purchases of computers, \$62,314 cost allocation to the General Fund, \$35,633 cost allocation to the Utility Fund, \$8,821 to the Vehicle Replacement Fund, and \$400,000 to the Capital Fund for the Lynchburg Creek Watershed grant match.
- (4) The transfer out of \$883 for the annual contribution to the Technology Replacement Fund for the future purchases of computers.
- (5) The transfer in of \$60,000 from Police for radio upgrades, \$22,000 from Fire for radio upgrades, \$90,000 from Fire for Fire House Alerting system, \$30,000 from Fire for Joint Fire Training field.
- (6) The transfer in of \$400,000 from Drainage Fund and \$600,000 from General Fund for the Lynchburg Creek Watershed project grant match.
- (7) The transfer in of \$400,000 from the Water Impact Fee Fund for construction of the elevated water storage tank.
- (8) The transfer in of \$77,753 from the General Fund for the future purchase of vehicles and equipment.
- (9) The transfer in of \$300,000, \$178,500 represents Corinth's annual contribution and \$121,500 from the Lake Cities for the future purchase of vehicles and equipment.
- (10) The transfer in of \$123,002 from the General Fund, \$14,562 from the Water/Wastewater Fund, \$596 from the Storm Drainage Fund, \$5,708 from the Municipal Court Technology Fund and \$883 from the Economic Development Fund represents the annual contribution for the future purchases of computers.
- (11) The transfer in of \$56,456 from the Utility Fund and \$8,821 from the Drainage Fund for the future purchase of vehicles and equipment.
- (12) The transfer in of \$200,000 from the Water/Wastewater Fund for the future purchase of water taps and meters.
- (13) The transfer out of \$5,708 to the Technology Replacement Fund for the future purchase of computers.
- (14) The transfer out of \$400,000 to the 2016 CO Water Fund for the elevated storage tank.

Section 4

City of Corinth
Monthly Financial Report
September 2019

Capital Improvement Report

This section contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures and available fund balance.

Capital Projects
As Sept 2019

	Fund-Dept	Project Name	Project #	Budget	Encumbrance	Expenditures	Available Balance
2017 CO - Street	709-9800	Lynchburg Creek Flood Mitigation	DA 18-01	1,000,000	-	-	1,000,000
W/WW CIP	195-9801	Lynchburg Creek Watershed	DA 18-01	1,000,000	-	41,215	958,785
				2,000,000	-	41,215	1,958,785
W/WW CIP	195-9800	Lynchburg Drainage Plan	DA 18-01	250,000	-	155,560	94,440
2016 CO - Street	706-4805	Lake Sharon/Dobbs Realignment	ST 18-01	1,200,000	316,333	427,066	456,601
2019 CO - Street	708-4805	Lake Sharon/Dobbs Realignment	ST 18-01	4,500,000	-	-	4,500,000
				5,700,000	316,333	427,066	4,956,601
2019 CO - Street	708-4806	Quail Run Realignment	ST 19-01	2,000,000	136,361	61,956	1,801,683
2019 CO - Street	708-4807	Parkridge	ST 19-02	2,700,000	-	-	2,700,000
2019 CO - Water	806-8095	Parkridge	WA 19-02	800,000	2,510	-	797,490
				3,500,000	2,510	-	3,497,490
2016 CO - Water	803-8092	Quail Run Elevated Storage Tank	WA 18-01	2,100,000	265,003	169,272	1,665,725
2019 CO - Water	806-8092	Quail Run Elevated Storage Tank	WA 18-01	5,000,000	161,839	-	4,838,161
				7,100,000	426,842	169,272	6,503,886
2019 CO -Water	806-8094	Quail Run EST Offsite Water	WA 18-02	3,000,000	55,311	-	2,944,689
GF CIP	193-4800	Lake Sharon Extension		1,513,871	974,895	363,976	175,000
2019 CO - Street	708-4800	Lake Sharon Extension		1,000,000	-	-	1,000,000
2017 CO - Street	709-4800	Lake Sharon Extension		5,000,000	1,864,348	2,948,391	187,261
				7,513,871	2,839,243	3,312,367	1,362,261
2016 CO	706-2000	Public Safety Facility/Fire Station		12,500,000	30,687	12,469,313	-
2017 CO	709-2000	Public Safety Facility/Fire Station		2,009,401	124,046	1,561,833	323,521
				14,509,401	154,733	14,031,146	323,521
2017 CO - Water	804-8093	Public Works Facility		750,000	136,770	601,995	11,235
2017 CO - WW	805-8093	Public Works Facility		750,000	304,476	445,524	-
				1,500,000	441,245	1,047,519	11,235
2016 CO	706-1004	Facility Renovation - City Hall		350,000	-	349,411	589
2016 CO	706-2300	Facility Renovation - Fire Station		150,000	24,130	66,327	59,543
GF CIP	193-1102	Incode Upgrade		60,125	-	43,561	16,564
GF CIP	193-1400	Planning & Development Software		279,666	21,931	232,865	24,869
GF CIP	193-1410	Comprehensive Plan Update		319,000	262,320	56,680	-
GF CIP	193-1411	Climate Resiliency		8,000	5,200	2,745	55
GF CIP	193-2200	Police Communication Upgrade		335,000	-	267,449	67,551
GF CIP	193-2201	Police RFID		49,993	18,123	31,380	490
GF CIP	193-2300	Fire Communication Upgrade		437,000	-	321,215	115,785
GF CIP	193-2301	Fire Training Field		150,000	-	14,280	135,720
GF CIP	193-4802	I35 Aesthetics		275,000	-	143,153	131,847
GF CIP	193-4803	City Entrance Signs		150,000	-	50,000	100,000
W/WW CIP	194-8897	L3 Sewer line Realignment	complete	108,218	-	72,625	35,593
W/WW CIP	194-8810	Huffines Infrastructure	complete	576,750	-	421,905	154,845
CIP Project Totals				\$50,322,024	\$ 4,704,283	\$21,319,697	\$24,298,043

BUSINESS ITEM 3.

Finance Audit Committee Regular Session

Meeting Date: 02/20/2020
Title: Annual Audit and Comprehensive Annual Report Discussion
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** N/A
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Accept, hold a discussion and provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR) and the audit adjusting entries.

AGENDA ITEM SUMMARY/BACKGROUND

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. The audit of the city of Corinth's financial records for the year-ended September 30, 2019 was conducted by Eide Bailly, LLP. The audit firm, in its fifth year as the City's independent audit firm, issued an unqualified opinion on the financial statement, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

The Comprehensive Annual Financial Report is scheduled to be presented to the City Council on March 21, 2020.

RECOMMENDATION

No action to be taken on this item.

Attachments

Adjustment Entries
2019 CAFR

City of Corinth, Texas
 Summary of Audit Entries
 Year Ended September 30, 2019

Description	Debit	Credit
Adjusting Journal Entries JE # 1		
To book non attest entry to record effect of GASB 68 entries on governmental activities.		
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES	2,783,551.00	
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES	1,052,347.00	
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES	629,339.00	
990-0000-117202 DEFERRED INFLOWS OF RESOURCES	303,016.00	
990-0000-117202 DEFERRED INFLOWS OF RESOURCES	38,629.00	
990-0000-117202 DEFERRED INFLOWS OF RESOURCES	347,641.00	
990-1000-50305 TMRS GASB YE	154,297.00	
990-1100-50305 TMRS GASB YE	81,653.00	
990-1100-50305 TMRS GASB YE	31,708.00	
990-1400-50305 TMRS GASB YE	119,835.00	
990-1500-50305 TMRS GASB YE	76,388.00	
990-1800-50305 TMRS GASB YE	64,828.00	
990-2200-50305 TMRS GASB YE	1,032,264.00	
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES		920,750.00
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES		68,956.00
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES		890,239.00
990-0000-117200 DEFERRED OUTFLOWS OF RESOURCES		37,924.00
990-0000-117201 NET PENSION ASSET		2,344,184.00
990-0000-117202 DEFERRED INFLOWS OF RESOURCES		395,072.00
990-0000-117202 DEFERRED INFLOWS OF RESOURCES		623,123.00
990-1000-50305 TMRS GASB YE		38,632.00
990-1000-50305 TMRS GASB YE		106,178.00
990-1100-50305 TMRS GASB YE		20,445.00
990-1100-50305 TMRS GASB YE		56,189.00
990-1400-50305 TMRS GASB YE		30,005.00
990-1400-50305 TMRS GASB YE		82,463.00
990-1500-50305 TMRS GASB YE		19,126.00
990-1500-50305 TMRS GASB YE		52,565.00
990-1800-50305 TMRS GASB YE		16,232.00
990-1800-50305 TMRS GASB YE		44,611.00
990-2200-50305 TMRS GASB YE		258,461.00
990-2200-50305 TMRS GASB YE		710,341.00
Total	<u>6,715,496.00</u>	<u>6,715,496.00</u>

Adjusting Journal Entries JE # 2

To book non attest entry to record effect of GASB 68 entries on water and sewer fund.

110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	389,251.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	145,609.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	75,401.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	42,374.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	5,402.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	48,614.00	
110-8801-50305	TMRS EMPLOYER	134,108.00	
110-8802-50305	TMRS EMPLOYER	79,744.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		128,758.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		9,643.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		124,491.00
110-0000-117201	NET PENSION ASSET		327,809.00
110-0000-117202	DEFERRED INFLOWS OF RESOURCES		55,247.00
110-0000-117202	DEFERRED INFLOWS OF RESOURCES		75,401.00
110-8801-50305	TMRS EMPLOYER		33,579.00
110-8801-50305	TMRS EMPLOYER		91,313.00
110-8802-50305	TMRS EMPLOYER		19,966.00
110-8802-50305	TMRS EMPLOYER		54,296.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		
110-8801-50305	TMRS EMPLOYER		
Total		920,503.00	920,503.00

Adjusting Journal Entries JE # 3

To book non attest entry to record effect of GASB 68 entries on storm drainage fund.

120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	37,979.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	14,207.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	9,485.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	4,134.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	527.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	4,743.00	
120-9800-50305	TMRS EMPLOYER	20,865.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,563.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		941.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,146.00
120-0000-117201	NET PENSION ASSET		31,984.00
120-0000-117202	DEFERRED INFLOWS OF RESOURCES		5,390.00
120-0000-117202	DEFERRED INFLOWS OF RESOURCES		9,485.00
120-9800-50305	TMRS EMPLOYER		5,224.00
120-9800-50305	TMRS EMPLOYER		14,207.00
Total		91,940.00	91,940.00

Adjusting Journal Entries JE # 4

To book non attest entry to record effect of GASB 68 entries on component unit.

130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	37,301.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	12,962.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	13,954.00	
130-0000-117202	DEFERRED INFLOWS - PENSION	4,061.00	
130-0000-117202	DEFERRED INFLOWS - PENSION	518.00	
130-0000-117202	DEFERRED INFLOWS - PENSION	4,659.00	
130-1700-50305	TMRS EMPLOYER	20,493.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,339.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		924.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		11,930.00
130-0000-117202	DEFERRED INFLOWS - PENSION		5,294.00
130-0000-117202	DEFERRED INFLOWS - PENSION		13,954.00
130-0000-215020	NET PENSION LIABILITY		31,414.00
130-1700-50305	TMRS EMPLOYER		5,131.00
130-1700-50305	TMRS EMPLOYER		12,962.00
Total		93,948.00	93,948.00

Adjusting Journal Entries JE # 5

To book non attest entry to record effect of GASB 75 entries on governmental activities.

990-0000-117204	DEFERRED OUTFLOWS - OPEB	21,862.00	
990-0000-117204	DEFERRED OUTFLOWS - OPEB	6,673.00	
990-0000-117205	DEFERRED INFLOWS - OPEB	3,595.00	
990-1000-50305	TMRS GASB YE	3,043.00	
990-1000-50305	TMRS GASB YE	693.00	
990-1100-50305	TMRS GASB YE	1,610.00	
990-1100-50305	TMRS GASB YE	417.00	
990-1400-50305	TMRS GASB YE	2,364.00	
990-1400-50305	TMRS GASB YE	526.00	
990-1500-50305	TMRS GASB YE	1,508.00	
990-1500-50305	TMRS GASB YE	359.00	
990-1800-50305	TMRS GASB YE	878.00	
990-1800-50305	TMRS GASB YE	348.00	
990-2200-50305	TMRS GASB YE	20,751.00	
990-2200-50305	TMRS GASB YE	4,921.00	
990-0000-117204	DEFERRED OUTFLOWS - OPEB		3,288.00
990-0000-117204	DEFERRED OUTFLOWS - OPEB		3,736.00
990-0000-117204	DEFERRED OUTFLOWS - OPEB		7,264.00
990-0000-117205	DEFERRED INFLOWS - OPEB		23,905.00
990-0000-214025	NET OPEB LIABILITY		24,682.00
990-1000-50305	TMRS GASB YE		673.00
990-1100-50305	TMRS GASB YE		356.00
990-1400-50305	TMRS GASB YE		523.00
990-1500-50305	TMRS GASB YE		334.00
990-1800-50305	TMRS GASB YE		194.00
990-2200-50305	TMRS GASB YE		4,593.00
990-0000-214025	NET OPEB LIABILITY		
990-1000-50305	TMRS GASB YE		
Total		69,548.00	69,548.00

Adjusting Journal Entries JE # 6

To book non attest entry to record effect of GASB 75 entries on water and sewer fund.

110-0000-117204	DEFERRED OUTFLOWS - OPEB	3,043.00	
110-0000-117204	DEFERRED OUTFLOWS - OPEB	929.00	
110-0000-117205	DEFERRED INFLOWS - OPEB	500.00	
110-8800-50306	TMRS GASB YE	2,855.00	
110-8800-50306	TMRS GASB YE	573.00	
110-8801-50305	TMRS EMPLOYER	924.00	
110-8801-50305	TMRS EMPLOYER	185.00	
110-8802-50305	TMRS EMPLOYER	420.00	
110-8802-50305	TMRS EMPLOYER	85.00	
110-0000-117204	DEFERRED OUTFLOWS - OPEB		458.00
110-0000-117204	DEFERRED OUTFLOWS - OPEB		520.00
110-0000-117204	DEFERRED OUTFLOWS - OPEB		843.00
110-0000-117205	DEFERRED INFLOWS - OPEB		3,328.00
110-0000-214025	NET OPEB LIABILITY		3,436.00
110-8800-50306	TMRS GASB YE		632.00
110-8801-50305	TMRS EMPLOYER		204.00
110-8802-50305	TMRS EMPLOYER		93.00
Total		9,514.00	9,514.00

Adjusting Journal Entries JE # 7

To book non attest entry to record effect of GASB 75 entries on storm drainage fund.

120-0000-117204	DEFERRED OUTFLOWS - OPEB	293.00	
120-0000-117204	DEFERRED OUTFLOWS - OPEB	89.00	
120-0000-117205	DEFERRED INFLOWS - OPEB	48.00	
120-9800-50305	TMRS EMPLOYER	405.00	
120-9800-50305	TMRS EMPLOYER	65.00	
120-0000-117204	DEFERRED OUTFLOWS - OPEB		44.00
120-0000-117204	DEFERRED OUTFLOWS - OPEB		50.00
120-0000-117204	DEFERRED OUTFLOWS - OPEB		65.00
120-0000-117205	DEFERRED INFLOWS - OPEB		321.00
120-0000-214025	NET OPEB LIABILITY		331.00
120-9800-50305	TMRS EMPLOYER		89.00
Total		900.00	900.00

Adjusting Journal Entries JE # 8

To book non attest entry to record effect of GASB 75 entries on component unit.

130-0000-117204	DEFERRED OUTFLOWS - OPEB	289.00	
130-0000-117204	DEFERRED OUTFLOWS - OPEB	88.00	
130-0000-117205	DEFERRED INFLOWS - OPEB	48.00	
130-1700-50305	TMRS EMPLOYER	397.00	
130-1700-50305	TMRS EMPLOYER	92.00	
130-0000-117204	DEFERRED OUTFLOWS - OPEB		43.00
130-0000-117204	DEFERRED OUTFLOWS - OPEB		49.00
130-0000-117204	DEFERRED OUTFLOWS - OPEB		92.00
130-0000-117205	DEFERRED INFLOWS - OPEB		316.00
130-0000-214025	NET OPEB LIABILITY		326.00
130-1700-50305	TMRS EMPLOYER		88.00
Total		914.00	914.00

Adjusting Journal Entries JE # 9

To adjust deferred inflows and outflows for pension.

110-0000-117202	DEFERRED INFLOWS OF RESOURCES	118,695.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	12,509.00	
130-0000-117202	DEFERRED INFLOWS - PENSION	19,699.00	
990-0000-117202	DEFERRED INFLOWS - PENSION	1,065,284.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		118,695.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,509.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		19,699.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		1,065,284.00
Total		1,216,187.00	1,216,187.00



City of Corinth, Texas

Comprehensive Annual Financial Report
For Fiscal Year Ended September 30, 2019



CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended September 30, 2019



Bob Hart
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Becky Buck, CPA
Comptroller

CITY OF CORINTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY SECTION



March 19, 2020

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2019. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Comprehensive Annual Financial Report (CAFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is organized into three sections: *Introductory*, *Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2019, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated in September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and EMS), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

The City is focused on regional delivery of services by providing fire and EMS services to the Cities of Lake Dallas, Hickory Creek, and Shady Shores; and police services to the City of Shady Shores. Corinth contracts with Lake Dallas to receive animal shelter services. Jail services and public safety dispatch services are provided by Denton County through an interlocal contract. The City also contracts with the City of Flower Mound for holding cell access related to class c misdemeanors.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas.

The city's estimated population for 2019 is 21,819. This estimate is based on current trends from the Corinth Economic Development Department.

The City of Corinth, as well as, the State of Texas, experienced economic growth compared to prior years. The overall Texas economy is still considered healthier than most of the country. Figures from the Texas Workforce Commission indicate a local unemployment rate (Denton County) of 3.0%. For the same period, Dallas County's unemployment rate was 3.1%, the overall state of Texas rate was 3.4% and the nation's rate was 3.5%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 10.06% for the 2019 tax year over the 2018 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased by \$60,069 or 3% over the prior year's receipts. For fiscal year 2019-20, sales tax revenue is projected to increase to \$1.6 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw interest from apartment, restaurant and commercial developers. The City secured legislation to permit a sales tax election in order to partially fund the fire department through a Fire Control, Prevention and Emergency Services District. It is the City's intent to hold an election in May 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district.

MAJOR INITIATIVES

The City's Strategic Plan, Envision Corinth 2030, is an all-encompassing systematic approach that permits the current future Councils the ability to best allocate the resources entrusted by the citizens. The plan is set to guide the City in determining where to focus the efforts of the City and form the basis of the annual budgeting process. Additionally, the plan provides the ability to prioritize the actions that have to be taken in order to meet the overall goals that the City needs to fulfill in order to generate the results that the residents of Corinth expect and deserve.

Cybersecurity has become a major concern and priority. The City recently completed a cybersecurity evaluation to ensure that the proper controls are in place. Staff is currently working on an implementation plan with anticipated completion of December 2020. There were two bills passed this legislative session related to Cybersecurity: HB 3834 – Cybersecurity Training and SB 64 – Cybersecurity events as a disaster and the establishment of an Information Sharing and Analysis Organization (ISAL). As a result of the new legislation, an employee training program was implemented based on requirements emanating from the Texas Department of Information Resources and will be completed by the mandated June 14, 2020.

The City Council adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. The project plan is based on land use recommendations by Paris Rutherford (Catalyst Development) and council policy direction. The financial plan (designed by David Pettit Economic Development, LLC) is anticipated to be developed and adopted in the first quarter of the fiscal year. The TIRZ is intended to fund the following primary infrastructure projects:

- DCTA rail stop
- Walton Drive realignment
- North Corinth Street realignment
- Construction of NCTC Boulevard
- Construction of a portion of Lion Boulevard
- Quail Run Drive realignment
- Tower Ridge extension
- Garrison Street reconstruction
- Main Street construction
- Riverview Drive reconstruction
- Pavilion and park open space
- Elevated water storage tank and associated water lines
- Long Lake wastewater sewer service

Irving-based Realty Capital Management, LLC, announced a proposed 20-acre mixed-use development project at the Southwest corner of Corinth Pkwy and I-35E. Concept plans for the proposed project include a mix of restaurants, a hotel, high-end multi-family residences, and a trail system that ties into the trail network

around Corinth. The plan will give area residents the opportunity to live in and visit a walkable community with public amenities and entertainment options that are not available today.

Fire services are provided through a contract with the three cities in the Lake Cities area – Hickory Creek, Lake Dallas, and Shady Shores, signed in September 2016. The City secured legislation to permit a sales tax election in order to partially fund the fire department. It is the City’s intent to hold an election in May 2020 to shift 1/4 cent sales tax from the Street Maintenance Sales Tax to the fire service. Fire services are currently being provided to the Lake Cities based on a contract signed in September 2016 and is set to renewed in July 2020, effective October 1, 2021. Key factors of the contract renewal include opening of fire house #3 in early 2019 and the expansion of the staff through the SAFER grant (nine firefighters). The SAFER grant is a three-year commitment to employ the firefighters ending on January 7, 2022 or just over three months beyond the current fire contract. This absorption of the SAFER grant positions is challenging following the legislative session and the adoption of SB 2 and its property tax revenue cap of 3.5%. The reduction of SAFER grant funding (revenues) of personnel costs from 75% the first two years to 35% the third year to 0% at the end of the grant period must be addressed by reserving fire personnel funding this year. Further, SB 2 restricts the City from reducing expenditures for Public Safety in the 2020-2021 budget from the 2019-2020 budget levels.

The Comprehensive Plan is one of the most important plans or tools used by municipalities. The “Plan” is the guide or roadmap in which all zoning and land use decisions are based. The Comprehensive Plan is a product of the community’s vision and establishes the priorities and goals for future growth and development that determines the pattern of land use, the transportation network, parks and trails, and public facilities. Although, it is recommended that the Comprehensive Plan be updated every five years, Corinth’s Comprehensive Plan was last updated in 2010. According to Oxford Economics Forecast, Denton County will continue to lead as the top six U.S. counties in Texas for economic growth from 2017 to 2021. Corinth’s proximity, immediately adjacent to the City of Denton on the south along the I-35 corridor, and available vacant land along either side of I-35, in Denton County, makes it one of the fastest growing counties in Texas, is rapidly becoming “the place to be” in this area. Now that the reconstruction of I-35 is completed, Corinth is well poised for regional and commercial development along this corridor that serves as a gateway along I-35, as far north as Oklahoma. Developers are currently targeting Corinth for development opportunities; with eight square miles, and vacant land along the critical I-35 corridor, the city must be ready. The Comprehensive Plan and Parks Master Plan update, and adoption will help to ensure that Corinth develops as a premier planned community in the Metroplex - one that reflects the desires of the Council, Commission and the residents in which we serve. The Comprehensive Plan and Parks Master Plan is scheduled to be adopted in April 2020.

Corinth also participated in the pre-beta review of the Climate Ready Communities program through the Geos Institute. As the intensity and frequency of hurricanes, floods, droughts, wildfires, heat waves, and other climate-driven disturbances increase, local leaders around the country are realizing they need to build resilience to protect their communities. But many community leaders do not know where to start and they do not have funding to hire a high-priced consultant. The pre-beta review helps local leaders build and integrate climate resilience in their communities into community planning processes. The City anticipates completing the climate resiliency report in mid-2020.

In late 2018, Corinth became a LEED Certified City. LEED for Cities is a program from the U.S. Green Building Council (USGBC) that advances healthy, green and economically strong cities and communities. LEED helps cities and communities benchmark current performance, track performance metrics, communicate continuous improvement, educate residents, visitors and business owners to demonstrate commitment to sustainability, human health and economic prosperity. As a result, local governments are becoming laboratories of innovation and leadership, and have an enormous opportunity to initiate a dynamic dialogue with citizens – and earn their trust in the process.

Infrastructure is inextricably linked to the economic, social and environmental advancement of a community. In 2019, Corinth developed an Asset Management Plan (AMP) of the following asset classes: road system, bridges & culverts, buildings, storm water system, water system, wastewater system, machinery & equipment and vehicles. The asset classes analyzed in the plan had a valuation of over \$618 million, of which the water system comprised of 35%. Strategic asset management is critical in extracting the highest total value from public assets at the lowest lifecycle cost. The AMP created a detail plan of the state of infrastructure and provided asset management and financial strategies designed to develop an advanced asset management

program and mitigate long-term funding gaps. The AMP will need to be incorporated into the Capital Improvement Plan during the spring to guide future development.

Transportation priorities include the alignment of Lake Sharon Boulevard and Dobbs Road with access under I-35 is needed for economic development opportunities and to improve traffic flow within Corinth and the region. While the bridge is included in TXDOT's Phase II Improvements to I-35, the City needs to align the two connecting roads and secure the necessary Right-of-Way to connect to the underpass, thereby completing the Corinth Parkway Loop. Denton County and TXDOT are supportive of the effort to accelerate the I-35 crossing it is incumbent for the city to initiate the development during this fiscal year. Additionally, Quail Run Drive will need to be realigned in order to provide a 90 degree intersection and avoid conflict with the proposed on-ramp.

As the Dobbs Road alignment is secured, the City will need to secure a site for construction of an elevated water storage tank. Staff is working with CoServ to secure an elevated water storage tank site and the accompanying water line easements. Funding for the water system improvement will be provided within a \$10 million debt issue and the use of unallocated impact fees. Council approved an increase of utility rates in March 2018. However, a full rate cycle is recommended to view the impact of the rate signals. A cost review between the water and wastewater components is underway in anticipation of Council review of the rates in April 2020.

Lynchburg Creek is a significant drainage feature in Corinth that feeds into Lake Lewisville. Much of the area is undeveloped. With the remapping of the floodplain, there will be impacts to property owners and homeowners at various points along Lynchburg Creek. A flood study by Jones Carter Engineering firm identified solutions with the intended strategy to seek grant funding to mitigate any flood impact.

The City was awarded the Outstanding Public Drinking Water Safety Award by the Texas Commission on Environmental Quality. This award recognizes overall excellence in all aspects of operating a public water system. To be recognized, the city must go above and beyond the minimum standards in protecting public health and ensuring reliable operation.

The City was the recipient of a TAMI Award for its Communication Strategic Plan from the Texas Association of Municipal Information Officers (TAMIO). TAMIO, an affiliate of the Texas Municipal League, recognizes outstanding communications by municipalities each year on various categories from marketing, special events, media relations, and websites. The Communications staff received the highest award for Communications Planning. The City Council adopted the Communication Strategic Plan in January 2019. It was created to better serve, inform, and engage the residents of Corinth through transparency & accountability, distribution of timely & accurate information, public engagement and developing a community identity promoting the community's unique characteristics.

The Corinth Police Department was awarded the "Re-Recognized" designation from the Texas Police Chiefs Association (TPCA) following an internal review that measured its level of adherence to a comprehensive list of best practices, once again joining a select list of law enforcement agencies in the state. Corinth was the 38th agency in the state to be recognized initially and now over 200 police departments have been recognized across the State of Texas since the program's inception. The Police Department first became a recognized Agency in 2011, and was re-recognized in 2015 and now again for 2019.

LONG TERM FINANCIAL PLAN

The FY 2018-2019 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2019-2022 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2019 the General Fund's unassigned fund balance is \$4,929,660 or 27% of annual budgeted expenditures. The unrestricted fund balance for the Water/Wastewater Fund is \$4,176,715 or 32% of annual budgeted expenditures and the unrestricted fund balance for the Storm Drainage Fund is \$1,294,629 or 122% of budgeted expenditures for the fiscal year ended September 30, 2019.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In February 2019, Standard & Poor's Rating Services affirmed its "AA" rating on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (i.e., Public Works) and division (i.e., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield) and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 146 days. On September 30, 2019, the annualized yield on investments was 2.116%, compared to 1.38% for the same period in 2018. Funds available for investment at September 30, 2019 were \$42.2 million, which is an increase of \$18.9 million from 2018. The net increase in portfolio balance is primarily due to the bond sale of \$20 million in April for capital expenditures including additions, extension and improvements to the City's waterworks, sewer system and drainage improvements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018. This was the tenth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2018. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,

Bob Hart
City Manager

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic
Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Corinth
Texas**

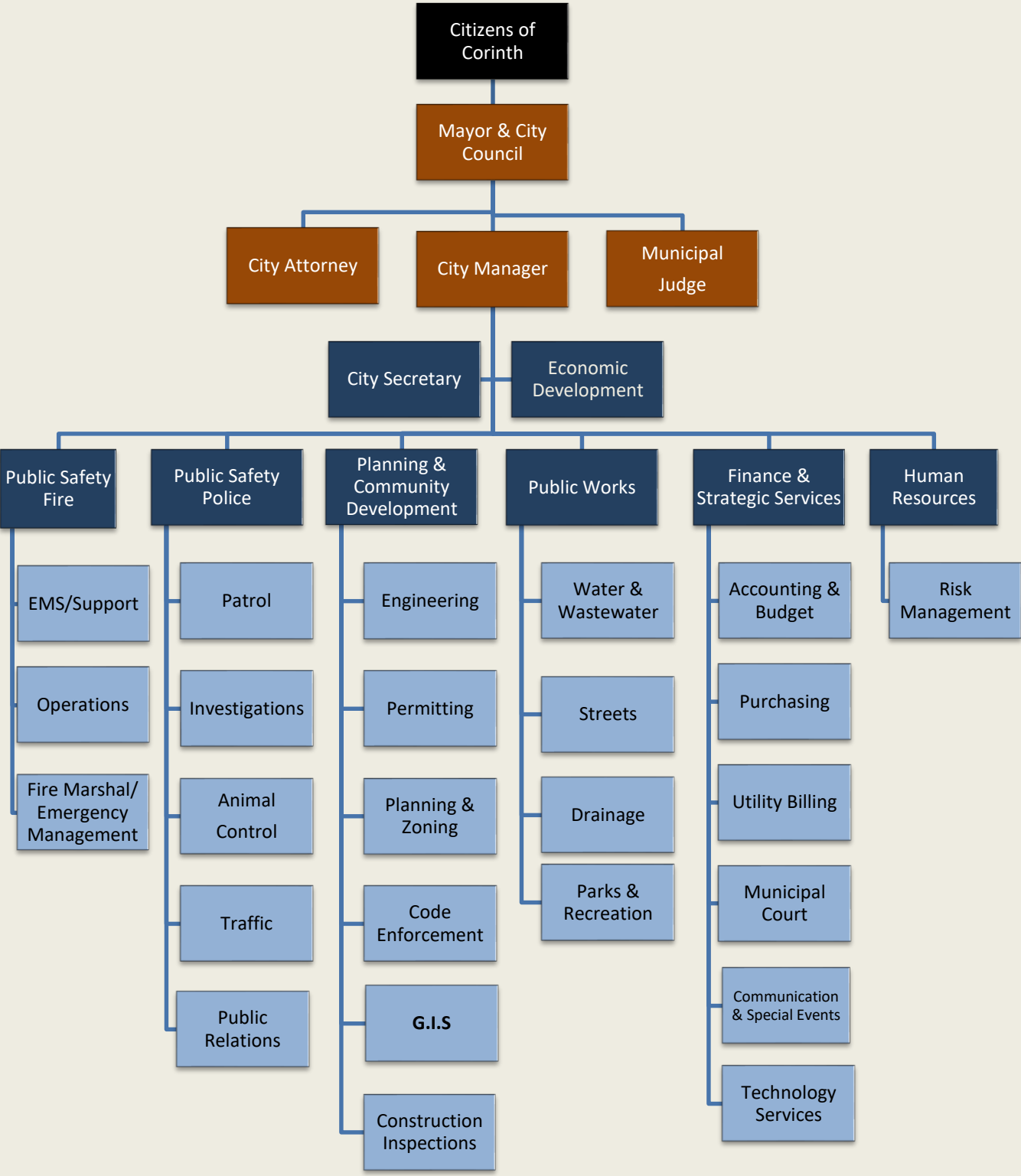
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



**City of Corinth, Texas
Elected and Appointed Officials**

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Lowell Johnson
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Bob Hart, City Manager

Kim Pence, City Secretary

Jason Alexander, Director of Economic Development

Jerry Garner, Chief of Police

Lee Ann Bunselmeyer, Director of Finance, Communication and Strategic
Services

Cody Collier, Director of Public Works, Parks and Recreation, and Utility
Operations

Helen-Eve Liebman, Director of Planning and Development Services

Michael Ross, Fire Chief

Guadalupe Ruiz, Director of Human Resources

FINANCIAL SECTION

Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly Signature

Abilene, Texas
February 14, 2020

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

As management of the City of Corinth, (the "City") 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, 2019. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

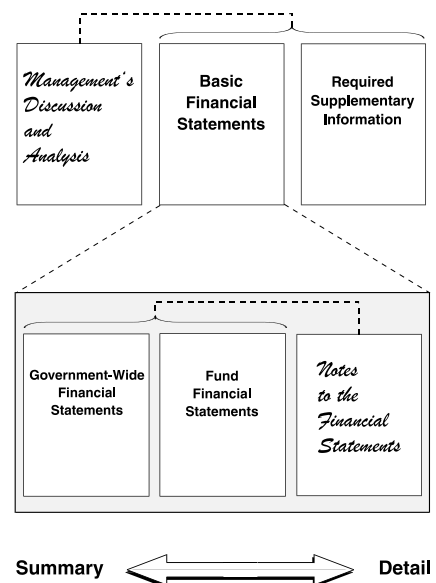
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,259,174.
- Total net position increased \$542,843 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,111,221, an increase of \$11,034,108 in comparison with the prior year. This net increase is primarily due to the bond sale of \$20 million and expenditures associated with the construction of capital projects. Of the combined ending balances, \$4,929,660 or 20% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the general fund was \$4,929,660 or 27% of total general fund expenditures.
- Long term liabilities increased to \$65,072,124 during fiscal year 2019. The increase is due to a bond sale of \$19,205,000.

Management's discussion and analysis is intended to serve as an introduction to the City of Corinth's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City reporting operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general governmental* services were financed in the *short term*, as well as, what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like a business*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

Required Components of the City's Annual Financial Report



**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net 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 of Corinth is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate

Economic Development Corporation as a component unit for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Fund Statements		
		Governmental	Proprietary Funds	Fiduciary Funds
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses or self insurance funds	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balance 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

The government-wide financial statements can be found starting on page 24 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The City of Corinth, 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

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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 evaluating 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 of Corinth reports twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are considered to be major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 28-34 of this report.

Proprietary funds. The City of Corinth 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 of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

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 Water and Wastewater Fund and the Storm Water Fund, both of which are considered to be major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time 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 of resources by \$71,259,174 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$58,008,805 or 81%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$4,194,090 or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$9,056,279 or 13%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$43,764,296 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by \$11,034,108. The increase can be attributed to the sale of bonds in 2019. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the \$838,602 net decrease to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

- Capital outlays are shown as expenditures in the fund financials statements, but they are shown as increases in capital assets in government-wide statements.
- Repayment of bond principal and capital leases are an expenditure in the governmental funds but not an expense in the statement of activities.
- Bond proceeds are reported as current resources in the funds but are not reported as revenue in the statement of activities.
- Depreciation of capital assets is not reported in the funds.
- Donations/developer contributions do not constitute revenue in the funds but are reported as an increase to the net position.

Exhibit A-6 on page 34 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 99% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 1% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$11,514,505 or 50%, Charges for services accounted for \$5,846,548 or 26%, Sales tax received was \$2,463,471 or 11%, Franchise taxes provided \$1,083,553 or 5%, capital grants and contributions provided \$842,958 or 4% and operating grants and contributions provided \$462,942 or 2% for the governmental activities. The remaining 2% of revenue is made up of hotel occupancy tax, transfers, investment interest, other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Figure 2: Program Revenues v. Expenses

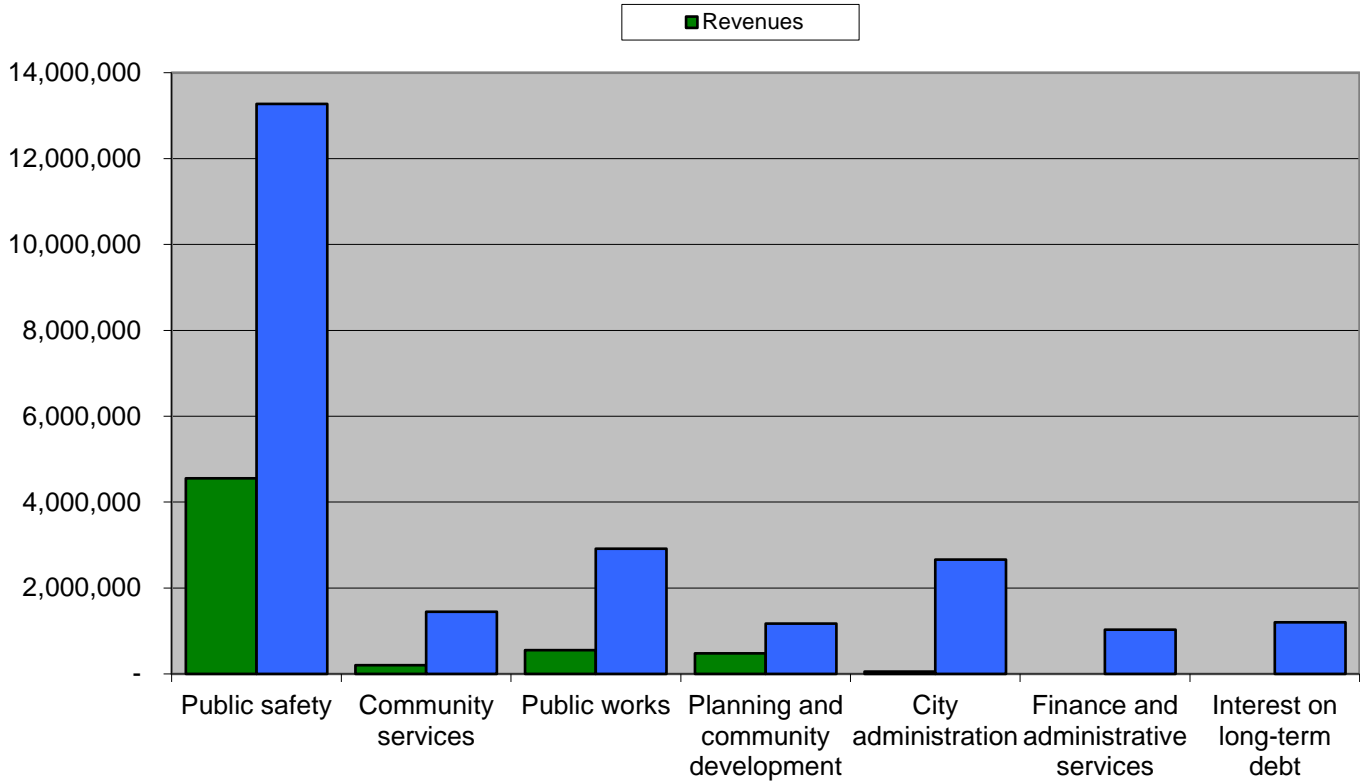


TABLE I

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and Other Assets	\$ 29,613,781	\$ 18,145,786	\$ 20,483,323	\$ 11,646,171	\$ 50,097,104	\$ 29,791,957
Capital assets	57,036,567	57,879,132	32,002,819	31,233,795	89,039,386	89,112,927
Total assets	86,650,348	76,024,918	52,486,142	42,879,966	139,136,490	118,904,884
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss from refunding	2,628	12,753	59,791	71,547	62,419	84,300
Deferred outflows - pension	2,654,221	1,172,137	410,284	158,098	3,064,505	1,330,235
Deferred outflows - OPEB	43,138	28,891	5,987	3,613	49,125	32,504
Total Deferred Outflows of Resources	2,699,987	1,213,781	476,062	233,258	3,176,049	1,447,039
LIABILITIES						
Long-term liabilities outstanding	45,262,920	31,765,567	19,809,204	11,485,021	65,072,124	43,250,588
Other liabilities	3,177,465	3,008,515	1,859,310	1,627,584	5,036,775	4,636,099
Total liabilities	48,440,385	34,774,082	21,668,514	13,112,605	70,108,899	47,886,687
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pension	820,054	1,556,429	101,001	192,476	921,055	1,748,905
Deferred inflows - OPEB	20,310	-	3,101	-	23,411	-
Total Deferred Inflows of Resources	840,364	1,556,429	104,102	192,476	944,466	1,748,905
NET POSITION						
Net investment in capital assets	33,452,733	35,039,143	24,556,072	23,453,132	58,008,805	58,492,275
Restricted	3,031,918	2,830,975	1,162,172	1,295,181	4,194,090	4,126,156
Unrestricted	3,584,935	3,038,070	5,471,344	5,059,830	9,056,279	8,097,900
Total Net Position	\$ 40,069,586	\$ 40,908,188	\$ 31,189,588	\$ 29,808,143	\$ 71,259,174	\$ 70,716,331

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Government-wide activities. As shown above, governmental activities decreased net position by \$838,602 and business-type activities increased net position by \$1,381,445. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

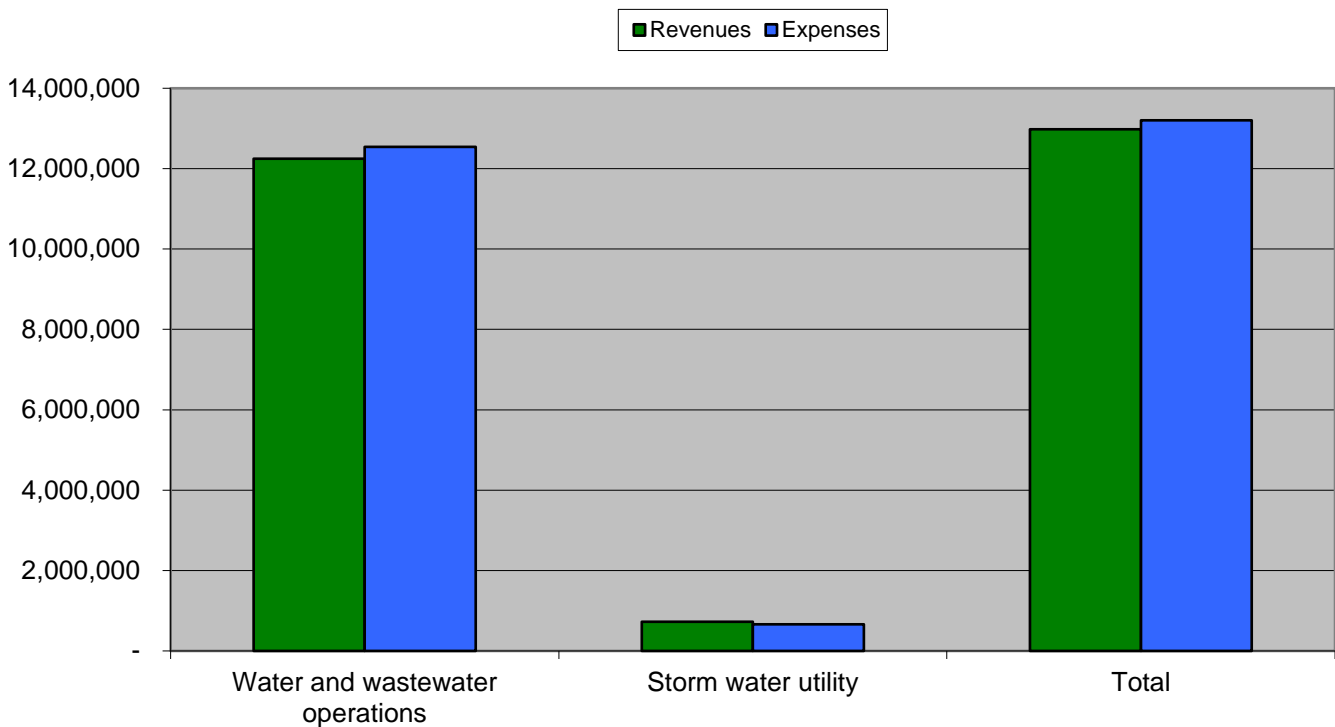
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$ 5,846,548	\$ 4,626,596	\$12,977,923	\$13,871,517	\$18,824,471	\$18,498,113
Operating grants and contributions	842,958	277,286	-	-	842,958	277,286
Capital grants and contributions	462,942	1,266,428	1,320,436	937,813	1,783,378	2,204,241
General revenues						
Property taxes	11,514,505	10,587,532	-	-	11,514,505	10,587,532
Sales taxes	2,463,471	2,370,316	-	-	2,463,471	2,370,316
Franchise taxes	1,083,553	1,120,653	-	-	1,083,553	1,120,653
Hotel taxes	82,835	61,181	-	-	82,835	61,181
Miscellaneous	21,740	57,042	28,674	6,748	50,414	63,790
Investment interest	455,456	251,014	263,798	94,664	719,254	345,678
Gain (loss) on sale of capital assets	-	94,205	76,071	42,141	76,071	136,346
Total Revenues	22,774,008	20,712,253	14,666,902	14,952,883	37,440,910	35,665,136
Expenses:						
Public safety	13,272,969	12,945,976	-	-	13,272,969	12,945,976
Community services	1,445,580	1,511,542	-	-	1,445,580	1,511,542
Public works	2,915,701	1,595,297	-	-	2,915,701	1,595,297
Planning and community development	1,169,750	1,034,510	-	-	1,169,750	1,034,510
City administration	2,660,731	2,128,443	-	-	2,660,731	2,128,443
Finance and administrative services	1,026,613	886,880	-	-	1,026,613	886,880
Interest on long-term debt	1,201,636	828,591	-	-	1,201,636	828,591
Water and wastewater	-	-	12,540,351	12,342,091	12,540,351	12,342,091
Storm drainage	-	-	664,736	560,241	664,736	560,241
Total Expenses	23,692,980	20,931,239	13,205,087	12,902,332	36,898,067	33,833,571
Increase (decrease) in net position before transfers, contributions and special items	(918,972)	(218,986)	1,461,815	2,050,551	542,843	1,831,565
Net transfers	80,370	498,018	(80,370)	(498,018)	-	-
Increase (decrease) in net position	(838,602)	279,032	1,381,445	1,552,533	542,843	1,831,565
Net position - beginning	40,908,188	40,954,292	29,808,143	28,284,689	70,716,331	69,238,981
Prior Period Adjustment	-	(325,136)	-	(29,079)	-	(354,215)
Net position - ending	\$40,069,586	\$40,908,188	\$31,189,588	\$29,808,143	\$71,259,174	\$70,716,331

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Business-type Activities. Business-type activities increased the City's net position by \$1,381,445. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$12,250,426 and \$727,497, respectively, in revenue. Charges for services account for 88% of the revenue. Contributions of assets arising from new property development within the City, totaled \$1,320,436 or 9% in revenue. Less than 3% of revenue is made up of investment interest, miscellaneous revenue and gain on sale of capital assets.

Total revenue from water and wastewater sales and services was \$12,977,923; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for \$12,540,351 of the total business-type expenses of \$13,205,087. The remaining \$664,736 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$727,497 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S 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 spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,111,221 an increase of \$11,034,108 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net decrease in the General Fund balance of \$350,734, a net increase in the Debt Service Fund of \$43,519, a net increase of \$72,515 in other governmental funds, a net increase of \$11,268,808 in the 2019 CO Fund.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Of the combined total governmental fund balances of \$25,111,221, \$4,929,660 reflects the General Fund *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to \$342,713, \$4,928,431 and \$11,268,808, respectively. The fund balance that is designated as *committed*, \$3,485,998 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$55,828, and inventories, \$99,783.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$4,929,660 while total fund balance reached \$5,085,271. 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 fund expenditures for the fiscal year. Unassigned fund balance represents 30% of total General Fund expenditures, while total fund balance represents 31% of that same amount.

This year, in the General Fund, revenues were less than expected by a total of \$563,835. Franchise Fees, Utility fees, traffic fines and forfeitures, development fees and permits, police fee and permits, parks and recreation fees, grants and miscellaneous income were less than budget by \$92,875, \$10,640, \$111,510, \$238,072, \$5,920, \$84,328, \$227,405 and \$4,664, respectively. Property tax, sales tax, fire services, donations, interest income and charges for services were above budget by \$20,271, \$21,944, \$469, \$40,000, \$113,943, and \$14,952, respectively. The City budgeted for no growth in fiscal year 2019. While revenues were under budget by \$563,835, expenditures were under budget by \$1,448,099. The net effect at year end was a decrease of \$350,734 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$342,713, all of which is restricted for the payment of debt service.

2019 CO Fund. This fund is used to track revenues and expenditures related to the 2019 CO Debt Issuance. Funds will be used for acquiring and improving Quail Run realignment, Park Ridge, Elevated Storage Tank and the Lake Sharon Road Extension.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2016 GO Fund, 2017 CO Fund, and General Public Property (Capital), Public Property LCFD Fund and General Public Property (Special Revenue). Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$138 less than budgeted, interest earnings were more than budgeted by \$3,457 and expenditures were \$7,230 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$79,380.
- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$1,031, interest earnings were more than budgeted by \$15,926 and expenditures were less than budget by \$84,322. These combined increased actual fund balance by \$77,947.

Proprietary funds. The City of Corinth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of \$46,646,259 and deferred outflows of resources of \$426,822 exceeded liabilities of \$20,573,943 and deferred inflows of resources of \$94,199, reporting net position of \$26,404,939. The net non-operating revenues and expenses were (\$170,164) which included investment interest, debt service interest, miscellaneous income, bond cost, as well as, the sale of aging and obsolete capital assets at auction. The largest

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

portion of the non-operating expenses was \$402,877 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from \$4,336,837 in fiscal year 2018 to \$4,176,715 for fiscal year 2019.

Storm Water utility fund assets of \$6,067,650 and deferred outflows of \$49,240 exceeded liabilities of \$1,322,338 and deferred inflows of resources of \$9,903, leaving total net position of \$4,784,649. Total net position increased \$1,127,043, unrestricted net position increased from \$722,993 to \$1,294,629. The storm water utility reported operating income of \$727,497 in fiscal year 2019. Net non-operating revenues and expenses were (\$28,387) which includes \$8,147 in interest income and \$36,534 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2018-2019, General Fund actual expenditures (including transfers) were \$18,459,679 compared to the final budget of \$19,907,775. The \$1,448,099 expenditure variance was due to reduced costs of \$836,931 for Public Safety, \$165,645 in Planning and Community Development, \$217,815 in Community Services, \$79,121 in City Administration, \$36,077 in Finance and Administrative Services, and \$112,510 in Public Works. Actual revenue (including transfers) was \$18,108,945 compared to the final budget of \$18,672,770. Of the \$563,835 revenue variance, approximately \$238,072 was for decreased in development fees and permits, \$227,405 decrease in grants, \$111,510 in traffic fines and forfeitures, and \$92,875 decrease in franchise and an increase in interest income in the amount of \$113,943.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$89,039,386 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

**TABLE III
CAPITAL ASSETS AT YEAR-END**

	Governmental Activities		Business-Type Activities		TOTAL	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,238,012	\$ 6,129,106	\$ 524,330	\$ 524,330	\$ 6,762,342	\$ 6,653,436
CIP	3,842,490	2,904,037	1,567,110	499,473	5,409,600	3,403,510
Buildings	14,269,168	14,436,732	84,485	91,051	14,353,653	14,527,783
Machinery and equipment	5,435,139	4,670,689	476,768	340,887	5,911,907	5,011,576
Infrastructure	27,251,758	29,738,568	29,350,126	29,778,054	56,601,884	59,516,622
Total capital assets	\$ 57,036,567	\$ 57,879,132	\$ 32,002,819	\$ 31,233,795	\$ 89,039,386	\$ 89,112,927

Additional information on the City's capital assets can be found in the notes to the financial statements on page 51.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$48,625,004 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled \$2,315,000. Total outstanding debt increased by \$18,175,333 in fiscal year 2019 due to sale of bonds (see Note 6).

**TABLE IV
OUTSTANDING DEBT AT YEAR-END**

	Governmental Activities		Business-Type Activities		TOTAL	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 5,458,611	\$ 6,663,408	\$ 5,791,392	\$ 6,801,595	\$ 11,250,003	\$ 13,465,003
Certificates of Obligation	26,134,070	15,470,001	11,240,931	2,800,000	37,375,001	18,270,001
Capital Lease Obligation	2,332,394	1,217,298	170,237	-	2,502,631	1,217,298
Total outstanding debt	\$ 33,925,075	\$ 23,350,707	\$ 17,202,560	\$ 9,601,595	\$ 51,127,635	\$ 32,952,302

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 55.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "AA2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 22.36 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely heavily on property tax to support its continuing operations. Certified property values increased 10.06% for the 2019 tax year over the 2018 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2018-19 also increased by 3% over the prior year's receipts. All other revenues held firm. The City received notification in September 2018 of its approval of nine (9) firefighters through the Staffing for Adequate Fire and Emergency Response Grants (SAFER). The SAFER grant provides funding for the nine positions for three years. The grant firefighter positions along with the reallocation of staffing from the other two stations will provide adequate staffing to open Fire House No. 3 in February 2019. The City is seeking legislation to permit Corinth to seek voter approval to partially fund the Fire Service through sales tax. Should the proposed legislation pass and be signed by the governor, the earliest election date would be November 2019 for voters to consider such a district to assist in funding fire operations.

The City Council approved a tax rate of \$.53000 for fiscal year 2019. General operations and maintenance will receive \$.42711 of the total and the remaining \$.10289 will fund long-term debt of the City.

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 government'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, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 5,474,180	\$ 3,597,013	\$ 9,071,193	\$ 243,417
Investments	20,234,731	14,458,372	34,693,103	1,084,055
Receivables (net of allowance)				
Accounts	3,749,259	2,324,922	6,074,181	155,110
Inventories	99,783	103,016	202,799	-
Prepaid items	55,828	-	55,828	-
Capital assets not being depreciated				
Land	6,238,012	524,330	6,762,342	2,954,666
Construction in progress	3,842,490	1,567,110	5,409,600	-
Capital assets (net of accumulated depreciation)				
Buildings	14,269,168	84,485	14,353,653	-
Machinery and equipment	5,435,139	476,768	5,911,907	-
Infrastructure	27,251,758	29,350,126	56,601,884	-
Total assets	<u>86,650,348</u>	<u>52,486,142</u>	<u>139,136,490</u>	<u>4,437,248</u>
Deferred Outflows of Resources				
Deferred loss from refunding	2,628	59,791	62,419	-
Deferred outflows - pension	2,654,221	410,284	3,064,505	33,738
Deferred outflows - OPEB	<u>43,138</u>	<u>5,987</u>	<u>49,125</u>	<u>557</u>
Total deferred outflows of resources	<u>2,699,987</u>	<u>476,062</u>	<u>3,176,049</u>	<u>34,295</u>
Liabilities				
Accounts payable	505,135	961,301	1,466,436	76,135
Accrued liabilities	470,581	64,531	535,112	5,330
Accrued interest payable	337,097	195,493	532,590	-
Municipal court bonds	8,560	-	8,560	-
Customer meter deposits	-	637,985	637,985	-
Other liabilities	1,796,819	-	1,796,819	-
Unearned revenues	59,273	-	59,273	-
Noncurrent liabilities				
Due within one year	2,319,317	1,044,674	3,363,991	9,601
Due in more than one year	<u>42,943,603</u>	<u>18,764,530</u>	<u>61,708,133</u>	<u>93,145</u>
Total liabilities	<u>48,440,385</u>	<u>21,668,514</u>	<u>70,108,899</u>	<u>184,211</u>

City of Corinth, Texas
Statement of Net Position (Exhibit A-1)
September 30, 2019

Deferred Inflows of Resources				
Deferred inflows - pension	820,054	101,001	921,055	9,975
Deferred inflows - OPEB	<u>20,310</u>	<u>3,101</u>	<u>23,411</u>	<u>268</u>
Total deferred inflows of resources	<u>840,364</u>	<u>104,102</u>	<u>944,466</u>	<u>10,243</u>
Net Position				
Net investment in capital assets	33,452,733	24,556,072	58,008,805	2,954,666
Restricted for capital projects	-	1,162,172	1,162,172	-
Restricted for specific programs	3,010,460	-	3,010,460	-
Restricted for debt service	21,458	-	21,458	-
Restricted for economic development	-	-	-	1,322,423
Unrestricted	<u>3,584,935</u>	<u>5,471,344</u>	<u>9,056,279</u>	<u>-</u>
Total net position	<u>\$ 40,069,586</u>	<u>\$ 31,189,588</u>	<u>\$ 71,259,174</u>	<u>\$ 4,277,089</u>

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 13,272,969	\$ 4,557,446	\$ 331,768	\$ -
Community services	1,445,580	205,095	52,750	-
Public works	2,915,701	554,556	-	462,942
Planning and community development	1,169,750	475,134	-	-
City administration	2,660,731	54,317	458,440	-
Finance and administrative services	1,026,613	-	-	-
Interest on long-term debt	1,201,636	-	-	-
Total governmental activities	<u>23,692,980</u>	<u>5,846,548</u>	<u>842,958</u>	<u>462,942</u>
Business-type activities				
Water and sewer	12,540,351	12,250,426	-	928,038
Storm drainage	664,736	727,497	-	392,398
Total business-type activities	<u>13,205,087</u>	<u>12,977,923</u>	<u>-</u>	<u>1,320,436</u>
Total primary government	<u>36,898,067</u>	<u>18,824,471</u>	<u>842,958</u>	<u>1,783,378</u>
Component Unit				
Corinth Economic Development Corporation	<u>\$ 508,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,990</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Investment income				
Other income (expense)				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
\$ (8,383,755)	\$ -	\$ (8,383,755)	
(1,187,735)	-	(1,187,735)	
(1,898,203)	-	(1,898,203)	
(694,616)	-	(694,616)	
(2,147,974)	-	(2,147,974)	
(1,026,613)	-	(1,026,613)	
(1,201,636)	-	(1,201,636)	
(16,540,532)	-	(16,540,532)	
-	638,113	638,113	
-	455,159	455,159	
-	1,093,272	1,093,272	
(16,540,532)	1,093,272	(15,447,260)	
			\$ (506,361)
11,514,505	-	11,514,505	-
2,463,471	-	2,463,471	826,036
1,083,553	-	1,083,553	-
82,835	-	82,835	-
455,456	263,798	719,254	60,713
21,740	28,674	50,414	-
-	76,071	76,071	-
80,370	(80,370)	-	-
15,701,930	288,173	15,990,103	886,749
(838,602)	1,381,445	542,843	380,388
40,908,188	29,808,143	70,716,331	3,896,701
<u>\$ 40,069,586</u>	<u>\$ 31,189,588</u>	<u>\$ 71,259,174</u>	<u>\$ 4,277,089</u>

	<u>General</u>	<u>Debt Service</u>	<u>2019 CO Street Fund</u>
Assets			
Cash and cash equivalents	\$ 10,156	\$ 46,430	\$ 216,496
Investments	5,050,718	295,897	11,019,315
Receivables (net of allowance)			
Property taxes	56,348	15,604	-
Sales taxes	309,400	-	-
Accounts	14,514	574	-
Interest	6,834	-	32,997
Warrants	2,332,751	-	-
Ambulance	392,108	-	-
Miscellaneous	394,284	-	-
Due from other governments	208	50	-
Inventories	99,783	-	-
Prepaid items	55,828	-	-
	<u>8,722,932</u>	<u>358,555</u>	<u>11,268,808</u>
Total assets	\$ 8,722,932	\$ 358,555	\$ 11,268,808
Liabilities			
Accounts payable	\$ 380,811	\$ -	\$ -
Accrued liabilities	463,656	-	-
Municipal court bonds	8,560	-	-
Other liabilities	1,092,011	-	-
Unearned revenue	46,273	-	-
Total liabilities	1,991,311	-	-
Deferred Inflows of Resources			
Unavailable revenue	1,646,350	15,842	-
Total deferred inflows of resources	1,646,350	15,842	-
Fund Balances			
Nonspendable	155,611	-	-
Restricted	-	342,713	11,268,808
Committed	-	-	-
Unassigned	4,929,660	-	-
Total fund balances	5,085,271	342,713	11,268,808
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,722,932	\$ 358,555	\$ 11,268,808

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

Other Governmental Funds	Total Governmental Funds
\$ 5,201,098 3,868,801 - 145,748 250 4,867 - - 42,722 - - -	\$ 5,474,180 20,234,731 71,952 455,148 15,338 44,698 2,332,751 392,108 437,006 258 99,783 55,828
\$ 9,263,486	\$ 29,613,781
\$ 124,324 6,925 - 704,808 13,000 849,057	\$ 505,135 470,581 8,560 1,796,819 59,273 2,840,368
-	1,662,192
-	1,662,192
- 4,928,431 3,485,998 - 8,414,429	155,611 16,539,952 3,485,998 4,929,660 25,111,221
\$ 9,263,486	\$ 29,613,781

City of Corinth, Texas
 Reconciliation to the Balance Sheet of Governmental Funds to the Statement of Net Position (Exhibit A-4)
 September 30, 2019

Total Fund Balances - Governmental Funds	\$ 25,111,221
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	57,036,567
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
Capital leases payable	(2,332,394)
Bonds payable	(34,440,847)
Accrued compensated absences	(1,130,409)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	2,628
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(337,097)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$7,052,957, a deferred inflow of resources of \$820,054 and a deferred outflow of resources of \$2,654,221. This results in a decrease in net position.	(5,218,790)
Included in liabilities is the recognition of the City's total OPEB liability in the amount of \$306,313, a deferred inflow of resources of \$20,310, and a deferred outflow of resources of \$43,138. This results in a decrease in net position.	(283,485)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$70,439, net fines, fees and court costs receivable of \$1,244,422, net fees for ambulance receivables of \$340,252 and net receivables for other items of \$7,079 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	<u>1,662,192</u>
Net Position of Governmental Activities	<u><u>\$ 40,069,586</u></u>

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

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	General	Debt Service	2019 CO Street Fund
Revenues			
Taxes			
Property	\$ 9,321,877	\$ 2,246,675	\$ -
Sales	1,672,402	-	-
Hotel occupancy tax	-	-	-
Franchise	1,083,553	-	-
Escrow and impact fees	-	-	-
Utility fees	6,860	-	-
Traffic fines and forfeitures	600,875	-	-
Development fees and permits	446,966	-	-
Police fees and permits	22,530	-	-
Parks and recreation fees	150,210	-	-
Fire services	2,709,304	-	-
Donations	40,000	-	-
Interest income	176,943	8,652	130,247
Grants	326,757	-	-
Miscellaneous income	41,189	-	-
Charges for services	609,290	-	-
Total revenues	17,208,756	2,255,327	130,247
Expenditures			
Current			
Public safety	10,007,429	-	-
Community services	1,413,640	-	-
Public works	724,949	-	-
Planning and community development	1,070,273	-	-
City administration	2,363,858	-	-
Finance and administrative services	1,014,807	-	-
Debt service			
Principal	-	1,295,528	-
Interest	-	914,830	-
Bond fees	-	1,450	162,826
Capital outlay	-	-	61,956
Total expenditures	16,594,956	2,211,808	224,782
Excess (Deficiency) of Revenues over (under) Expenditures	613,800	43,519	(94,535)
Other Financing Sources (Uses)			
Capital lease proceeds	-	-	-
Issuance of bonds	-	-	10,754,800
Issuance of bonds premium	-	-	608,543
Proceeds from sale of capital assets	10	-	-
Transfers out	(1,864,723)	-	-
Transfers in	900,179	-	-
Total other financing sources (uses)	(964,534)	-	11,363,343
Net Change in Fund Balance	(350,734)	43,519	11,268,808
Fund Balance -			
October 1 (Beginning)	5,436,005	299,194	-
Fund Balance -			
September 30 (Ending)	\$ 5,085,271	\$ 342,713	\$ 11,268,808

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

City of Corinth, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit A-5)

Year Ended September 30, 2019

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 11,568,552
791,069	2,463,471
82,835	82,835
-	1,083,553
554,556	554,556
-	6,860
29,987	630,862
-	446,966
28,098	50,628
157,499	307,709
-	2,709,304
516,586	556,586
139,614	455,456
-	326,757
42,277	83,466
-	609,290
<u>2,342,521</u>	<u>21,936,851</u>
433,826	10,441,255
33,992	1,447,632
426,440	1,151,389
59,426	1,129,699
162,552	2,526,410
-	1,014,807
473,933	1,769,461
66,626	981,456
-	164,276
2,587,706	2,649,662
<u>4,244,501</u>	<u>23,276,047</u>
(1,901,980)	(1,339,196)
800,928	800,928
-	10,754,800
-	608,543
128,653	128,663
(5,708)	(1,870,431)
<u>1,050,622</u>	<u>1,950,801</u>
<u>1,974,495</u>	<u>12,373,304</u>
72,515	11,034,108
<u>8,341,914</u>	<u>14,077,113</u>
<u>\$ 8,414,429</u>	<u>\$ 25,111,221</u>

City of Corinth, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities (Exhibit A-6)
 Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ 11,034,108
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		3,040,752
Developer contributions increases capital assets in the government-wide financial statements.		347,459
The net book value of capital assets disposed reduces net position.		(276,311)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(4,691,381)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	(10,754,800)	
Issuance of bond premium	(608,543)	
Issuance of capital lease	(805,728)	
Bond principal repayments	1,295,528	
Capital lease repayment	427,548	
Amortization of premium	224,968	
Amortization of deferred loss on bond refunding	(10,125)	
		(10,231,152)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(170,544)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease in net position.		(219,562)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,020,639. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,146,364.		(125,725)
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$6,673. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$37,418.		(30,745)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		484,499
Change in Net Position of Governmental Activities		\$ (838,602)

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

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash	\$ 2,782,811	\$ 814,202	\$ 3,597,013
Investments	14,126,592	331,780	14,458,372
Receivables (net of allowances for uncollectibles)			
Accounts	2,155,222	92,659	2,247,881
Interest	42,534	-	42,534
Miscellaneous	34,387	120	34,507
Inventories	94,086	8,930	103,016
Due from other funds	-	227,767	227,767
Total current assets	<u>19,235,632</u>	<u>1,475,458</u>	<u>20,711,090</u>
Non-current assets			
Capital assets			
Land	512,330	12,000	524,330
Construction in progress	1,370,335	196,775	1,567,110
Buildings	252,345	-	252,345
Machinery and equipment	1,331,761	271,527	1,603,288
Infrastructure	44,826,008	6,575,106	51,401,114
Less accumulated depreciation	<u>(20,882,152)</u>	<u>(2,463,216)</u>	<u>(23,345,368)</u>
Total capital assets (net of accumulated depreciation)	<u>27,410,627</u>	<u>4,592,192</u>	<u>32,002,819</u>
Total assets	<u>46,646,259</u>	<u>6,067,650</u>	<u>52,713,909</u>
Deferred Outflows of Resources			
Deferred charge on refunding	52,210	7,581	59,791
Deferred outflows - pension	369,108	41,176	410,284
Deferred outflows - OPEB liability	5,504	483	5,987
Total deferred outflows of resources	<u>426,822</u>	<u>49,240</u>	<u>476,062</u>
Liabilities			
Current liabilities			
Accounts payable	956,993	4,308	961,301
Accrued liabilities	58,834	5,697	64,531
Accrued interest payable	188,949	6,544	195,493
Customer deposits	637,985	-	637,985
Due to other funds	227,767	-	227,767
Current portion of capital leases	33,803	3,766	37,569
Current portion of compensated absences	16,285	-	16,285
Current portion of bonds	<u>851,416</u>	<u>139,404</u>	<u>990,820</u>
Total current liabilities	<u>2,972,032</u>	<u>159,719</u>	<u>3,131,751</u>

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

City of Corinth, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2019

Non-current liabilities			
Capital leases	120,420	12,248	132,668
Compensated absences	115,255	1,696	116,951
Net pension liability	894,466	98,101	992,567
Total OPEB liability	36,117	2,862	38,979
General obligation bonds	<u>16,435,653</u>	<u>1,047,712</u>	<u>17,483,365</u>
Total noncurrent liabilities	<u>17,601,911</u>	<u>1,162,619</u>	<u>18,764,530</u>
Total liabilities	<u>20,573,943</u>	<u>1,322,338</u>	<u>21,896,281</u>
Deferred Inflows of Resources			
Deferred inflows - pension	91,371	9,630	101,001
Deferred inflows - OPEB	<u>2,828</u>	<u>273</u>	<u>3,101</u>
Total deferred inflows of resources	<u>94,199</u>	<u>9,903</u>	<u>104,102</u>
Net Position			
Net investment in capital assets	21,159,429	3,396,643	24,556,072
Restricted for capital projects	1,068,795	93,377	1,162,172
Unrestricted	<u>4,176,715</u>	<u>1,294,629</u>	<u>5,471,344</u>
Total net position	<u>\$ 26,404,939</u>	<u>\$ 4,784,649</u>	<u>\$ 31,189,588</u>

City of Corinth, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds (Exhibit A-8)
Year Ended September 30, 2019

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 7,564,589	\$ -	\$ 7,564,589
Sewer disposal	3,412,912	-	3,412,912
Storm drainage fees	-	723,694	723,694
Garbage	831,729	-	831,729
Penalties and reconnect fees	156,188	-	156,188
Tap fees	162,997	-	162,997
Service fees	87,904	-	87,904
Inspections	34,107	3,803	37,910
Total Operating Revenues	<u>12,250,426</u>	<u>727,497</u>	<u>12,977,923</u>
Operating Expenses			
Wages and benefits	1,705,733	183,149	1,888,882
Professional services and contracts	872,012	86,613	958,625
Upper Trinity contract fees	6,720,873	-	6,720,873
Maintenance and operations	335,755	13,132	348,887
Supplies	113,033	8,436	121,469
Utilities and communication	187,569	5,315	192,884
Vehicles/equipment and fuel	96,762	13,744	110,506
Travel and training	13,902	-	13,902
Depreciation	1,964,152	317,813	2,281,965
Total Operating Expenses	<u>12,009,791</u>	<u>628,202</u>	<u>12,637,993</u>
Operating Income	<u>240,635</u>	<u>99,295</u>	<u>339,930</u>
Nonoperating Revenues (Expenses)			
Interest income	255,651	8,147	263,798
Miscellaneous income (expense)	28,674	-	28,674
Gain (loss) on sale of capital assets	76,071	-	76,071
Bond issuance costs	(127,683)	-	(127,683)
Interest expense	(402,877)	(36,534)	(439,411)
Total Non-operating Revenues (Expenses)	<u>(170,164)</u>	<u>(28,387)</u>	<u>(198,551)</u>
Income Before Contributions and Transfers	<u>70,471</u>	<u>70,908</u>	<u>141,379</u>
Contributions and Transfers			
Special assessment - water and sewer impact fees	249,526	-	249,526
Capital contributions	678,512	392,398	1,070,910
Transfers in	2,406,068	1,448,427	3,854,495
Transfers out	(3,150,175)	(784,690)	(3,934,865)
Total Contributions and Transfers	<u>183,931</u>	<u>1,056,135</u>	<u>1,240,066</u>
Change in Net Position	254,402	1,127,043	1,381,445
Net Position, Beginning	<u>26,150,537</u>	<u>3,657,606</u>	<u>29,808,143</u>
Net Position, Ending	<u>\$ 26,404,939</u>	<u>\$ 4,784,649</u>	<u>\$ 31,189,588</u>

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

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 11,750,326	\$ 723,061	\$ 12,473,387
Payments to or on behalf of employees	(1,654,217)	(179,495)	(1,833,712)
Payments to Upper Trinity for contract fees	(6,720,873)	-	(6,720,873)
Payments to suppliers	(1,522,625)	(129,334)	(1,651,959)
Net Cash Provided by Operating Activities	1,852,611	414,232	2,266,843
Cash Flows from Noncapital Financing Activities			
Transfers out	(3,150,175)	(784,690)	(3,934,865)
Transfers in	2,406,068	1,448,427	3,854,495
Payments to/from other funds	227,767	(227,767)	-
Net Cash (Used) Provided by Noncapital Financing Activities	(516,340)	435,970	(80,370)
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	8,800,658	-	8,800,658
Acquisition of capital assets	(1,485,774)	(291,123)	(1,776,897)
Principal paid on bonds	(854,371)	(165,101)	(1,019,472)
Principal paid on capital leases	(44,338)	(4,604)	(48,942)
Interest paid on bonds	(377,867)	(56,484)	(434,351)
Proceeds from sale of assets	92,068	-	92,068
Special assessments- impact fees	249,526	-	249,526
Net Cash Provided (Used) by Capital and Related Financing Activities	6,379,902	(517,312)	5,862,590
Cash Flows from Investing Activities			
(Increase) decrease in short-term investments	(8,390,337)	316,851	(8,073,486)
Interest received	253,822	8,906	262,728
Net Cash (Used) Provided by Investing Activities	(8,136,515)	325,757	(7,810,758)
Net Change in Cash and Cash Equivalents	(420,342)	658,647	238,305
Cash and Cash Equivalents, Beginning	3,203,153	155,555	3,358,708
Cash and Cash Equivalents, Ending	\$ 2,782,811	\$ 814,202	\$ 3,597,013

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

City of Corinth, Texas
Statement of Cash Flows – Enterprise Funds (Exhibit A-9)
Year Ended September 30, 2019

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities			
Operating income	\$ 240,635	\$ 99,295	\$ 339,930
Adjustments to reconcile operating			
income to net cash provided by			
operating activities			
Depreciation and amortization	1,964,152	317,813	2,281,965
(Increase) decrease in accounts receivable	(510,480)	(4,436)	(514,916)
(Increase) decrease in inventories	14,694	4,605	19,299
Increase (decrease) in accounts payable	81,714	(6,699)	75,015
Increase (decrease) in customer deposits	10,380	-	10,380
Increase (decrease) in accrued liabilities	51,516	3,654	55,170
Net Cash Provided by Operating Activities	<u>\$ 1,852,611</u>	<u>\$ 414,232</u>	<u>\$ 2,266,843</u>
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	\$ 678,512	\$ 392,398	\$ 1,070,910
Vehicles acquired through capital leases	198,561	20,618	219,179

Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component unit. The Corinth Crime Control and Prevention District (CCD) was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The CCD is governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD board is made up of the City Council, the CCD meets the standard that the board is substantially the same as the City Council. The CCD provides services entirely to the City. Therefore, the CCD is reported as a blended component unit. The CCD is reported as a special revenue fund and does not issue separate financial statements.

Discretely presented component unit. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

Note 2 - Government-Wide 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 activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 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 revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - 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, as are the proprietary fund financial statements. 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 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 revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- The **2019 CO Street Fund** is used to account for the resources obtained from the issuance of the 2019 \$19,205,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

- **Water and Sewer Fund** – The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Thirteen nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.
- Ten nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily through certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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. The Water and Sewer 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 include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at amortized cost. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are based on market data obtained from independent sources.
- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$1,614,354 for General Fund, \$8,091 for Debt Service Fund, \$392,958 for Water and Sewer Fund and \$1,309 for Storm Drainage Fund.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions

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

OPEB

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and Wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-30 years
Park equipment	10-20 years

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2019, was \$.53000 per \$100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had \$99,783 and \$55,828 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund at September 30, 2019.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled \$342,713 as of September 30, 2019. Fund balance restricted for future capital projects included the 2019 CO Street Fund and totaled \$11,268,808. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, and Roadway Impact Fee and totaled \$532,489, \$1,350,905, \$200,523, \$30,258, \$29,091, \$89,957, \$29,501, \$3,480, \$247,781, \$15,912, \$304,946, and \$175,617, respectively, as of September 30, 2019. Capital project fund balance restricted for future capital projects included 2016 CO Fund and 2017 CO Fund and totaled \$1,079,394 and \$838,577, respectively, as of September 30, 2019.
- *Committed* fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue totaling \$320,252 as of September 30, 2019. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, Street Escrow and LCFD Public Property and totaled \$2,204,945, \$155,917, \$459,886, \$182,220, \$156,536 and \$6,242, respectively, as of September 30, 2019.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance.
- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy

The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions

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

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Municipal Court Security, Municipal Court Technology, Parks Development, Keep Corinth Beautiful, County Child Safety, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, and Roadway Impact Fee special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the Director. Transfers between functional departments require the approval of the Director, Budget Manager, and Finance Director. Transfers between funds may require Council approval. All transfers of appropriations require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council is required to approve all budget amendments that alter department or operating appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2019, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2019, including classification by level, within the fair value hierarchy:

Primary Government

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>		
TexSTAR	\$ 19,541,155	N/A	AAAm	< 60 days	None		
				<u>Investment Maturity in Years</u>			
				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>	
<u>Other Investments</u>							
U.S. Government							
Backed Securities	14,856,051	Level 2	AA+	\$ 6,143,550	\$ 8,712,501	\$ -	
Money market	295,897	Level 1	N/A	295,897	-	-	
Total	<u>15,151,948</u>			<u>\$ 6,439,447</u>	<u>\$ 8,712,501</u>	<u>\$ -</u>	
Total Investments	<u>\$ 34,693,103</u>						

CEDC

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>		
TexPool	\$ 584,831	N/A	AAAm	< 60 days	None		
				<u>Investment Maturity in Years</u>			
				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>	
<u>Other Investments</u>							
U.S. Government							
Backed Securities	499,224	Level 2	AA+	\$ 499,224	\$ -	\$ -	
Total Investments	<u>\$ 1,084,055</u>			<u>\$ 499,224</u>	<u>\$ -</u>	<u>\$ -</u>	

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools.

TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAM by Standard and Poor's.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 270 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and its component unit invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2019, the City's investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor's.

Concentration of Credit Risk. The City's investment policy limits the investment portfolio by the following:

Investment	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	50%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury and Agency Callables	30%

Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 6,129,106	\$ 110,906	\$ -	\$ 2,000	\$ 6,238,012
Construction in progress	2,904,037	1,135,553	(147,200)	49,900	3,842,490
Total assets not being depreciated	<u>9,033,143</u>	<u>1,246,459</u>	<u>(147,200)</u>	<u>51,900</u>	<u>10,080,502</u>
Capital assets, being depreciated:					
Buildings	17,359,732	402,091	-	285,989	17,475,834
Machinery and equipment	11,060,218	2,129,118	(5,199)	1,266,591	11,917,546
Infrastructure	97,302,030	347,459	147,200	-	97,796,689
Total capital assets being depreciated	<u>125,721,980</u>	<u>2,878,668</u>	<u>142,001</u>	<u>1,552,580</u>	<u>127,190,069</u>
Less accumulated depreciation					
Buildings	2,923,000	503,760	-	220,094	3,206,666
Machinery and equipment	6,389,529	1,206,152	(5,199)	1,108,075	6,482,407
Infrastructure	67,563,462	2,981,469	-	-	70,544,931
Total accumulated depreciation	<u>76,875,991</u>	<u>4,691,381</u>	<u>(5,199)</u>	<u>1,328,169</u>	<u>80,234,004</u>
Total capital assets being depreciated, net	<u>48,845,989</u>	<u>(1,812,713)</u>	<u>147,200</u>	<u>224,411</u>	<u>46,956,065</u>
Governmental activities capital assets, net	<u>\$ 57,879,132</u>	<u>\$ (566,254)</u>	<u>\$ -</u>	<u>\$ 276,311</u>	<u>\$ 57,036,567</u>

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 524,330	\$ -	\$ -	\$ -	\$ 524,330
Construction in progress	499,473	1,067,637	-	-	1,567,110
Total assets not being depreciated	<u>1,023,803</u>	<u>1,067,637</u>	<u>-</u>	<u>-</u>	<u>2,091,440</u>
Capital assets, being depreciated:					
Buildings	252,345	-	-	-	252,345
Machinery and equipment	1,520,674	254,445	5,199	177,030	1,603,288
Infrastructure	49,699,578	1,744,905	-	43,369	51,401,114
Total capital assets being depreciated	<u>51,472,597</u>	<u>1,999,350</u>	<u>5,199</u>	<u>220,399</u>	<u>53,256,747</u>
being depreciated					
Less accumulated depreciation					
Buildings	161,294	6,566	-	-	167,860
Machinery and equipment	1,179,787	118,560	5,199	177,026	1,126,520
Infrastructure	19,921,524	2,156,839	-	27,375	22,050,988
Total accumulated depreciation	<u>21,262,605</u>	<u>2,281,965</u>	<u>5,199</u>	<u>204,401</u>	<u>23,345,368</u>
Total capital assets being depreciated, net	<u>30,209,992</u>	<u>(282,615)</u>	<u>-</u>	<u>15,998</u>	<u>29,911,379</u>
Business activities capital assets net	<u>\$ 31,233,795</u>	<u>\$ 785,022</u>	<u>\$ -</u>	<u>\$ 15,998</u>	<u>\$ 32,002,819</u>
	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
CEDC					
Capital assets, not being depreciated					
Land	\$ -	\$ 2,954,666	\$ -	\$ -	\$ 2,954,666
Total assets not being depreciated	<u>-</u>	<u>2,954,666</u>	<u>-</u>	<u>-</u>	<u>2,954,666</u>
CEDC capital assets, net	<u>\$ -</u>	<u>\$ 2,954,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954,666</u>

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

Governmental activities		
Public safety	\$	1,182,286
Community services		146,134
Public works		2,990,515
Planning and community development		18,379
City administration		354,067
Total depreciation expense - Governmental activities	<u>\$</u>	<u>4,691,381</u>
Business-type activities		
Water and sewer	\$	1,964,152
Storm drainage		317,813
Total depreciation expense - Business-type activities	<u>\$</u>	<u>2,281,965</u>

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2019, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	\$ 900,179	\$ 1,864,723	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Nonmajor govt	1,050,622	5,708	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	2,406,068	3,150,175	Administrative Transfer, Capital Improvements Reallocation, Equipment Replacement
Storm Drainage	1,448,427	784,690	Administrative Transfer, Capital Improvements Reallocation, Vehicle and Equipment Replacement
	<u>\$ 5,805,296</u>	<u>\$ 5,805,296</u>	

Interfund balances of \$227,767 between water and sewer and storm drainage funds were for temporary borrowings between the funds.

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds and certificates of obligation. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds and certificates of obligation. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Sewer Fund, Storm Drainage Fund and CEDC.

Governmental activity capital lease payments are currently being made from the LCFD Vehicle, Equipment Replacement Fund, Vehicle Replacement Fund and Crime Control and Prevention Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 15,470,001	\$ 10,754,800	\$ (90,731)	\$ 26,134,070	\$ 497,533
General obligation bonds	6,663,408	-	(1,204,797)	5,458,611	1,033,629
Bond premiums/discounts (net)	2,464,591	608,543	(224,968)	2,848,166	224,968
Compensated absences	959,865	1,089,727	(919,183)	1,130,409	136,949
Capital lease obligation	1,217,298	1,542,644	(427,548)	2,332,394	426,238
Net pension liability	4,708,773	2,344,184	-	7,052,957	-
Total OPEB liability	281,631	24,682	-	306,313	-
Total governmental activities	<u>\$ 31,765,567</u>	<u>\$ 16,364,580</u>	<u>\$ (2,867,227)</u>	<u>\$ 45,262,920</u>	<u>\$ 2,319,317</u>
Business-type activities					
Certificates of obligation	\$ 2,800,000	\$ 8,450,200	\$ (9,269)	\$ 11,240,931	\$ 67,467
General obligation bonds	6,801,595	-	(1,010,203)	5,791,392	776,372
Bond premiums/discounts (net)	1,110,703	478,141	(146,982)	1,441,862	146,981
Compensated absences	104,737	166,437	(137,938)	133,236	16,285
Capital lease obligation	-	219,179	(48,942)	170,237	37,569
Net pension liability	632,774	-	359,793	992,567	-
Total OPEB liability	35,212	-	3,767	38,979	-
Total business type activities	<u>11,485,021</u>	<u>9,313,957</u>	<u>(989,774)</u>	<u>19,809,204</u>	<u>1,044,674</u>
Primary government	<u>\$ 43,250,588</u>	<u>\$ 25,678,537</u>	<u>\$ (3,857,001)</u>	<u>\$ 65,072,124</u>	<u>\$ 3,363,991</u>
CEDC					
Compensated absences	\$ 8,236	\$ 8,023	\$ (6,658)	\$ 9,601	\$ 9,601
Net pension liability	57,849	31,414	-	89,263	-
Total OPEB liability	3,556	326	-	3,882	-
	<u>\$ 69,641</u>	<u>\$ 39,763</u>	<u>\$ (6,658)</u>	<u>\$ 102,746</u>	<u>\$ 9,601</u>

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2019	Business Type Amount Outstanding 9/30/2019
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	\$ 70,000	\$ -
Certificates of Obligation	4/21/2016	13,275,000	2.00%-5.00%	2/15/2036	11,975,000	1,300,000
General Obligation	4/21/2016	1,510,000	2.00%	2/15/2020	464,100	130,900
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	4,994,513	5,660,490
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	3,334,268	1,490,733
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	10,754,800	8,450,200
					<u>\$ 31,592,681</u>	<u>\$ 17,032,323</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2020	\$ 1,531,162	\$ 1,390,520	\$ 2,921,682
2021	1,243,189	1,202,943	2,446,132
2022	1,661,384	1,141,532	2,802,916
2023	1,739,627	1,060,117	2,799,744
2024	1,815,901	980,833	2,796,734
2025-2029	8,842,669	3,674,798	12,517,467
2030-2034	8,405,634	1,893,848	10,299,482
2035-2039	6,353,115	425,404	6,778,519
Total	<u>\$ 31,592,681</u>	<u>\$ 11,769,995</u>	<u>\$ 43,362,676</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2020	\$ 843,839	\$ 789,433	\$ 1,633,272
2021	791,811	642,451	1,434,262
2022	1,093,616	598,462	1,692,078
2023	1,145,373	544,827	1,690,200
2024	1,199,099	491,292	1,690,391
2025-2029	5,112,335	1,668,502	6,780,837
2030-2034	3,404,366	862,565	4,266,931
2035-2039	3,441,884	269,137	3,711,021
Total	<u>\$ 17,032,323</u>	<u>\$ 5,866,669</u>	<u>\$ 22,898,992</u>

Capital Leases Payable

The City leases various equipment under capital lease. The following is an analysis of the leased assets included in capital assets at September 30, 2019:

Equipment	\$ 3,504,275
Less accumulated depreciation	<u>(862,766)</u>
Net value	<u>\$ 2,641,509</u>

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2019:

<u>Year Ending</u>	
2020	\$ 556,140
2021	556,140
2022	556,139
2023	492,418
2024	229,434
2025-2027	<u>416,148</u>
Total minimum lease payments	2,806,419
Less amount representing interest	<u>(303,788)</u>
Present value of minimum lease payments	<u>\$ 2,502,631</u>

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

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

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2018 valuation and measurement date, membership data for the pension plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	128
Active employees	144
Total	356

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.8% and 15.3% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$1,661,825, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
U.S. Equities	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
Total	<u>100.00%</u>	

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Entity-Wide			
Balance at 12/31/2017	\$ 38,718,150	\$ 33,318,754	\$ 5,399,396
Changes for the year:			
Service cost	1,740,727		1,740,727
Interest	2,631,469		2,631,469
Changes of benefit terms	-		-
Difference between expected and actual experience	(461,003)		(461,003)
Changes of assumptions	-		-
Contributions - employer		1,521,211	(1,521,211)
Contributions - employee		673,954	(673,954)
Net investment income		(999,066)	999,066
Benefit payments, including refunds of contributions	(1,207,565)	(1,207,565)	-
Administrative expense		(19,289)	19,289
Other changes		(1,008)	1,008
Net changes	<u>2,703,628</u>	<u>(31,763)</u>	<u>2,735,391</u>
Balance at 12/31/2018	<u>\$ 41,421,778</u>	<u>\$ 33,286,991</u>	<u>\$ 8,134,787</u>

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Primary Government			
Balance at 12/31/2017	\$ 38,303,325	\$ 32,961,778	\$ 5,341,547
Changes for the year:			
Service cost	1,721,626		1,721,626
Interest	2,602,594		2,602,594
Changes of benefit terms	-		-
Difference between expected and actual experience	(455,944)		(455,944)
Changes of assumptions	-		-
Contributions - employer		1,504,519	(1,504,519)
Contributions - employee		666,559	(666,559)
Net investment income		(988,103)	988,103
Benefit payments, including refunds of contributions	(1,194,314)	(1,194,314)	-
Administrative expense		(19,077)	19,077
Other changes		401	(401)
Net changes	2,673,962	(30,015)	2,703,977
Balance at 12/31/2018	\$ 40,977,287	\$ 32,931,763	\$ 8,045,524

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
CEDC			
Balance at 12/31/2017	\$ 414,825	\$ 356,976	\$ 57,849
Changes for the year:			
Service cost	19,101		19,101
Interest	28,875		28,875
Changes of benefit terms	-		-
Difference between expected and actual experience	(5,059)		(5,059)
Changes of assumptions	-		-
Contributions - employer		16,692	(16,692)
Contributions - employee		7,395	(7,395)
Net investment income		(10,963)	10,963
Benefit payments, including refunds of contributions	(13,251)	(13,251)	-
Administrative expense		(212)	212
Other changes		(1,409)	1,409
Net changes	29,666	(1,748)	31,414
Balance at 12/31/2018	\$ 444,491	\$ 355,228	\$ 89,263

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 15,416,060	\$ 8,134,787	\$ 2,313,679
Reported by Governmental Activities	13,365,907	7,052,957	2,005,987
Reported by Business-Type Activities	1,880,992	992,567	282,304
Reported by Component Unit, CEDC	169,160	89,263	25,388
	<u>\$ 15,416,060</u>	<u>\$ 8,134,787</u>	<u>\$ 2,313,679</u>

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$1,784,475.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 168,168	\$ 858,909	\$ 166,366	\$ 849,707	\$ 1,802	\$ 9,202
Changes in actuarial assumptions	-	72,121	-	71,348	-	773
Difference between projected and actual investment earnings	1,715,052		1,703,209	-	11,843	-
Contributions subsequent to the measurement date	1,215,023	-	1,194,930	-	20,093	-
Total	<u>\$ 3,098,243</u>	<u>\$ 931,030</u>	<u>\$ 3,064,505</u>	<u>\$ 921,055</u>	<u>\$ 33,738</u>	<u>\$ 9,975</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019 in the amount of \$1,215,023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2020	\$ 268,539	\$ 267,504	\$ 1,035
2021	19,823	19,747	76
2022	51,301	51,103	198
2023	612,527	610,166	2,361
	<u>\$ 952,190</u>	<u>\$ 948,520</u>	<u>\$ 3,670</u>

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, 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 (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>144</u>
Total	225

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2019
Employer rate	0.14%
Employer contributions	\$ 13,721

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Discount rate	3.71%

Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

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

Actuarial assumptions used in the December 31, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 3.71% was based on the 20-Year Municipal GO AA Index as of December 31, 2018 .

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

At September 30, 2019, the City reported a total OPEB liability of \$349,174 measured at December 31, 2018. For the year ended September 30, 2019, the City recognized OPEB expense of \$37,081.

As of December 31, 2018, the discount rate used in the development of the total OPEB liability was 3.71% compared to 3.31% as of December 31, 2017.

Changes in the total OPEB liability for the measurement year ended December 31, 2018 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability		
	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2017	\$ 320,399	\$ 316,843	\$ 3,556
Changes for the year:			
Service cost	22,144	21,898	246
Interest on total OPEB liability	10,940	10,818	122
Changes of benefit terms	-	-	-
Differences between expected and actual experience	25,487	25,195	292
Effect of assumption changes or inputs	(27,870)	(27,560)	(310)
Benefit payments*	(1,926)	(1,902)	(24)
Balance as of December 31, 2018	<u>\$ 349,174</u>	<u>\$ 345,292</u>	<u>\$ 3,882</u>

*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.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current rate.

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
City's total OPEB liability	\$ 425,492	\$ 349,174	\$ 291,708
Reported by Governmental Activities	373,263	306,313	255,901
Reported by Business-Type Activities	47,499	38,979	32,564
Reported by Component Unit, CEDC	4,731	3,882	3,243
	<u>\$ 425,492</u>	<u>\$ 349,174</u>	<u>\$ 291,708</u>

At December 31, 2018, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 21,654	\$ -	\$ 21,413	\$ -	\$ 241	\$ -
Changes in actuarial assumptions	20,249	23,679	20,019	23,411	230	268
Contributions subsequent to the measurement date	<u>7,779</u>	<u>-</u>	<u>7,693</u>	<u>-</u>	<u>86</u>	<u>-</u>
Total	<u>\$ 49,682</u>	<u>\$ 23,679</u>	<u>\$ 49,125</u>	<u>\$ 23,411</u>	<u>\$ 557</u>	<u>\$ 268</u>

Deferred outflows of resources related to OPEB resulting from contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2020 in the amount of \$7,779. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2020	\$ 3,997	\$ 3,949	\$ 48
2021	3,997	3,949	48
2022	3,997	3,949	48
2023	3,997	3,949	48
2023	4,960	4,912	48
Thereafter	<u>(2,724)</u>	<u>(2,756)</u>	<u>32</u>
	<u>\$ 18,224</u>	<u>\$ 17,952</u>	<u>\$ 272</u>

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 10 - Commitments and Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$26,649,208.

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

REQUIRED SUPPLEMENTARY INFORMATION

City of Corinth, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 9,301,606	\$ 9,301,606	\$ 9,321,877	\$ 20,271
Sales	1,650,458	1,650,458	1,672,402	21,944
Franchise	1,176,428	1,176,428	1,083,553	(92,875)
Utility fees	17,500	17,500	6,860	(10,640)
Traffic fines and forfeitures	712,385	712,385	600,875	(111,510)
Development fees and permits	685,038	685,038	446,966	(238,072)
Police fees and permits	28,450	28,450	22,530	(5,920)
Parks and recreation fees	234,538	234,538	150,210	(84,328)
Fire services	2,708,835	2,708,835	2,709,304	469
Donations	-	-	40,000	40,000
Interest income	63,000	63,000	176,943	113,943
Grants	369,441	554,162	326,757	(227,405)
Miscellaneous income	45,853	45,853	41,189	(4,664)
Charges for services	594,338	594,338	609,290	14,952
Total revenues	<u>17,587,870</u>	<u>17,772,591</u>	<u>17,208,756</u>	<u>(563,835)</u>
Expenditures				
Current				
Public safety	10,731,874	10,844,360	10,007,429	836,931
Community services	1,631,455	1,631,455	1,413,640	217,815
Public works	837,459	837,459	724,949	112,510
Planning and community development	1,562,918	1,235,918	1,070,273	165,645
City administration	2,314,171	2,442,979	2,363,858	79,121
Finance and administrative services	1,045,884	1,050,884	1,014,807	36,077
Total expenditures	<u>18,123,761</u>	<u>18,043,055</u>	<u>16,594,956</u>	<u>1,448,099</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(535,891)</u>	<u>(270,464)</u>	<u>613,800</u>	<u>884,264</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	10	10
Transfers out	(1,537,720)	(1,864,720)	(1,864,723)	(3)
Transfers in	900,179	900,179	900,179	-
Total Financing Sources (Uses)	<u>(637,541)</u>	<u>(964,541)</u>	<u>(964,534)</u>	<u>7</u>
Net Change in Fund Balance	(1,173,432)	(1,235,005)	(350,734)	884,271
Fund Balance -				
October 1 (Beginning)	<u>5,436,005</u>	<u>5,436,005</u>	<u>5,436,005</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 4,262,573</u>	<u>\$ 4,201,000</u>	<u>\$ 5,085,271</u>	<u>\$ 884,271</u>

City of Corinth, Texas
Schedule of Changes in Net Pension Liability and Related Ratios –
Texas Municipal Retirement System (Exhibit B-2)
Year Ended September 30, 2019

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability					
Service cost	\$ 1,740,727	\$ 1,674,666	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
Interest on total pension liability	2,631,469	2,468,757	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(461,003)	(628,235)	409,560	(356,486)	(293,384)
Change of assumptions	-	-	-	(252,429)	-
Benefit payments/refunds of contributions	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Net change in total pension liability	<u>2,703,628</u>	<u>2,447,424</u>	<u>3,393,227</u>	<u>2,385,780</u>	<u>2,291,463</u>
Total pension liability, beginning	<u>38,718,150</u>	<u>36,270,726</u>	<u>32,877,499</u>	<u>30,491,719</u>	<u>28,200,256</u>
Total pension liability, ending (a)	<u><u>\$ 41,421,778</u></u>	<u><u>\$ 38,718,150</u></u>	<u><u>\$ 36,270,726</u></u>	<u><u>\$ 32,877,499</u></u>	<u><u>\$ 30,491,719</u></u>
Fiduciary Net Position					
Contributions - Employer	\$ 1,521,211	\$ 1,412,999	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
Contributions - Employee	673,954	642,690	650,021	648,976	604,376
Net investment income	(999,066)	3,942,063	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Administrative expenses	(19,289)	(20,406)	(19,521)	(21,823)	(13,183)
Other	(1,008)	(1,034)	(1,052)	(1,078)	(1,084)
Net change in fiduciary net position	<u>(31,763)</u>	<u>4,908,548</u>	<u>2,834,603</u>	<u>1,294,116</u>	<u>2,208,360</u>
Fiduciary net position, beginning	<u>33,318,754</u>	<u>28,410,206</u>	<u>25,575,603</u>	<u>24,281,487</u>	<u>22,073,127</u>
Fiduciary net position, ending (b)	<u><u>\$ 33,286,991</u></u>	<u><u>\$ 33,318,754</u></u>	<u><u>\$ 28,410,206</u></u>	<u><u>\$ 25,575,603</u></u>	<u><u>\$ 24,281,487</u></u>
Net pension liability (asset), ending = (a) - (b)	<u><u>8,134,787</u></u>	<u><u>5,399,396</u></u>	<u><u>7,860,520</u></u>	<u><u>7,301,896</u></u>	<u><u>6,210,232</u></u>
Fiduciary net position as a percentage of total pension liability	80.36%	86.05%	78.33%	77.79%	79.63%
Pensionable covered payroll	\$ 9,627,913	\$ 9,181,285	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
Net pension liability as a percentage of covered payroll	84.49%	58.81%	87.65%	78.92%	71.93%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
 Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-3)
 Year Ended September 30, 2019

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 1,188,806	\$ 1,188,806	\$ -	\$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2019

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Total OPEB Liability		
Service cost	\$ 22,144	\$ 18,363
Interest on total OPEB liability	10,940	10,314
Changes of benefit terms	-	-
Differences between expected and actual experience	25,487	-
Change of assumptions	(27,870)	28,959
Benefit payments/refunds of contributions	<u>(1,926)</u>	<u>(1,836)</u>
Net change in total OPEB liability	28,775	55,800
Total OPEB liability, beginning	<u>320,399</u>	<u>264,599</u>
Total OPEB liability, ending	<u>\$ 349,174</u>	<u>\$ 320,399</u>
Covered payroll	9,627,913	\$ 9,181,285
Total OPEB liability as a percentage of covered payroll	3.63%	3.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

Note A - Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Note B: Total OPEB Liability – Texas Municipal Retirement System

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Inflation	2.5%
Discount rate	3.71%
Salary increases	3.50% to 10.5%, including inflation
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	<p>RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.</p> <p>Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.</p>

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. No significant budget amendments occurred during the year ended September 30, 2019.
- g. All budget appropriations lapse at year end.

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COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for a particular purpose.

- The Crime Control and Prevention District Fund is the blended component unit described previously. All revenues and expenditures related to the \$.0025 sales tax are recorded in this fund.
- The Street Maintenance Fund accounts for the receipt of a \$.0025 special purpose sales tax and related expenditures.
- Hotel-Motel Tax Fund accounts for hotel-motel tax collected and used to enhance and promote tourism.
- The Keep Corinth Beautiful Fund was created to account for the donations, contributions and payments associated with beautification programs within the city.
- County Child Safety Fund was created by State Statute to account for the funds used for school crossing guard services and programs designed to enhance child safety, health or nutrition.
- Municipal Court Security Fund is used to account for funds restricted to provide security enhancements for the Municipal Court.
- Municipal Court Technology Fund is used to accounts for funds restricted to provide technological enhancements for the Municipal Court.
- Police Confiscation (State) Fund was created by State Statute and funds are restricted for law enforcement programs.
- The Parks Development Fund was established to account for donations, contributions and payments associated with various park programs.
- The Community Park Improvement Fund accounts for funds collected from the City's Co-Sponsorship Athletic Leagues and funds are restricted for improvements to the Community Park.
- Tree Mitigation Fund was created by City Ordinance to account for payment by City Developers in lieu of adhering to the City's tree mitigation program.
- The Roadway Impact Fee Fund is used to account for the receipt and expenditure of roadway impact fees as required by the State of Texas Local Government Code Section 395.
- The Special Revenue accounts for Risk/Insurance Claims, Police Lease, Police Donations, Fire Donations, and Community Relations.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, (other than those financed by proprietary funds) and vehicle replacement funds.

- The Government Capital Projects Fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement Fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement Fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Technology Equipment Replacement Fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow Fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- 2016 GO Fund is used to account for the projects and funding associated with the Series 2016 General Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2017 CO Fund is used to account for the projects and funding associated with the Series 2017 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements as well as acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments. It also accounts for the renovation of a Public Works facility and the Lake Sharon Road Extension.
- General Public Property (Capital) is used to account for Lease Proceeds for capital project funds.
- Public Property LCFD is used to account for Lease Proceeds related to the fire department
- General Public Property (Special Revenue) is used to account for Lease Proceeds for special revenue funds.

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
September 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 2,225,672	\$ 2,975,426	\$ 5,201,098
Investments	1,665,906	2,202,895	3,868,801
Receivables (net of allowance)			
Sales taxes	145,748	-	145,748
Accounts	250	-	250
Interest	1,061	3,806	4,867
Miscellaneous	33,932	8,790	42,722
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,072,569</u>	<u>\$ 5,190,917</u>	<u>\$ 9,263,486</u>
Liabilities			
Accounts payable	\$ 17,124	\$ 107,200	\$ 124,324
Accrued liabilities	6,925	-	6,925
Other liabilities	704,808	-	704,808
Unearned revenue	13,000	-	13,000
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>741,857</u>	<u>107,200</u>	<u>849,057</u>
Fund Balances			
Restricted	3,010,460	1,917,971	4,928,431
Committed	320,252	3,165,746	3,485,998
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,330,712</u>	<u>5,083,717</u>	<u>8,414,429</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 4,072,569</u>	<u>\$ 5,190,917</u>	<u>\$ 9,263,486</u>

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Sales	\$ 791,069	\$ -	\$ 791,069
Hotel occupancy tax	82,835	-	82,835
Escrow and impact fees	554,556	-	554,556
Traffic fines and forfeitures	29,987	-	29,987
Police fees and permits	28,098	-	28,098
Parks and recreation fees	157,499	-	157,499
Donations	62,761	453,825	516,586
Interest income	53,104	86,510	139,614
Miscellaneous income	42,244	33	42,277
Total revenues	<u>1,802,153</u>	<u>540,368</u>	<u>2,342,521</u>
Expenditures			
Current			
Public safety	315,997	117,829	433,826
Community services	33,992	-	33,992
Public works	314,322	112,118	426,440
Planning and community development	-	59,426	59,426
City administration	59,163	103,389	162,552
Debt service			
Principal	146,929	327,004	473,933
Interest	28,456	38,170	66,626
Capital outlay	181,810	2,405,896	2,587,706
Total expenditures	<u>1,080,669</u>	<u>3,163,832</u>	<u>4,244,501</u>
Excess (Deficiency) of Revenues over (under) Expenditures	721,484	(2,623,464)	(1,901,980)
Other Financing Sources (Uses)			
Capital lease proceeds	-	800,928	800,928
Proceeds from sale of capital assets	42,440	86,213	128,653
Transfers out	(5,708)	-	(5,708)
Transfers in	-	1,050,622	1,050,622
Total Other Financing Sources (Uses)	<u>36,732</u>	<u>1,937,763</u>	<u>1,974,495</u>
Net Change in Fund Balance	758,216	(685,701)	72,515
Fund Balance - October 1 (Beginning)	<u>2,572,496</u>	<u>5,769,418</u>	<u>8,341,914</u>
Fund Balance - September 30 (Ending)	<u>\$ 3,330,712</u>	<u>\$ 5,083,717</u>	<u>\$ 8,414,429</u>

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>
Assets			
Cash and cash equivalents	\$ 471,627	\$ 108,483	\$ 193,538
Investments	-	1,165,906	-
Receivables (net of allowance)			
Sales taxes	68,397	77,351	-
Accounts	-	-	-
Interest	-	1,028	-
Miscellaneous	-	-	6,985
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 540,024</u>	<u>\$ 1,352,768</u>	<u>\$ 200,523</u>
Liabilities			
Accounts payable	\$ 1,477	\$ 1,863	\$ -
Accrued liabilities	6,058	-	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>7,535</u>	<u>1,863</u>	<u>-</u>
Fund Balances			
Restricted	532,489	1,350,905	200,523
Committed	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>532,489</u>	<u>1,350,905</u>	<u>200,523</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 540,024</u>	<u>\$ 1,352,768</u>	<u>\$ 200,523</u>

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
September 30, 2019

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ 30,258	\$ 3,011	\$ 346,786	\$ 89,957	\$ 29,501
-	-	-	-	-
-	-	-	-	-
-	-	250	-	-
-	-	-	-	-
-	26,947	-	-	-
<u>\$ 30,258</u>	<u>\$ 29,958</u>	<u>\$ 347,036</u>	<u>\$ 89,957</u>	<u>\$ 29,501</u>
-	\$ -	13,784	\$ -	\$ -
-	867	-	-	-
-	-	-	-	-
-	-	13,000	-	-
-	867	26,784	-	-
30,258	29,091	-	89,957	29,501
-	-	320,252	-	-
-	-	-	-	-
<u>30,258</u>	<u>29,091</u>	<u>320,252</u>	<u>89,957</u>	<u>29,501</u>
<u>\$ 30,258</u>	<u>\$ 29,958</u>	<u>\$ 347,036</u>	<u>\$ 89,957</u>	<u>\$ 29,501</u>

(continued on the following page)

	<u>Police Confiscation- State</u>	<u>Parks Development</u>	<u>Community Park Improvement</u>
Assets			
Cash and cash equivalents	\$ 17,129	\$ 247,781	\$ 15,912
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 17,129</u>	<u>\$ 247,781</u>	<u>\$ 15,912</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	13,649	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>13,649</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	3,480	247,781	15,912
Committed	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,480</u>	<u>247,781</u>	<u>15,912</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 17,129</u>	<u>\$ 247,781</u>	<u>\$ 15,912</u>

<u>Tree Mitigation</u>	<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 304,946	\$ 366,743	\$ 2,225,672
-	500,000	1,665,906
-	-	145,748
-	-	250
-	33	1,061
-	-	33,932
<u>\$ 304,946</u>	<u>\$ 866,776</u>	<u>\$ 4,072,569</u>
\$ -	\$ -	\$ 17,124
-	-	6,925
-	691,159	704,808
-	-	13,000
<u>-</u>	<u>691,159</u>	<u>741,857</u>
304,946	175,617	3,010,460
-	-	320,252
<u>-</u>	<u>-</u>	<u>-</u>
<u>304,946</u>	<u>175,617</u>	<u>3,330,712</u>
<u>\$ 304,946</u>	<u>\$ 866,776</u>	<u>\$ 4,072,569</u>

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>
Revenues			
Taxes			
Sales	\$ 378,037	\$ 413,032	\$ -
Hotel occupancy tax	-	-	82,835
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	4,957	22,926	2,146
Miscellaneous income	-	-	-
Total revenues	<u>382,994</u>	<u>435,958</u>	<u>84,981</u>
Expenditures			
Current			
Public safety	170,669	-	-
Community services	-	-	-
Public works	-	303,011	-
City administration	-	-	55,174
Capital outlay	-	55,000	-
Debt service			
Principal	146,929	-	-
Interest	28,456	-	-
Total expenditures	<u>346,054</u>	<u>358,011</u>	<u>55,174</u>
Excess (Deficiency) of Revenues over (under) Expenditures	36,940	77,947	29,807
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	42,440	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>42,440</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	79,380	77,947	29,807
Fund Balance - October 1 (Beginning)	<u>453,109</u>	<u>1,272,958</u>	<u>170,716</u>
Fund Balance - September 30 (Ending)	<u>\$ 532,489</u>	<u>\$ 1,350,905</u>	<u>\$ 200,523</u>

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2019

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	2,568	11,769	15,650
-	28,098	-	-	-
-	-	-	-	-
5,000	-	7,761	-	-
341	151	3,855	989	424
-	-	38,548	-	-
<u>5,341</u>	<u>28,249</u>	<u>52,732</u>	<u>12,758</u>	<u>16,074</u>
-	26,058	116,962	-	-
-	-	-	2,317	26,456
-	-	11,311	-	-
3,989	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,989</u>	<u>26,058</u>	<u>128,273</u>	<u>2,317</u>	<u>26,456</u>
1,352	2,191	(75,541)	10,441	(10,382)
-	-	-	-	-
-	-	-	-	(5,708)
-	-	-	-	<u>(5,708)</u>
1,352	2,191	(75,541)	10,441	(16,090)
<u>28,906</u>	<u>26,900</u>	<u>395,793</u>	<u>79,516</u>	<u>45,591</u>
<u>\$ 30,258</u>	<u>\$ 29,091</u>	<u>\$ 320,252</u>	<u>\$ 89,957</u>	<u>\$ 29,501</u>

(continued on the following page)

	Police Confiscation- State	Parks Development	Community Park Improvement
Revenues			
Taxes			
Sales	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	9,470
Donations	-	50,000	-
Interest income	126	3,385	164
Miscellaneous income	3,696	-	-
Total revenues	<u>3,822</u>	<u>53,385</u>	<u>9,634</u>
Expenditures			
Current			
Public safety	2,308	-	-
Community services	-	2,808	-
Public works	-	-	-
City administration	-	-	-
Capital outlay	-	126,810	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>2,308</u>	<u>129,618</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	1,514	(76,233)	9,634
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,514	(76,233)	9,634
Fund Balance - October 1 (Beginning)	<u>1,966</u>	<u>324,014</u>	<u>6,278</u>
Fund Balance - September 30 (Ending)	<u>\$ 3,480</u>	<u>\$ 247,781</u>	<u>\$ 15,912</u>

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2019

<u>Tree Mitigation</u>	<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 791,069
-	-	82,835
-	554,556	554,556
-	-	29,987
-	-	28,098
148,029	-	157,499
-	-	62,761
3,280	10,360	53,104
-	-	42,244
<u>151,309</u>	<u>564,916</u>	<u>1,802,153</u>
-	-	315,997
2,411	-	33,992
-	-	314,322
-	-	59,163
-	-	181,810
-	-	146,929
-	-	28,456
<u>2,411</u>	<u>-</u>	<u>1,080,669</u>
148,898	564,916	721,484
-	-	42,440
<u>-</u>	<u>-</u>	<u>(5,708)</u>
<u>-</u>	<u>-</u>	<u>36,732</u>
148,898	564,916	758,216
<u>156,048</u>	<u>(389,299)</u>	<u>2,572,496</u>
<u>\$ 304,946</u>	<u>\$ 175,617</u>	<u>\$ 3,330,712</u>

(concluded)

City of Corinth, Texas
 Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 378,175	\$ 378,175	\$ 378,037	\$ (138)
Interest income	1,500	1,500	4,957	3,457
Total revenues	<u>379,675</u>	<u>379,675</u>	<u>382,994</u>	<u>3,319</u>
Expenditures				
Current				
Public safety	185,735	172,579	170,669	1,910
Debt service				
Principal	167,549	180,705	146,929	33,776
Interest	-	-	28,456	(28,456)
Total expenditures	<u>353,284</u>	<u>353,284</u>	<u>346,054</u>	<u>7,230</u>
Excess (Deficiency) of Revenues over (under) Expenditures	26,391	26,391	36,940	10,549
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	42,440	42,440
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>42,440</u>	<u>42,440</u>
Net Change in Fund Balance	26,391	26,391	79,380	52,989
Fund Balance - October 1 (Beginning)	<u>453,109</u>	<u>453,109</u>	<u>453,109</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 479,500</u>	<u>\$ 479,500</u>	<u>\$ 532,489</u>	<u>\$ 52,989</u>

City of Corinth, Texas
Street Maintenance Fund Budgetary Comparison Schedule (Exhibit C-6)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 412,001	\$ 412,001	\$ 413,032	\$ 1,031
Interest income	7,000	7,000	22,926	15,926
Total revenues	<u>419,001</u>	<u>419,001</u>	<u>435,958</u>	<u>16,957</u>
Expenditures				
Current				
Public works	212,333	387,333	303,011	84,322
Capital outlay	55,000	55,000	55,000	-
Total expenditures	<u>267,333</u>	<u>442,333</u>	<u>358,011</u>	<u>84,322</u>
Net Change in Fund Balance	151,668	(23,332)	77,947	101,279
Fund Balance -				
October 1 (Beginning)	<u>1,272,958</u>	<u>1,272,958</u>	<u>1,272,958</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u><u>\$ 1,424,626</u></u>	<u><u>\$ 1,249,626</u></u>	<u><u>\$ 1,350,905</u></u>	<u><u>\$ 101,279</u></u>

City of Corinth, Texas
Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-7)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	\$ 75,000	\$ 75,000	\$ 82,835	\$ 7,835
Interest income	-	-	2,146	2,146
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>84,981</u>	<u>9,981</u>
Expenditures				
Current				
City administration	60,132	60,132	55,174	4,958
Total expenditures	<u>60,132</u>	<u>60,132</u>	<u>55,174</u>	<u>4,958</u>
Net Change in Fund Balance	14,868	14,868	29,807	14,939
Fund Balance -				
October 1 (Beginning)	<u>170,716</u>	<u>170,716</u>	<u>170,716</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 185,584</u>	<u>\$ 185,584</u>	<u>\$ 200,523</u>	<u>\$ 14,939</u>

City of Corinth, Texas
 Keep Corinth Beautiful Budgetary Comparison Schedule (Exhibit C-8)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Interest income	-	-	341	341
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,341</u>	<u>341</u>
Expenditures				
Current				
City administration	4,000	4,000	3,989	11
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,989</u>	<u>11</u>
Net Change in Fund Balance	1,000	1,000	1,352	352
Fund Balance -				
October 1 (Beginning)	<u>28,906</u>	<u>28,906</u>	<u>28,906</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 29,906</u>	<u>\$ 29,906</u>	<u>\$ 30,258</u>	<u>\$ 352</u>

City of Corinth, Texas
 County Child Safety Fund Comparison Schedule (Exhibit C-9)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Police fees and permits	\$ 26,956	\$ 26,956	\$ 28,098	\$ 1,142
Interest income	-	-	151	151
Total revenues	<u>26,956</u>	<u>26,956</u>	<u>28,249</u>	<u>1,293</u>
Expenditures				
Current				
Public safety	<u>26,956</u>	<u>26,956</u>	<u>26,058</u>	<u>898</u>
Total expenditures	<u>26,956</u>	<u>26,956</u>	<u>26,058</u>	<u>898</u>
Net Change in Fund Balance	-	-	2,191	2,191
Fund Balance -				
October 1 (Beginning)	<u>26,900</u>	<u>26,900</u>	<u>26,900</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 26,900</u>	<u>\$ 26,900</u>	<u>\$ 29,091</u>	<u>\$ 2,191</u>

City of Corinth, Texas
Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-10)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 12,800	\$ 12,800	\$ 11,769	\$ (1,031)
Interest income	-	-	989	989
Total revenues	<u>12,800</u>	<u>12,800</u>	<u>12,758</u>	<u>(42)</u>
Expenditures				
Current				
Community services	<u>7,500</u>	<u>7,500</u>	<u>2,317</u>	<u>5,183</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>2,317</u>	<u>5,183</u>
Net Change in Fund Balance	5,300	5,300	10,441	5,141
Fund Balance -				
October 1 (Beginning)	<u>79,516</u>	<u>79,516</u>	<u>79,516</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 84,816</u>	<u>\$ 84,816</u>	<u>\$ 89,957</u>	<u>\$ 5,141</u>

City of Corinth, Texas
Municipal Court Technology Fund Comparison Schedule (Exhibit C-11)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 17,000	\$ 17,000	\$ 15,650	\$ (1,350)
Interest income	-	-	424	424
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>16,074</u>	<u>(926)</u>
Expenditures				
Current				
Community services	32,530	32,530	26,456	6,074
Total expenditures	<u>32,530</u>	<u>32,530</u>	<u>26,456</u>	<u>6,074</u>
Excess (Deficiency) of Revenues over Expenditures	(15,530)	(15,530)	(10,382)	5,148
Other Financing Sources (Uses)				
Transfers out	(5,708)	(5,708)	(5,708)	-
Total Other Financing Sources (Uses)	<u>(5,708)</u>	<u>(5,708)</u>	<u>(5,708)</u>	<u>-</u>
Net Change in Fund Balance	(21,238)	(21,238)	(16,090)	5,148
Fund Balance - October 1 (Beginning)	<u>45,591</u>	<u>45,591</u>	<u>45,591</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 24,353</u>	<u>\$ 24,353</u>	<u>\$ 29,501</u>	<u>\$ 5,148</u>

City of Corinth, Texas
 Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-12)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 126	\$ 126
Miscellaneous income	25,000	25,000	3,696	(21,304)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>3,822</u>	<u>(21,178)</u>
Expenditures				
Current				
Public safety	25,000	25,000	2,308	22,692
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>2,308</u>	<u>22,692</u>
Net Change in Fund Balance	-	-	1,514	1,514
Fund Balance -				
October 1 (Beginning)	<u>1,966</u>	<u>1,966</u>	<u>1,966</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 1,966</u>	<u>\$ 1,966</u>	<u>\$ 3,480</u>	<u>\$ 1,514</u>

City of Corinth, Texas
Parks Development Fund Budgetary Comparison Schedule (Exhibit C-13)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ -	\$ -	\$ 50,000	\$ 50,000
Interest income	-	-	3,385	3,385
Total revenues	<u>-</u>	<u>-</u>	<u>53,385</u>	<u>53,385</u>
Expenditures				
Current				
Community services	-	3,000	2,808	192
Capital outlay	150,000	147,000	126,810	20,190
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>129,618</u>	<u>20,382</u>
Excess (Deficiency) of Revenues over Expenditures	(150,000)	(150,000)	(76,233)	73,767
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	-	(50,000)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balance	(100,000)	(100,000)	(76,233)	23,767
Fund Balance - October 1 (Beginning)	<u>324,014</u>	<u>324,014</u>	<u>324,014</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 224,014</u>	<u>\$ 224,014</u>	<u>\$ 247,781</u>	<u>\$ 23,767</u>

City of Corinth, Texas
Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-14)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks and recreation fees	\$ 10,970	\$ 10,970	\$ 9,470	\$ (1,500)
Interest income	-	-	164	164
Total revenues	<u>10,970</u>	<u>10,970</u>	<u>9,634</u>	<u>(1,336)</u>
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	10,970	10,970	9,634	(1,336)
Fund Balance -				
October 1 (Beginning)	<u>6,278</u>	<u>6,278</u>	<u>6,278</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 17,248</u>	<u>\$ 17,248</u>	<u>\$ 15,912</u>	<u>\$ (1,336)</u>

City of Corinth, Texas
 Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-15)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks & recreation fees	\$ -	\$ -	\$ 148,029	\$ 148,029
Interest income	-	-	3,280	3,280
Total revenues	<u>-</u>	<u>-</u>	<u>151,309</u>	<u>151,309</u>
Expenditures				
Current				
Community services	50,000	50,000	2,411	47,589
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>2,411</u>	<u>47,589</u>
Net Change in Fund Balance	(50,000)	(50,000)	148,898	198,898
Fund Balance -				
October 1 (Beginning)	<u>156,048</u>	<u>156,048</u>	<u>156,048</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 106,048</u>	<u>\$ 106,048</u>	<u>\$ 304,946</u>	<u>\$ 198,898</u>

City of Corinth, Texas
 Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-16)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ 554,556	\$ 554,556
Interest income	-	-	10,360	10,360
Total revenues	<u>-</u>	<u>-</u>	<u>564,916</u>	<u>564,916</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	564,916	564,916
Fund Balance -				
October 1 (Beginning)	<u>(389,299)</u>	<u>(389,299)</u>	<u>(389,299)</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ (389,299)</u>	<u>\$ (389,299)</u>	<u>\$ 175,617</u>	<u>\$ 564,916</u>

City of Corinth, Texas
Debt Service Fund Budgetary Comparison Schedule (Exhibit C-17)
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 2,221,685	\$ 2,221,685	\$ 2,246,675	\$ 24,990
Interest Income	-	-	8,652	8,652
Total revenues	<u>2,221,685</u>	<u>2,221,685</u>	<u>2,255,327</u>	<u>33,642</u>
Expenditures				
Debt Service:				
Principal	1,295,528	1,295,528	1,295,528	-
Interest	914,830	914,830	914,830	-
Bond fees	10,000	10,000	1,450	8,550
Total expenditures	<u>2,220,358</u>	<u>2,220,358</u>	<u>2,211,808</u>	<u>8,550</u>
Net Change in Fund Balance	1,327	1,327	43,519	42,192
Fund Balance -				
October 1 (Beginning)	<u>299,194</u>	<u>299,194</u>	<u>299,194</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 300,521</u>	<u>\$ 300,521</u>	<u>\$ 342,713</u>	<u>\$ 42,192</u>

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	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle and Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
Assets				
Cash and cash equivalents	\$ 1,071,440	\$ 147,127	\$ 478,671	\$ 182,220
Investments	1,202,895	-	-	-
Receivables (net of allowance)				
Interest	2,139	-	-	-
Miscellaneous	-	8,790	-	-
	<u>-</u>	<u>8,790</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,276,474</u>	<u>\$ 155,917</u>	<u>\$ 478,671</u>	<u>\$ 182,220</u>
Liabilities				
Accounts payable	\$ 71,529	\$ -	\$ 18,785	\$ -
Total liabilities	<u>71,529</u>	<u>-</u>	<u>18,785</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	2,204,945	155,917	459,886	182,220
Total fund balances	<u>2,204,945</u>	<u>155,917</u>	<u>459,886</u>	<u>182,220</u>
Total Liabilities and Fund Balances	<u>\$ 2,276,474</u>	<u>\$ 155,917</u>	<u>\$ 478,671</u>	<u>\$ 182,220</u>

<u>Street Escrow</u>	<u>2016 CO Fund</u>	<u>2017 CO Fund</u>	<u>General Public Property for Capital Projects</u>	<u>LCFD Public Property</u>
\$ 156,536	\$ 595,530	\$ 337,660	\$ -	\$ 6,242
-	500,000	500,000	-	-
-	750	917	-	-
-	-	-	-	-
<u>\$ 156,536</u>	<u>\$ 1,096,280</u>	<u>\$ 838,577</u>	<u>\$ -</u>	<u>\$ 6,242</u>
\$ -	\$ 16,886	\$ -	\$ -	\$ -
-	16,886	-	-	-
-	1,079,394	838,577	-	-
156,536	-	-	-	6,242
<u>156,536</u>	<u>1,079,394</u>	<u>838,577</u>	<u>-</u>	<u>6,242</u>
<u>\$ 156,536</u>	<u>\$ 1,096,280</u>	<u>\$ 838,577</u>	<u>\$ -</u>	<u>\$ 6,242</u>

(continued on the following page)

	<u>General Public Property for Special Revenue</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets		
Cash and cash equivalents	\$ -	\$ 2,975,426
Investments	-	2,202,895
Receivables (net of allowance)		
Interest	-	3,806
Miscellaneous	-	8,790
	<u>-</u>	<u>8,790</u>
Total assets	<u>\$ -</u>	<u>\$ 5,190,917</u>
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 107,200</u>
Total liabilities	<u>-</u>	<u>107,200</u>
Fund Balances		
Restricted	-	1,917,971
Committed	-	3,165,746
Total fund balances	<u>-</u>	<u>5,083,717</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 5,190,917</u>

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	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Donations	\$ 30,000	\$ -	\$ -	\$ 883
Interest income	31,121	2,522	6,957	2,173
Miscellaneous	-	-	-	-
Total revenues	<u>61,121</u>	<u>2,522</u>	<u>6,957</u>	<u>3,056</u>
Expenditures				
Current				
Public safety	1,050	10,181	3,978	-
Community services	-	-	-	-
Public works	50,000	-	-	-
Planning and community development	59,426	-	-	-
City administration	43,311	-	-	60,078
Finance and administrative services				
Debt service				
Principal	-	68,794	258,210	-
Interest	-	9,714	28,456	-
Capital outlay	23,814	70,392	172,249	-
Total expenditures	<u>177,601</u>	<u>159,081</u>	<u>462,893</u>	<u>60,078</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(116,480)</u>	<u>(156,559)</u>	<u>(455,936)</u>	<u>(57,022)</u>
Other Financing Sources (Uses)				
Capital lease proceeds	-	-	-	-
Proceeds from sale of capital assets	-	24,490	56,396	5,327
Transfers in	529,000	77,754	300,000	143,868
Total Other Financing Sources (Uses)	<u>529,000</u>	<u>102,244</u>	<u>356,396</u>	<u>149,195</u>
Net Change in Fund Balance	412,520	(54,315)	(99,540)	92,173
Fund Balance - October 1 (Beginning)	<u>1,792,425</u>	<u>210,232</u>	<u>559,426</u>	<u>90,047</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,204,945</u>	<u>\$ 155,917</u>	<u>\$ 459,886</u>	<u>\$ 182,220</u>

City of Corinth, Texas
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)
 Year Ended September 30, 2019

<u>Street Escrow</u>	<u>2016 CO Fund</u>	<u>2017 CO Fund</u>	<u>General Public Property for Capital Projects</u>	<u>LCFD Public Property</u>
\$ -	\$ -	\$ 422,942	\$ -	\$ -
1,804	23,354	17,850	-	729
-	-	33	-	-
<u>1,804</u>	<u>23,354</u>	<u>440,825</u>	<u>-</u>	<u>729</u>
-	46,209	56,411	-	-
-	-	-	-	-
-	-	62,118	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	157,784	1,186,242	117,773	474,487
<u>-</u>	<u>203,993</u>	<u>1,304,771</u>	<u>117,773</u>	<u>474,487</u>
<u>1,804</u>	<u>(180,639)</u>	<u>(863,946)</u>	<u>(117,773)</u>	<u>(473,758)</u>
-	-	-	117,773	480,000
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>117,773</u>	<u>480,000</u>
1,804	(180,639)	(863,946)	-	6,242
<u>154,732</u>	<u>1,260,033</u>	<u>1,702,523</u>	<u>-</u>	<u>-</u>
<u>\$ 156,536</u>	<u>\$ 1,079,394</u>	<u>\$ 838,577</u>	<u>\$ -</u>	<u>\$ 6,242</u>

(continued on the following page)

City of Corinth, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)
Year Ended September 30, 2019

	<u>General Public Property for Special Revenue</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues		
Donations	\$ -	\$ 453,825
Interest income	-	86,510
Miscellaneous	-	33
Total revenues	<u>-</u>	<u>540,368</u>
Expenditures		
Current		
Public safety	-	117,829
Community services	-	-
Public works	-	112,118
Planning and community development	-	59,426
City administration	-	103,389
Finance and administrative services		
Debt service		
Principal	-	327,004
Interest	-	38,170
Capital outlay	203,155	2,405,896
Total expenditures	<u>203,155</u>	<u>3,163,832</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(203,155)</u>	<u>(2,623,464)</u>
Other Financing Sources (Uses)		
Capital lease proceeds	203,155	800,928
Proceeds from sale of capital assets	-	86,213
Transfers in	-	1,050,622
Total Other Financing Sources (Uses)	<u>203,155</u>	<u>1,937,763</u>
Net Change in Fund Balance	-	(685,701)
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>5,769,418</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 5,083,717</u>

(concluded)

City of Corinth, Texas
Balance Sheet – Corinth Economic Development Corporation (Exhibit C-20)
September 30, 2019

	<u>Corinth Economic Development Corporation</u>
Assets	
Cash and cash equivalents	\$ 243,417
Investments	1,084,055
Receivables (net of allowance)	
Sales taxes	154,697
Interest	<u>413</u>
Total assets	<u>\$ 1,482,582</u>
Liabilities	
Accounts payable	76,135
Accrued liabilities	<u>14,931</u>
Total liabilities	<u>91,066</u>
Fund Balances	
Restricted for economic development	<u>1,391,516</u>
Total fund balances	<u>1,391,516</u>
Total liabilities and fund balances	<u>\$ 1,482,582</u>

City of Corinth, Texas
 Reconciliation of the Balance Sheet of Corinth Economic Development Corporation to the Statement of Net
 Position (Exhibit C-21)
 September 30, 2019

Total Fund Balances - CEDC	\$ 1,391,516
Amounts reported for CEDC in the statement of net position are different because:	
Capital assets used in CEDC are not current financial resources and therefore are not reported in the balance sheet.	2,954,666
Included in liabilities is the recognition of the Corporation's net pension liability in the amount of \$89,263, a deferred inflow of resources of \$9,975 and a deferred outflow of resources of \$33,738. This results in a decrease in net position.	(65,500)
Included in liabilities is the recognition of the Corporation's total OPEB liability in the amount of \$3,882, a deferred inflow of resources of \$268, and a deferred outflow of resources of \$557. This results in a decrease in net position.	<u>(3,593)</u>
Net Position of CEDC	<u><u>\$ 4,277,089</u></u>

City of Corinth, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance - Corinth Economic Development Corporation (Exhibit C-22)
Year Ended September 30, 2019

	<u>Corinth Economic Development Corporation</u>
Revenues	
Taxes	
Sales	\$ 826,036
Interest income	60,713
Donations	1,990
Total revenues	<u>888,739</u>
 Expenditures	
Current	
Planning and community development	505,550
Capital outlay	2,954,666
Total expenditures	<u>3,460,216</u>
 Net Change in Fund Balance	 (2,571,477)
Fund Balance - October 1 (Beginning)	<u>3,962,993</u>
 Fund Balance - September 30 (Ending)	 <u>\$ 1,391,516</u>

City of Corinth, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Corinth Economic
 Development Corporation to the Statement of Activities (Exhibit C-23)
 Year Ended September 30, 2019

Net Change in Fund Balances - CEDC \$ (2,571,477)

Amounts reported for CEDC in the statement of activities are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. 2,954,666

Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$20,093. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$22,493. (2,400)

Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$86. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$487. (401)

Change in Net Position of CEDC \$ 380,388

STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables D-1 – D-5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables D-6 – D-12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables D-13 – D-16)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments. (Tables D-17 – D-19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables D-20 – D-21)

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

CITY OF CORINTH, TEXAS*NET POSITION BY COMPONENT**LAST TEN FISCAL YEARS**(ACCRUAL BASIS OF ACCOUNTING)**(Unaudited)*

Governmental Activities	2010	2011	2012	2013
Net Investment in Capital Assets	\$ 39,858,647	\$ 41,537,428	\$ 38,965,723	\$ 37,401,599
Restricted	6,713,859	2,400,976	2,614,336	3,776,495
Unrestricted	2,683,382	6,854,904	6,708,569	5,660,613
Total Governmental Activities Net Position	<u>\$ 49,255,888</u>	<u>\$ 50,793,308</u>	<u>\$ 48,288,628</u>	<u>\$ 46,838,707</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 17,746,701	\$ 19,490,897	\$ 21,783,319	\$ 21,661,416
Restricted	-	-	-	-
Unrestricted	5,883,737	5,858,618	6,216,578	6,897,008
Total Business-Type Activities Net Position	<u>\$ 23,630,438</u>	<u>\$ 25,349,515</u>	<u>\$ 27,999,897</u>	<u>\$ 28,558,424</u>
Primary Government				
Net Investment in Capital Assets	\$ 57,605,348	\$ 61,028,325	\$ 60,749,042	\$ 59,063,015
Restricted	6,713,859	2,400,976	2,614,336	3,776,495
Unrestricted	8,567,119	12,713,522	12,925,147	12,557,621
Total Primary Government Net Position	<u>\$ 72,886,326</u>	<u>\$ 76,142,823</u>	<u>\$ 76,288,525</u>	<u>\$ 75,397,131</u>

Note:

Governmental Activities:

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

Business-type Activities:

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

TABLE D-1

2014	2015	2016	2017	2018	2019
\$ 36,991,003	\$ 37,162,807	\$ 35,967,465	\$ 35,025,019	\$ 35,039,143	\$ 33,452,733
4,078,719	1,066,371	1,759,359	2,600,794	2,830,975	3,031,918
4,522,015	1,767,508	1,817,109	3,328,479	3,038,070	3,584,935
\$ 45,591,737	\$ 39,996,686	\$ 39,543,933	\$ 40,954,292	\$ 40,908,188	\$ 40,069,586
\$ 21,552,151	\$ 21,568,651	\$ 21,537,921	\$ 21,633,740	\$ 23,453,132	\$ 24,556,072
-	645,963	647,502	1,127,099	1,295,181	1,162,172
6,250,406	4,856,975	4,285,029	5,523,850	5,059,830	5,471,344
\$ 27,802,557	\$ 27,071,589	\$ 26,470,452	\$ 28,284,689	\$ 29,808,143	\$ 31,189,588
\$ 58,543,154	\$ 58,731,458	\$ 57,505,386	\$ 56,658,759	\$ 58,492,275	\$ 58,008,805
4,078,719	1,712,334	2,406,861	3,727,893	4,126,156	4,194,090
10,772,421	6,624,483	6,102,138	8,852,329	8,097,900	9,056,279
\$ 73,394,294	\$ 67,068,275	\$ 66,014,385	\$ 69,238,981	\$ 70,716,331	\$ 71,259,174

CITY OF CORINTH, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Expenses	2010	2011	2012	2013
Governmental Activities:				
Public Safety	\$ 7,716,433	\$ 7,454,086	\$ 7,769,391	\$ 8,188,441
Community Services	1,979,094	1,713,873	1,729,610	1,740,402
Public Works	4,152,860	4,268,961	4,829,902	4,726,964
Planning & Development	875,457	709,683	730,829	731,234
City Administration	1,876,455	1,663,492	1,607,926	1,631,852
Financial Services	688,069	634,749	655,335	662,238
Interest on Long-Term Debt	920,663	809,445	821,597	743,848
Total Governmental Activities Expenses	18,209,031	17,254,289	18,144,590	18,424,979
Business-Type Activities:				
Water & Wastewater	10,261,683	9,981,826	10,198,636	10,429,711
Storm Water Utility	527,768	449,894	520,098	515,487
Total Business-Type Activities Expenses	10,789,451	10,431,720	10,718,734	10,945,198
Total Primary Government Expenses	\$ 28,998,482	\$ 27,686,009	\$ 28,863,324	\$ 29,370,177
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	\$ 2,858,365	\$ 3,218,248	\$ 3,036,630	\$ 3,316,940
Community Services	197,322	305,958	318,297	312,490
Public Works	-	340,413	72,087	25,895
Planning & Development	298,676	564,447	364,980	342,817
City Administration	-	-	-	-
Finance Services	1,180,425	177,273	88,599	-
Operating Grants & Contributions	166,836	152,477	101,458	144,879
Capital Grants & Contributions	1,243,666	858,404	944,835	551,016
Total Governmental Activities Program	5,945,290	5,617,220	4,926,886	4,694,037
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	11,094,103	12,221,335	11,715,891	11,582,827
Storm Water Utility	587,074	552,916	655,400	667,215
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	1,255,490	1,303,744	581,490	192,927
Total Business-Type Activities Program	12,936,667	14,077,995	12,952,781	12,442,969
Total Primary Government Program	\$ 18,881,957	\$ 19,695,215	\$ 17,879,667	\$ 17,137,006
Net (Expense)/Revenue				
Governmental Activities	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)
Business-Type Activities	2,147,216	3,646,275	2,234,047	1,497,771
Total Primary Government Net Expense	\$ (10,116,525)	\$ (7,990,794)	\$ (10,983,657)	\$ (12,233,171)

Note:

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

TABLE D-2

	2014	2015	2016	2017	2018	2019
\$	8,558,062	\$ 8,937,222	\$ 9,331,392	\$ 10,464,824	\$ 12,945,976	\$ 13,272,969
	1,735,618	1,855,018	1,734,299	1,533,030	1,511,542	1,445,580
	4,655,417	4,661,909	4,471,115	4,534,197	1,595,297	2,915,701
	715,554	860,549	1,013,413	857,360	1,034,510	1,169,750
	1,854,669	1,873,459	2,032,778	1,940,255	2,128,443	2,660,731
	665,351	746,482	878,384	888,324	886,880	1,026,613
	702,883	613,346	747,838	844,665	828,591	1,201,636
	18,887,554	19,547,985	20,209,219	21,062,655	20,931,239	23,692,980
	10,645,670	11,107,570	12,157,058	12,098,839	12,342,091	12,540,351
	571,624	540,217	525,740	517,412	560,241	664,736
	11,217,294	11,647,787	12,682,798	12,616,251	12,902,332	13,205,087
\$	30,104,848	\$ 31,195,772	\$ 32,892,017	\$ 33,678,906	\$ 33,833,571	\$ 36,898,067
\$	3,595,280	\$ 3,516,328	\$ 3,960,494	\$ 3,934,109	\$ 3,351,543	\$ 4,557,446
	377,982	230,940	206,560	210,498	234,622	205,095
	111,242	209,723	59,205	156,559	207,711	554,556
	488,706	647,336	540,906	1,200,712	749,678	475,134
	94,979	92,142	105,401	93,302	83,042	54,317
	-	-	-	-	-	-
	284,954	299,613	189,114	97,506	277,286	842,958
	-	380,748	332,872	1,630,239	1,266,428	462,942
	4,953,143	5,376,830	5,394,552	7,322,925	6,170,310	7,152,448
	10,648,512	10,991,068	11,047,722	11,332,588	13,152,059	12,250,426
	680,128	692,943	703,783	727,197	719,458	727,497
	-	-	-	-	-	-
	176,068	607,013	1,448,393	2,997,195	937,813	1,320,436
	11,504,708	12,291,024	13,199,898	15,056,980	14,809,330	14,298,359
\$	16,457,851	\$ 17,667,854	\$ 18,594,450	\$ 22,379,905	\$ 20,979,640	\$ 21,450,807
\$	(13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,540,532)
	287,414	643,237	517,100	2,440,729	1,906,998	1,093,272
\$	(13,646,997)	\$ (13,527,918)	\$ (14,297,567)	\$ (11,299,001)	\$ (12,853,931)	\$ (15,447,260)

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	2010	2011	2012	2013
Governmental Activities	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)
Business-Type Activities	2,147,216	3,646,275	2,234,047	1,497,771
Total Primary Government Net Expense	(10,116,525)	(7,990,794)	(10,983,657)	(12,233,171)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes

Property Taxes	8,117,648	8,236,635	8,292,788	8,501,824
Sales Taxes	1,463,459	1,591,901	1,689,889	1,728,567
Franchise Taxes	919,700	1,083,786	1,065,097	967,846
Hotel Occupancy Taxes	-	-	-	-
Miscellaneous	20,050	34,555	143,809	38,121
Investment Earnings	207,718	98,471	63,010	49,427
Gain (Loss) on sale of Capital Assets	-	-	-	-
Special Item Outflow	-	(700,000)	(134,385)	8,556
Transfers	550,426	2,734,363	(269,093)	986,679
Total Governmental Activities	11,279,001	13,079,711	10,851,115	12,281,020

Business-Type Activities:

Miscellaneous	355,428	31,858	11,738	5,145
Investment Earnings	157,497	75,308	59,488	42,290
Gain (Loss) on sale of Capital Assets	-	-	-	-
Special Item Outflow	-	700,000	134,385	-
Transfers	(550,426)	(2,734,363)	269,093	(986,679)
Total Business-Type Activities	(37,501)	(1,927,197)	474,704	(939,244)
Total Primary Government	\$ 11,241,500	\$ 11,152,514	\$ 11,325,819	\$ 11,341,776

Change in Net Position

Governmental Activities	(984,740)	1,442,642	(2,366,589)	(1,449,922)
Business-Type Activities	2,109,715	1,719,078	2,708,751	558,527
Total Primary Government	\$ 1,124,975	\$ 3,161,720	\$ 342,162	\$ (891,395)

Note:

2012 is restated for implementation of GASB 63 and GASB 65.

Hotel Occupancy Tax was previously reported in the Sales Tax category.

Note: This information is presented using the accrual basis of accounting.

TABLE D-3

	2014	2015	2016	2017	2018	2019
\$	(13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,540,532)
	287,414	643,237	517,100	2,440,729	1,906,998	1,093,272
	(13,646,997)	(13,527,918)	(14,297,567)	(11,299,001)	(12,853,931)	(15,447,260)
	8,674,195	9,291,409	9,663,535	10,629,143	10,587,532	11,514,505
	1,822,924	1,889,020	2,023,059	2,253,805	2,370,316	2,463,471
	1,039,646	1,074,217	1,068,910	1,073,789	1,120,653	1,083,553
	-	67,833	79,007	77,673	61,181	82,835
	13,925	45,685	237,674	204,231	251,014	21,740
	53,968	55,043	87,433	228,971	57,042	455,456
	-	14,712	43,222	3,497	94,205	-
	-	-	-	-	-	-
	1,082,783	778,956	1,159,074	678,980	498,018	80,370
	12,687,441	13,216,875	14,361,914	15,150,089	15,039,961	15,701,930
	10,216	(391)	4,741	7,600	94,664	28,674
	29,280	18,423	26,328	43,692	6,748	263,798
	-	5,333	9,768	1,196	42,141	76,071
	-	-	-	-	-	-
	(1,082,783)	(778,956)	(1,159,074)	(678,980)	(498,018)	(80,370)
	(1,043,287)	(755,591)	(1,118,237)	(626,492)	(354,465)	288,173
\$	11,644,154	\$ 12,461,284	\$ 13,243,677	\$ 14,523,597	\$ 14,685,496	\$ 15,990,103
	(1,246,970)	(954,280)	(452,753)	1,410,359	279,032	(838,602)
	(755,873)	(112,354)	(601,137)	1,814,237	1,552,533	1,381,445
\$	(2,002,843)	\$ (1,066,634)	\$ (1,053,890)	\$ 3,224,596	\$ 1,831,565	\$ 542,843

CITY OF CORINTH, TEXAS*FUND BALANCES OF GOVERNMENTAL FUNDS**LAST TEN FISCAL YEARS**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**(Unaudited)*

General Fund	2010	2011	2012	2013
Reserved	\$ 143,025	\$ -	\$ -	\$ -
Non-Spendable	-	216,714	207,875	211,465
Unreserved	3,730,485	-	-	-
Unassigned	-	4,552,509	5,246,829	3,950,657
Total General Fund	\$ 3,873,510	\$ 4,769,223	\$ 5,454,704	\$ 4,162,122

All Other Governmental Funds

Reserved	\$ 4,666,027	\$ -	\$ -	\$ -
Restricted	-	4,427,759	2,304,546	2,199,692
Committed	-	1,170,771	1,885,185	3,286,748
Unreserved, Reported In:				
Special Revenue Funds	1,879,248	-	-	-
Capital Projects Funds	2,054,708	-	-	-
Unassigned		(268,858)	(351,404)	(441,149)
Total all other Governmental Funds	\$ 8,599,983	\$ 5,329,672	\$ 3,838,327	\$ 5,045,291

Note:

GASB 54 was implemented in 2011.

TABLE D-4

	2014	2015	2016	2017	2018	2019
\$	-	\$ -	\$ -	\$ -	\$ -	-
	222,652	244,486	439,146	195,750	251,776	155,611
	-	-	-	-	-	-
	3,587,445	3,482,449	3,295,962	5,243,056	5,184,229	4,929,660
\$	3,810,097	\$ 3,726,935	\$ 3,735,108	\$ 5,438,806	\$ 5,436,005	\$ 5,085,271
\$	-	\$ -	\$ -	\$ -	\$ -	-
	1,143,608	1,155,506	13,370,197	14,479,349	5,873,511	16,539,952
	4,067,270	2,946,280	2,623,387	2,703,352	3,156,896	3,485,998
	-	-	-	-	-	-
	-	-	-	-	-	-
	(579,436)	(480,444)	(442,236)	(298,848)	(389,299)	-
\$	4,631,442	\$ 3,621,342	\$ 15,551,348	\$ 16,883,853	\$ 8,641,108	\$ 20,025,950

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Revenues	2010	2011	2012	2013
Taxes	\$ 10,530,117	\$ 10,911,621	\$ 11,048,433	\$ 11,210,497
Licenses, Fees and Permits	304,009	1,091,761	661,689	285,165
Fines & Penalties	652,755	634,141	577,101	974,231
Charges for Services	3,529,997	2,547,590	2,531,739	2,534,668
Investment Earnings	207,717	98,470	63,010	49,427
Donations	713,564	1,012,607	947,567	571,827
Special Assessments	110,972	-	-	-
Intergovernmental	269,142	-	-	-
Other Revenues	63,697	160,522	205,271	190,849
Total Revenues	16,381,970	16,456,712	16,034,810	15,816,664
Expenditures				
Public Safety	8,241,429	8,073,621	7,520,802	8,393,476
Community Services	1,825,414	1,752,265	1,794,276	2,113,911
Public Works	876,510	1,640,574	1,222,644	878,847
Planning & Development	872,953	699,586	751,109	727,249
City Administration	1,659,476	1,454,431	1,444,883	1,591,760
Finance Services	672,763	614,157	641,484	655,646
General Government	-	-	-	-
Capital Outlay	6,098,235	5,122,041	890,602	27,648
Debt Service				
Principal	1,480,700	1,456,375	1,534,125	1,743,686
Interest	870,581	847,405	813,965	756,738
Bond Issuance Costs	27,827	-	-	-
Total Expenditures	22,625,888	21,660,455	16,613,890	16,888,961
Other Financing Sources (Uses)				
Bonds Issued	1,500,000	-	-	-
Payments to Escrow Agent	-	-	-	-
Bond Premium/Discount	-	-	-	-
Capital Lease	-	-	-	-
Sale of Capital Assets	-	-	42,309	-
Transfers In/Out	550,426	2,734,363	(269,093)	986,679
Total Other Financing Sources (Uses)	2,050,426	2,734,363	(226,784)	986,679
Net Change in Fund Balances	\$ (4,193,492)	\$ (2,469,380)	\$ (805,864)	\$ (85,618)

Debt service as a percentage of noncapital expenditures

15.16% 15.51% 15.68% 18.23%

The Debt Service ratio to noncapital expenditures is calculated by dividing debt service expenditures by noncapital expenditures (Exhibit A-6).

TABLE D-5

	2014	2015	2016	2017	2018	2019
\$	11,538,485	\$ 12,329,258	\$ 12,807,008	\$ 14,034,768	\$ 14,100,926	\$ 15,198,411
	903,407	1,050,172	797,332	1,557,520	1,170,581	1,366,719
	723,174	682,284	712,852	619,747	758,997	1,240,152
	2,826,329	3,132,880	3,159,963	3,063,911	3,325,163	2,709,304
	53,967	55,043	87,433	204,231	251,014	455,456
	89,514	96,633	186,220	94,185	1,542,462	556,586
	-	-	-	-	-	-
	-	-	-	-	-	-
	82,083	123,070	292,949	324,855	352,973	410,223
	16,216,959	17,469,340	18,043,757	19,899,217	21,502,116	21,936,851
	9,422,471	9,167,774	9,702,983	9,234,496	10,620,034	10,441,255
	2,405,814	1,765,661	1,507,526	1,353,153	1,428,385	1,447,632
	1,483,829	2,600,403	1,721,981	1,086,857	886,891	1,151,389
	718,253	871,281	981,151	874,835	1,040,104	1,129,699
	1,636,334	1,766,937	2,173,809	1,777,956	2,114,840	2,526,410
	652,321	732,037	862,114	862,354	893,640	1,014,807
	-	-	-	-	-	-
	-	-	3,727,303	4,958,837	7,965,300	2,649,662
	1,892,482	1,836,489	1,806,587	1,542,615	1,375,785	1,769,461
	694,004	627,358	784,585	1,109,103	1,064,269	981,456
	-	-	-	232,870	10,440	164,276
	18,905,508	19,367,940	23,268,039	23,033,076	27,399,688	23,276,047
	-	-	17,116,713	13,017,245	-	10,754,800
	-	-	(1,179,213)	(7,542,236)	-	-
	-	-	-	-	-	608,543
	-	-	-	-	-	800,928
	839,890	26,382	65,887	16,073	182,498	128,663
	1,082,783	778,956	1,159,074	678,980	(2,373,559)	80,370
	1,922,673	805,338	17,162,461	6,170,062	(2,191,061)	12,373,304
\$	(765,876)	\$ (1,093,262)	\$ 11,938,179	\$ 3,036,203	\$ (8,088,633)	\$ 11,034,108
	16.04%	15.03%	15.45%	17.73%	13.27%	14.41%

CITY OF CORINTH, TEXAS

TABLE D-6

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales & Hotel Tax	Franchise Tax	Total
2010	8,142,985	1,463,459	923,673	10,530,117
2011	8,235,934	1,591,901	1,083,786	10,911,621
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
Percent Change 2010-2019	42.07%	73.99%	17.31%	44.33%

CITY OF CORINTH, TEXAS

TABLE D-7

*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS*

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2010	1,153,359,201	325,754,337	92,100,190	1,387,013,348	0.57698	1,387,013,348	100.000%
2011	1,252,309,929	234,688,468	96,489,458	1,390,508,939	0.59292	1,390,508,939	100.000%
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.000%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.000%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.000%
2015	1,267,097,852	326,129,542	59,168,386	1,534,059,008	0.59489	1,652,395,780	92.838%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.528%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.363%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.088%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.953%

CITY OF CORINTH, TEXAS

TABLE D-8

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS*

Fiscal Year	City Property Tax Rate			Overlapping Rates			
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2010	0.43852	0.13846	0.57698	1.49000	1.65000	0.21000	0.27390
2011	0.44946	0.14346	0.59292	1.53000	1.67000	0.15000	0.27740
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	-	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	-	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	-	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	-	0.22560

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS

TABLE D-9

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>
Boulevard 2010 LLC	26,178,509	1	1.34%			
Denton County Electric Coop	22,309,376	2	1.14%	8,848,065	2	0.65%
Oncor Electric Delivery Co	13,757,630	3	0.70%	11,975,910	1	0.87%
CoSer Electric Coop	12,864,600	4	0.66%			
Oxford 2181 Inc	12,709,643	5	0.65%			
Tower Ridge Corinth I, LTD	8,682,463	6	0.44%	6,286,410	4	0.46%
HEB Grocery Company LP	8,261,218	7	0.42%			
Utter, Bill	8,093,666	8	0.41%	7,084,045	5	0.52%
Anixter Inc	7,582,667	9	0.39%	6,171,760	6	0.45%
Kensington Square LP PS	7,497,667	10	0.38%			
Med Partners Management LLS				7,847,237	3	0.57%
North Texas Nissan Realty, Inc				5,447,884	7	0.40%
Labinal - Corinth, Inc				5,197,671	8	0.38%
Orr Motors of Corinth Inc				5,147,432	9	0.38%
Corinth Autumn Oaks, LP				4,288,204	10	0.31%
Total	\$ 127,937,439		6.55%	\$ 68,294,618		4.99%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE D-10

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	8,124,258	8,023,338	98.76%	100,109	8,123,447	99.99%
2011	8,222,763	8,121,978	98.77%	98,212	8,220,190	99.97%
2012	8,300,538	8,207,634	98.88%	90,365	8,297,999	99.97%
2013	8,453,267	8,425,528	99.67%	25,167	8,450,695	99.97%
2014	8,663,332	8,630,897	99.63%	29,953	8,660,850	99.97%
2015	9,187,621	9,160,871	99.71%	21,819	9,182,690	99.95%
2016	9,594,646	9,568,054	99.72%	20,187	9,588,241	99.93%
2017	10,467,690	10,432,195	99.66%	27,181	10,459,376	99.92%
2018	10,503,022	10,472,993	99.71%	19,707	10,492,700	99.90%
2019	11,487,858	11,458,626	99.75%	-	11,458,626	99.75%

Note:

Current year original tax levy net of supplements and adjustments in current tax year.
Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

TABLE D-11

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax
2010	1.00%	0.25%	0.50%	0.25%
2011	1.00%	0.25%	0.50%	0.25%
2012	1.00%	0.25%	0.50%	0.25%
2013	1.00%	0.25%	0.50%	0.25%
2014	1.00%	0.25%	0.50%	0.25%
2015	1.00%	0.25%	0.50%	0.25%
2016	1.00%	0.25%	0.50%	0.25%
2017	1.00%	0.25%	0.50%	0.25%
2018	1.00%	0.25%	0.50%	0.25%
2019	1.00%	0.25%	0.50%	0.25%

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2010	2011	2012	2013
Construction	311,261	942,329	2,146,600	2,781,669
Manufacturing	923,369	738,294	484,720	442,231
Utilities	90,520,993	90,939,863	82,316,673	92,911,304
Wholesale Trade	3,213,997	4,319,250	2,532,277	3,100,915
Retail Trade	20,762,549	22,852,835	26,103,441	26,504,414
Services	4,879,098	5,710,772	6,865,632	6,730,599
Other	19,772,152	21,602,742	23,290,303	24,190,424
Total	140,383,419	147,106,085	143,739,646	156,661,556
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note:

Sales tax for 2019 reports first two quarters only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

TABLE D-12

2014	2015	2016	2017	2018	2019
2,318,987	4,309,632	4,700,702	3,994,986	2,328,556	1,830,183
626,667	481,999	753,527	614,605	1,253,393	894,828
109,928,880	110,581,672	104,636,898	115,420,823	125,970,925	59,044,993
3,088,654	7,617,017	7,302,049	10,649,928	8,692,469	4,552,558
27,888,328	29,287,734	30,504,049	33,210,828	34,016,051	16,812,603
7,243,623	7,228,816	7,686,622	7,466,146	8,497,374	4,244,162
24,648,881	25,034,737	25,575,315	27,498,369	34,467,334	16,772,229
175,744,020	184,541,607	181,159,162	198,855,685	215,226,102	104,151,556
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF CORINTH, TEXAS

TABLE D-13

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Other Governmental Activities Debt	
	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt			Capital Leases	
2010	10,106,450	9,364,000	19,470,450	1.40%	977	-	
2011	9,082,075	10,860,931	19,943,006	1.43%	988	-	
2012	8,004,950	9,309,385	17,314,335	1.24%	848	-	
2013	6,887,875	8,682,775	15,570,650	1.11%	756	-	
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058	
2015	4,611,500	7,388,904	12,000,404	0.78%	573	683,391	
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191	
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	

Fiscal Year	Business-Type Activities				Capital Leases	Total Primary Government	Per Capita Primary Government	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total					
2010	1,923,550	12,956,000	14,879,550	-	-	34,350,000	1,723	4.64%
2011	1,777,925	10,509,069	12,286,994	-	-	32,230,000	1,597	4.30%
2012	1,625,050	11,060,615	12,685,665	-	-	30,000,000	1,469	4.15%
2013	1,467,125	10,492,224	11,959,349	-	-	27,529,999	1,337	3.67%
2014	1,307,000	9,898,002	11,205,002	-	-	25,723,058	1,235	3.30%
2015	1,063,500	9,341,096	10,404,596	-	-	23,088,391	1,102	2.87%
2016	816,075	8,752,609	9,568,684	-	-	34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	-	51,127,635	2,343	5.63%

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE D-14

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Total General Bonded Debt	Percent of Actual Taxable Value of Property	Per Capita
2010	12,030,000	22,320,000	34,350,000	2.48%	1,723
2011	10,860,000	21,370,000	32,230,000	2.32%	1,597
2012	9,630,000	20,370,000	30,000,000	2.16%	1,469
2013	8,355,000	19,174,999	27,529,999	1.97%	1,337
2014	7,045,000	17,920,000	24,965,000	1.74%	1,199
2015	5,675,000	16,730,000	22,405,000	1.36%	1,069
2016	4,275,000	28,854,997	33,129,997	1.87%	1,572
2017	15,695,000	20,963,571	36,658,571	1.86%	1,724
2018	13,465,003	18,270,001	31,735,004	1.48%	1,489
2019	11,250,003	37,375,001	48,625,004	2.07%	2,229

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013
Debt Limit	\$ 138,701,335	\$ 139,050,693	\$ 139,178,661	\$ 139,721,850
Total Net Debt Applicable to Limit	<u>30,682,714</u>	<u>28,552,904</u>	<u>28,999,184</u>	<u>26,529,182</u>
Legal Debt Margin	<u>\$ 108,018,621</u>	<u>\$ 110,497,789</u>	<u>\$ 110,179,477</u>	<u>\$ 113,192,668</u>
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	22.12%	20.53%	20.84%	18.99%

Source: City of Corinth Finance department

TABLE D-15

2014	2015	2016	2017	2018	2019
\$ 143,078,278	\$ 165,239,578	\$ 163,852,059	\$ 179,938,315	\$ 195,265,479	\$ 215,928,128
24,636,963	22,180,581	32,782,746	33,639,319	31,435,810	48,282,291
\$ 118,441,315	\$ 143,058,997	\$ 131,069,313	\$ 146,298,996	\$ 163,829,669	\$ 167,645,837
17.22%	13.42%	20.01%	18.69%	16.10%	22.36%

Assessed Value	\$ 2,159,281,283
Debt Limit (10% of Assessed Value)	215,928,128
Debt Applicable to Limit:	
Total Debt Outstanding	48,625,004
Less: Amount Set Aside for Repayment of Debt	<u>342,713</u>
Total Net Debt applicable to Limit	<u>48,282,291</u>
Legal Debt Margin	<u><u>\$ 167,645,837</u></u>

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

TABLE D-16

Governmental Unit	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	\$ 627,060,000	2.12%	\$ 13,293,672
Denton ISD	1,131,969,104	6.11%	\$ 69,163,312
Lake Dallas ISD	153,025,180	45.81%	\$ 70,100,835
Subtotal, Overlapping Debt			152,557,819
City Direct Debt (2)			<u>36,773,241</u>
Total Direct and Overlapping Debt			<u>\$ 189,331,060</u>
Total Direct and Overlapping Debt % of AV			8.77%
Total Direct and Overlapping Debt per Capita			\$ 8,677

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses 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 overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Does not include self-supporting debt.

CITY OF CORINTH, TEXAS

TABLE D-17

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population [1]	19,935	20,177	20,424	20,597	20,824	20,957	21,078	21,269	21,320	21,819
Median Household Income [2]	96,653	99,127	101,176	104,211	106,877	109,543	112,169	114,412	117,180	120,142
Per Capita Personal Income	37,097	37,135	35,388	36,450	37,411	38,372	39,357	40,144	40,683	41,616
Median Age	32	33	36	36	36	36	36	36	36	37
Education Level [3]										
School Enrollment	3,465	3,338	3,533	3,398	3,490	3,582	3,408	3,514	3,547	3,506
High school graduate or higher	96%	96%	96%	97%	97%	97%	97%	96%	96%	93%
Bachelor's degree or higher	42%	42%	43%	40%	42%	42%	40%	40%	40%	39%
Unemployment [4]	7.10%	6.60%	5.70%	5.30%	4.40%	4.40%	3.80%	3.10%	2.90%	3.00%

[1] The figure for 2018 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA).

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2019			2010		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
North Central Texas College	250	1	3.53%	210	3	4.84%
Lake Dallas ISD	203	2	2.86%			
Denton ISD	194	3	2.74%			
City of Corinth	164	4	2.31%	158	4	3.64%
Bill Utter Ford	158	5	2.23%	110	7	2.54%
Denton Area Teachers Credit Union	104	6	1.47%			
Albertsons	100	7	1.41%	120	6	2.77%
Huffines Kia and Subaru	100	8	1.41%			
Oakmont Country Club	74	9	1.04%			
Gunn Nissan	53	10	0.75%			
CoServ			0.00%	350	2	8.07%
Labinal				725	1	16.72%
Atrium Hospital				150	5	3.46%
Ashton Gardens				50	8	1.15%
Harley Davidson				50	9	1.15%
Total	1,400		19.74%	1,923		44.34%

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

TABLE D-19

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	1.00	1.00	1.00	-	-	-	-	-	-	-
Police	28.00	28.00	28.00	31.00	32.00	33.00	34.00	35.00	35.00	37.00
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00	-
Lake Cities Fire Department	41.00	41.00	40.00	40.00	41.00	41.00	41.00	44.00	53.00	53.00
Streets	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Community Development	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Planning	4.00	4.00	3.00	4.00	5.00	5.00	5.00	5.00	6.00	6.00
Municipal Court	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Parks & Recreation	17.80	17.80	17.50	17.50	16.00	16.00	14.00	9.00	11.00	11.00
Finance	6.50	6.50	6.50	6.50	7.50	7.50	7.50	7.50	6.50	6.50
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Information Services	2.50	2.50	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00
Water/Wastewater Fund										
Water/Wastewater	21.00	21.00	21.00	21.00	21.00	22.00	22.00	19.00	19.00	19.00
Engineering	-	-	-	-	-	-	-	4.00	4.00	4.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Corp.	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crime Control District Fund	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Child Safety Program Fund	0.34	0.34	0.34	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Court Security Fund	-	-	-	-	-	0.50	0.50	-	-	-
Total	158.64	158.64	156.84	159.00	162.50	163.00	163.00	162.00	174.00	174.00

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE D-20

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
New Single Family Home Building Permits	25	32	18	18	23	47	53	63	75	-
New Commercial Building Permits	2	2	2	-	4	5	7	13	4	-
Police										
Physical Arrests	516	410	349	316	304	329	426	513	458	290
Parking Violations	20	38	14	3	7	22	-	-	-	-
Traffic Violations	6,046	5,544	5,787	7,021	7,436	7,196	6,013	6,573	7,158	5,848
Fire										
Emergency Responses	2,422	2,600	2,655	2,889	3,164	3,372	3,475	3,237	3,246	3,546
Structure Fires Extinguished	56	66	49	36	21	18	37	26	34	43
Inspections	376	395	180	621	434	204	403	403	490	641
Other Public Works										
Street Resurfacing (miles)	2.5	2.7	1.5	<1	<1	<1	<1	<1	<1	<1
Potholes Repaired	637	1,160	2,948	120	77	244	126	96	226	200
Parks and Recreation										
Classes offered (hours)	894	454	273	286	437	310	72	68	60	72
Participants	4,420	4,105	1,936	2,225	3,822	6,609	320	224	208	315
Special events (hours)	1,351	4,484	1,054	2,381	3,432	2,699	3,530	3,378	3,773	3,197
Class Participants	31,409	39,567	8,312	4,714	5,185	2,394	3,375	3,209	3,315	3,040
Association Participants	115,910	126,940	25,236	20,327	18,806	29,792	26,766	21,012	-	-
Athletic League Participants	-	-	67,056	32,022	22,944	7,936	-	-	-	-
Recreation center Participants	5,327	4,243	7,610	8,088	4,862	2,510	-	-	-	-
Water										
New Connections	35	50	18	19	26	56	44	105	125	65
Water Main Breaks	9	8	3	13	9	8	6	5	7	5
Average Daily Consumption (millions of gallons billed)	2.24	3.77	4.24	3.66	3.16	3.54	2.56	2.51	2.69	2.23
Peak Demand (millions of gallons pumped)	6.36	7.99	7.32	6.08	6.01	6.71	6.84	5.79	7.81	5.99
Wastewater										
New Connections	35	43	18	19	23	51	35	92	116	57
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.20	1.02	1.10	1.08	1.06	1.19	1.40	1.24	1.27	1.35
City of Denton (estimate)	0.92	0.30	1.78	0.25	0.29	0.20	0.25	0.78	0.26	0.25

Note:

In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.

In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation.

In 2014-15 the City turned over the baseball program to the Softball Association.

The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE D-21

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	18
Fire Stations	2	2	2	2	2	2	2	2	3	3
Other Public Works										
Streets (miles) [1]	110.50	110.50	88.99	88.99	88.99	88.99	88.99	92.37	92.43	92.66
Highways (miles) [2]	3.10	3.10	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	2	6	7	8	8	8	8	8	8	-
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	11	11
Baseball/Softball Fields	8	8	8	8	9	9	9	9	9	9
Soccer/Football Fields	6	6	6	8	8	8	8	8	8	8
Recreation Centers [4]	2	2	2	2	2	2	1	1	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,766	6,780	6,809	6,810	6,831	6,977	7,016	7,113	7,203	7,279
Water Mains (miles)	106.14	108.06	110.40	110.63	111.77	112.70	113.48	115	118	120
Fire Hydrants	785	787	810	822	826	836	855	883	896	927
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	6.00	7.50	7.50	7.50	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,433	6,512	6,537	6,536	6,573	6,705	6,736	6,818	6,903	6,979
Sanitary Sewers (miles)	96.38	97.64	97.88	98.33	98.09	98.30	98.99	102.19	102.34	103.17
Storm Sewers (miles)	35.30	36.85	38.37	38.73	38.71	39.80	40.59	41.49	41.66	42.70
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82

Note:

[1] The reduction in streets is due to the elimination of unpaved streets from the database.

[2] The increase in highways is due to the addition of the northbound and southbound roadways.

[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

[4] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.

Source: Various City of Corinth departments.

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Finance Audit Committee Regular Session

Meeting Date: 02/20/2020
Title: First Quarter Investment Report
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Chris Rodriguez, Financial Services Manager
Finance Review: N/A **Legal Review:** N/A

AGENDA ITEM

Consider and act on the Fiscal Year 2019-2020 First Quarter Investment Report

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with Public Funds Investment Act, Chapter 2256, Section 02399(a), of the Texas Government Code, the investment officer must prepare and submit to the governing body a written report of the investment transactions not less than quarterly. The report must summarize current market conditions, economic developments, and anticipated investment conditions and include the following:

1. A listing of individuals securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired.
2. Unrealized gain or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services, independent from the broker/dealer from which the security was purchased.
3. Additions and changes to the market value during the period.
4. Fully accrued interest for the reporting period.
5. Average weighted yield to maturity of portfolio on entity investments, as compared to applicable benchmarks.
6. Listing of investments by maturity date.
7. The percentage of the total portfolio which each type of investment represents; and
8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
9. Market yield benchmark comparison of the average 90-days U.S. Treasury Bill auction yield during the reporting period.

RECOMMENDATION

Staff recommends the acceptance of the First Quarter Investment Report.

Attachments

1st Qtr Investment Report

CITY OF CORINTH
QUARTERLY INVESTMENT REPORT
For Quarter Ending December 2019

Security Type	% of Mkt to Book	Par Value	Book Value	Market Value
U. S. Federal Agency-Coupon	100.29%	\$ 6,625,000	\$ 6,614,148	\$ 6,633,043
U.S. Federal Agency -Callable	100.10%	5,500,000	5,497,325	5,502,650
Managed Pools	100.00%	23,706,837	23,706,837	23,706,837
Money Market	100.00%	297,204	297,204	297,204
Bank Cash	100.00%	12,061,259	12,061,259	12,061,259
	<u>100.05%</u>	<u>\$ 48,190,301</u>	<u>\$ 48,176,774</u>	<u>\$ 48,200,993</u>

PORTFOLIO SUMMARY REPORT

Ending Par Value as of 9/31/2019	\$ 42,236,622
Ending Book Value as of 9/31/2019	\$ 42,217,674
Ending Market Value as of 9/31/2019	\$ 42,252,379
WAM at Ending Date (Days)	146
Ending Par Value as of 12/31/2019	\$ 48,190,301
Ending Book Value as of 12/31/2019	\$ 48,176,774
Ending Market Value as of 12/31/2019	\$ 48,200,993
WAM at Ending Date (Days)	104
Change to Market Value ⁽¹⁾	\$ 5,948,614

⁽¹⁾ The net increase in the Change to Market Value is due to the receipt of property tax revenue. The City receives the majority of its' property tax revenue during the months of December and January.

This report is prepared in accordance with Chapter 2256 of the Public Funds Investment Act ("PFIA") Section 2256.023(a) which states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter or the preceding reporting period."

The investment portfolio complied with the PFIA and the City's approved Investment Policy and Strategy throughout the period.

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Chris Rodriguez
Assistant Finance Director

Investment Strategies Compliance Report
For Quarter Ending December 2019

OPERATING FUNDS

The investment strategy for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to structure a portfolio, which will minimize volatility during economic cycles. This may be accomplished by purchasing high quality, short-term securities, which will compliment each other in a laddered maturity structure. A dollar-weighted average maturity of 270 days or less will be maintained and calculated by using the stated final maturity date of each security.

Ending Book Value as of 9/31/2019	\$	11,117,809
Ending Market Value as of 9/31/2019	\$	11,129,907
WAM at Beginning Date (Days)		94
Ending Book Value as of 12/31/2019	\$	15,296,178
Ending Market Value as of 12/31/2019	\$	15,307,643
Unrealized Gain/(Loss)	\$	11,464
Change to Market Value	\$	4,177,736
		(1)
WAM at Ending Date (Days)		32
WAM Policy Benchmark \leq		270

(1) The net increase in the Change to Market Value is due to the receipt of property tax revenue. The City receives the majority of their property tax revenue during the months of December and January.

DEBT SERVICE RESERVE FUNDS

Investment strategies for debt service reserve and contingency funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.

Ending Book Value as of 9/31/2019	\$	295,897
Ending Market Value as of 9/31/2019	\$	295,897
WAM at Beginning Date (Days)		1
Ending Book Value as of 12/31/2019	\$	2,801,522
Ending Market Value as of 12/31/2019	\$	2,801,522
Unrealized Gain/(Loss)	\$	-
Change to Market Value	\$	2,505,625
		(2)
WAM at Ending Date (Days)		1
WAM Policy Benchmark \leq		365

(2) The increase in the Change to Market Value is due to the receipt of property tax revenue in December and the creation of four new reserve funds, Rate Stabilization, General Asset Management Reserve, Utility Asset Management Reserve and Drainage Asset Management Reserve. As part of the current budget \$250,000 was transferred into each of the Asset Management Reserve Funds from the corresponding operating funds and \$100,000 was transferred into the Rate Stabilization fund from the Utility Fund.

Investment Strategies Compliance Report
For Quarter Ending December 2019

BOND / CAPITAL PROJECT FUNDS

Investment strategies for bond / capital project funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity of each security.

Ending Book Value as of 9/31/2019	\$	28,632,273
Ending Market Value as of 9/31/2019	\$	28,652,380
WAM at Beginning Date (Days)		173
Ending Book Value as of 12/31/2019	\$	28,419,689
Ending Market Value as of 12/31/2019	\$	28,430,644
Unrealized Gain/(Loss)	\$	10,955
Change to Market Value ⁽¹⁾	\$	(221,736)
WAM at Ending Date (Days)		152
WAM Policy Benchmark ≤		365

⁽¹⁾ There is no significant change the Change to Market Value.

SPECIAL REVENUE FUNDS

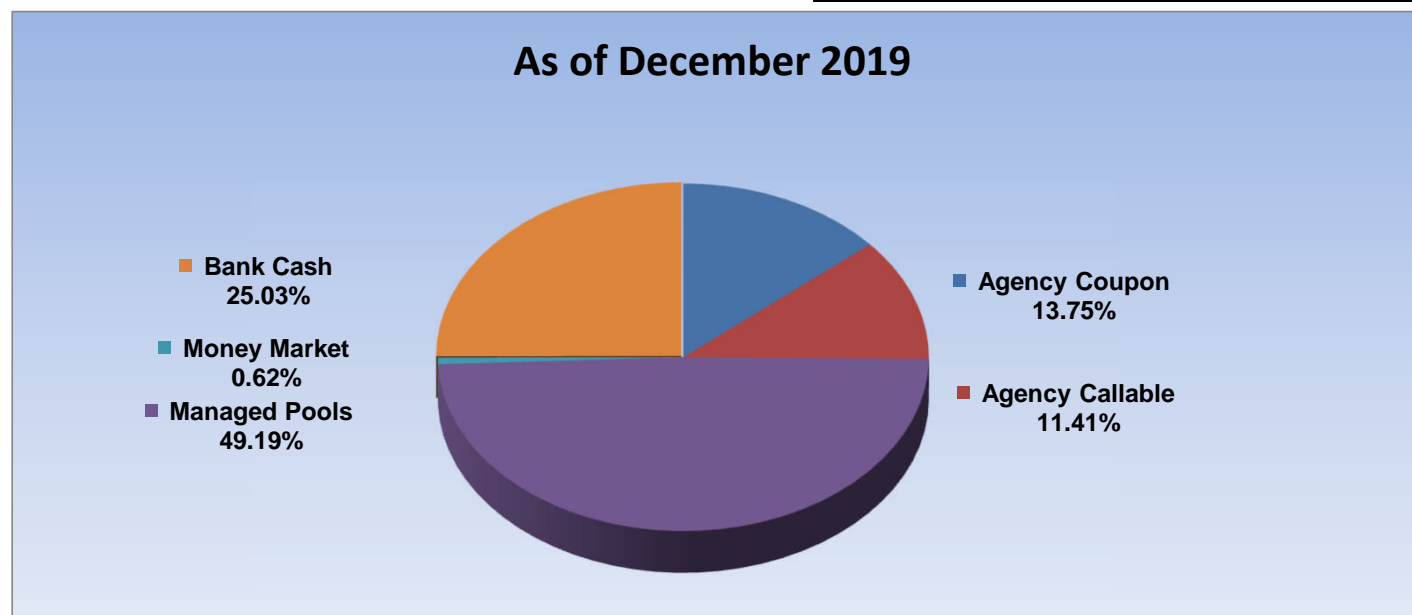
Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A dollar weighted average maturity of 270 days or less will be maintained and calculated by using the stated final maturity of each security.

Ending Book Value as of 9/31/2019	\$	2,171,696
Ending Market Value as of 9/31/2019	\$	2,174,196
WAM at Beginning Date (Days)		96
Ending Book Value as of 12/31/2019	\$	1,659,385
Ending Market Value as of 12/31/2019	\$	1,661,185
Unrealized Gain/(Loss)	\$	1,800
Change to Market Value ⁽²⁾	\$	(513,011)
WAM at Ending Date (Days)		54
WAM Policy Benchmark ≤		270

⁽²⁾ The net decrease in the Change to Market Value is due to the budgeted transfer of \$696,000 from the Wastewater Impact Fee Fund to the bond funds for the Parkridge sewer line.

For Quarter Ending December 2019
Portfolio Summary By Market Sector

Market Sector	Oct-19	Nov-19	Dec-19
U.S. Federal Agency -Coupon	\$ 6,625,000	\$ 6,625,000	6,625,000
U.S. Federal Agency-Callable	4,000,000	3,500,000	5,500,000
Managed Pools	18,654,529	18,679,332	23,706,837
Money Market	296,336	296,763	297,204
Bank Cash	12,047,795	12,108,516	12,061,259
Total Par Value:	\$ 41,623,661	\$ 41,209,610	\$ 48,190,301



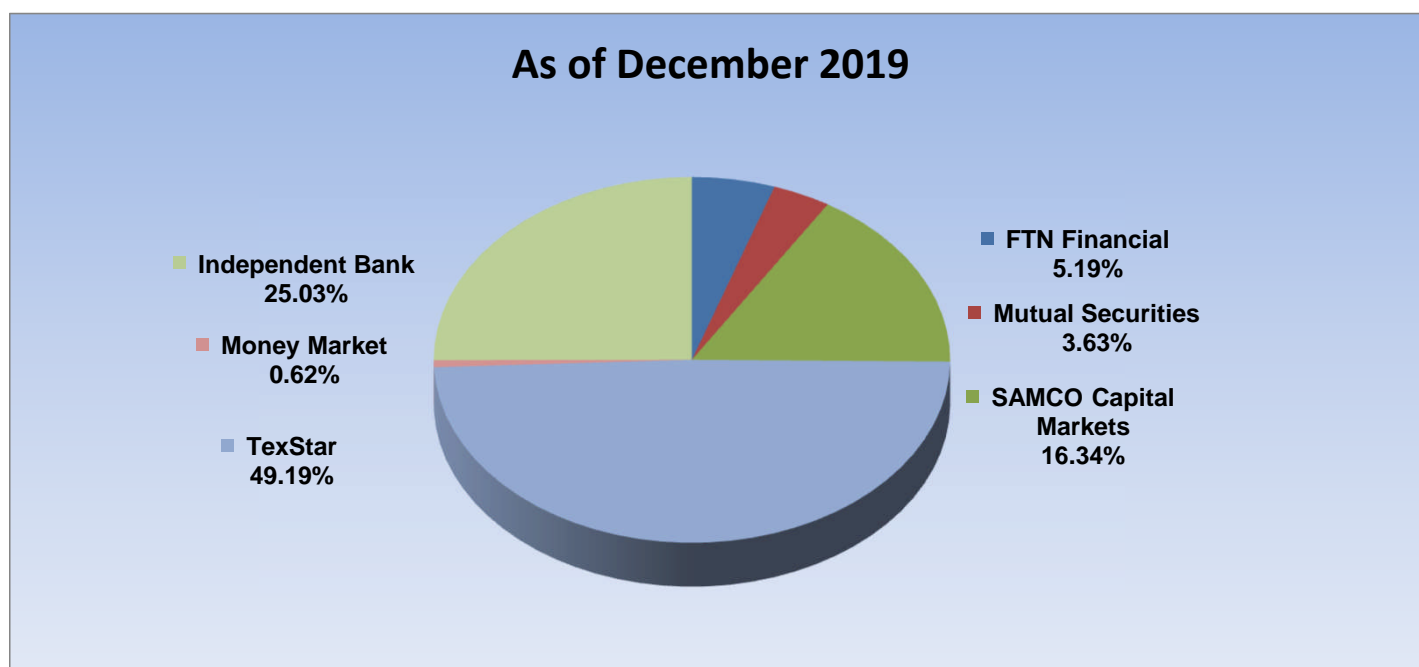
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Average Yield to Maturity		1.927%	1.820%	1.769%
≥ Policy Benchmark-(Six Month T-Bill)		1.659%	1.580%	1.573%
Callable Securities ≤	30.00%	9.61%	8.49%	11.41%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	25.53%	24.57%	25.16%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	50.00%	44.82%	45.33%	49.19%
Money Market	50.00%	0.71%	0.72%	0.62%
Cash	100.00%	28.94%	29.38%	25.03%

Note: The callable securities are below the benchmark for the quarter. The portfolio's Average Yield to Maturity is above the policy benchmark for this quarter.

For Quarter Ending December 2019
Portfolio Summary By Broker/Dealer

	Oct-19	Nov-19	Dec-19
Broker/Dealer			
FTN Financial	\$ 2,500,000	\$ 2,000,000	\$ 2,500,000
Mutual Securities	1,750,000	1,750,000	1,750,000
SAMCO Capital Markets	6,375,000	6,375,000	7,875,000
Total Broker/Dealer	\$ 10,625,000	\$ 10,125,000	\$ 12,125,000
Managed Pools/ Depository Bank			
TexStar	\$ 18,654,529	\$ 18,679,332	\$ 23,706,837
Money Market	296,336	296,763	297,204
Independent Bank	12,047,795	12,108,516	12,061,259
Total Managed Pools/Depository Bank	\$ 30,998,661	\$ 31,084,610	\$ 36,065,301
Total Par Value:	\$ 41,623,661	\$ 41,209,610	\$ 48,190,301

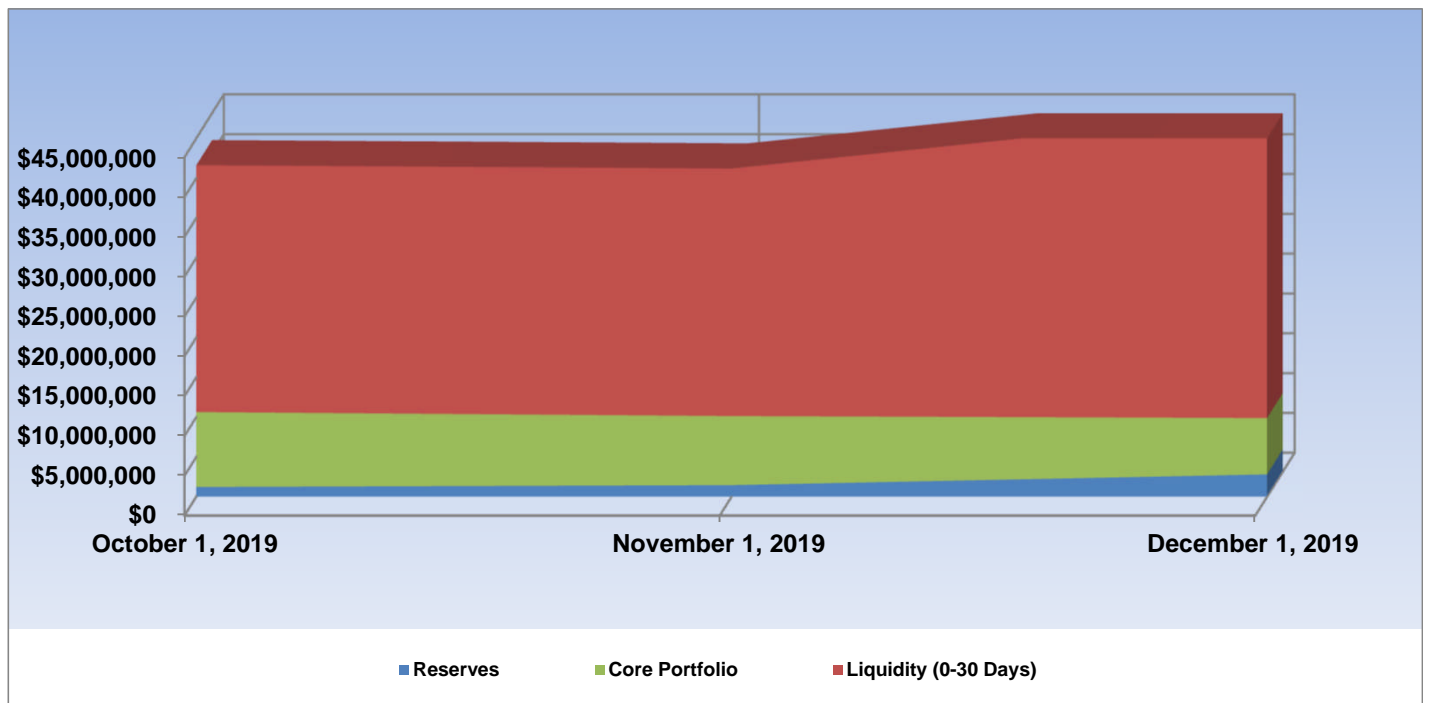


To guard against default possibilities, and to promote diversification of bidders, business with any one issuer, or investment broker, is limited to forty (40%) percent of the total portfolio at any point in time. As shown in the table below, the portfolio adhered to this provision throughout the quarter.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Highest Broker Percent ≤	40.00%	15.32%	15.47%	16.34%

For Quarter Ending December 2019
Portfolio Summary By Maturity

Maturity Time Frame	Oct-19	Nov-19	Dec-19
0-30 Days	\$ 30,998,661	\$ 31,084,610	\$ 38,315,301
31-90 Days	2,250,000	2,575,000	2,775,000
91-180 Days	2,775,000	2,450,000	-
181-270 Days	875,000	875,000	875,000
271-360 Days	-	-	-
361-450 Days	1,500,000	1,725,000	1,725,000
451-540 Days	2,225,000	1,500,000	1,500,000
541 & Over	1,000,000	1,000,000	3,000,000
	\$ 41,623,661	\$ 41,209,610	\$ 48,190,301



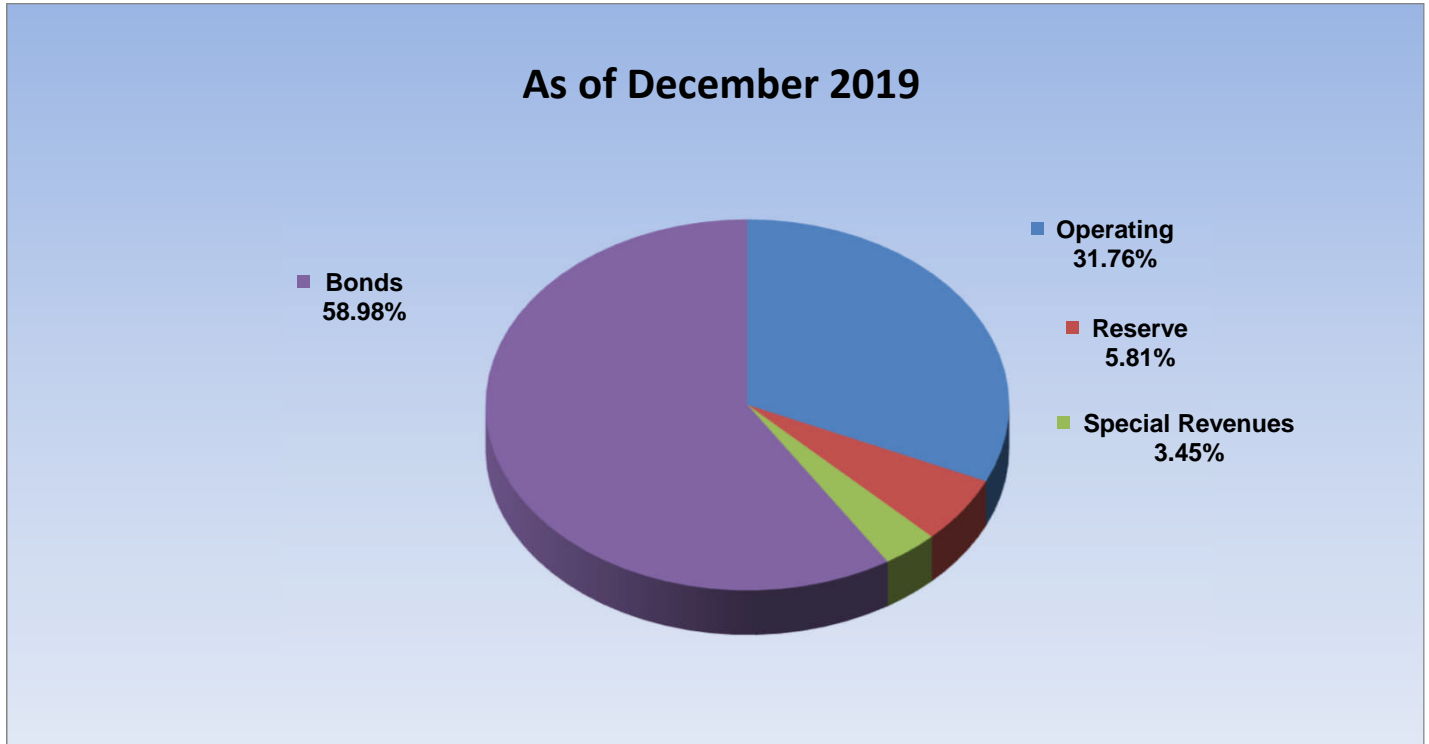
The risk of market price volatility is minimized through maturity diversification. The maturities on our investments are staggered over a series of three-month increments to provide cash flow based on the anticipated needs of the City. Liquidity is achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Short-term investment pools and money market funds provide daily liquidity and are utilized as a competitive yield alternative to fixed maturity investments.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Weighted Avg. Maturity ≤	365 Days	78	66	104
Maturities ≤ 30 days ≥	5.00%	74.47%	75.43%	79.51%

Note: The portfolio is below the benchmark for Weighted Average Maturity (WAM).

For Quarter Ending December 2019
Portfolio Summary By Fund Type

Fund Type	Oct-19	Nov-19	Dec-19
Operating	\$ 9,818,694	\$ 9,619,160	\$ 15,305,701
Debt Service Reserve	1,222,404	1,451,056	2,801,522
Special Revenues	2,048,771	2,067,422	1,659,385
Bond / Capital Projects	28,533,792	28,071,972	28,423,693
	\$ 41,623,661	\$ 41,209,610	\$ 48,190,301



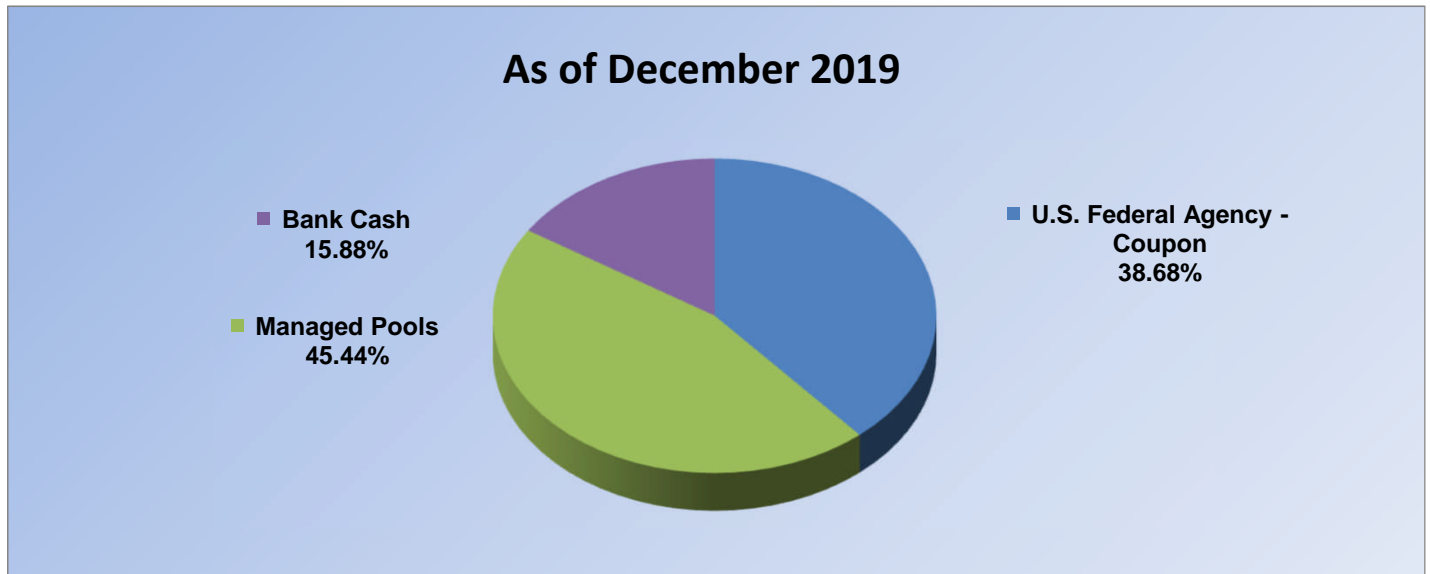
As shown in the graph above, the investments in the portfolio are distributed by fund type. Preservation and safety of principal of these investments is the most important strategy. All investments shall be high quality securities with no perceived default risk. Market fluctuations will occur; however, by managing the weighted-average days to maturity (WAM) for each fund type, losses are minimized.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
WAM by Fund ≤				
Operating	270 Days	87	61	32
Debt Service Reserve	365 Days	1	1	1
Special Revenues	270 Days	74	59	54
Bond /Capital Projects	365 Days	75	70	152

Note: The Weighted Average Maturity (WAM) for all of the funds are below the benchmark.

For Quarter Ending December 2019
Corinth Economic Development Corporation
Portfolio Summary

Market Sector	Oct-19	Nov-19	Dec-19
U.S. Federal Agency -Coupon	\$ 500,000	\$ 500,000	\$ 500,000
U.S. Federal Agency -Callable	-	-	-
Managed Pools	585,780	586,588	587,396
Bank Cash	314,084	161,043	205,340
Total Par Value:	\$ 1,399,864	\$ 1,247,630	\$ 1,292,736



The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Average Yield to Maturity		1.549%	1.611%	1.536%
≥ Policy Benchmark-(Six Month T-Bill)		1.659%	1.580%	1.573%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	35.71%	40.07%	38.68%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	100.00%	41.85%	47.02%	45.44%
Money Market	100.00%	0.00%	0.00%	0.00%
Cash	100.00%	22.44%	12.91%	15.88%
Weighted Avg. Maturity ≤	270 Days	48	42	28
Maturities ≤ 30 days ≥	5.00%	64.28%	59.92%	61.32%

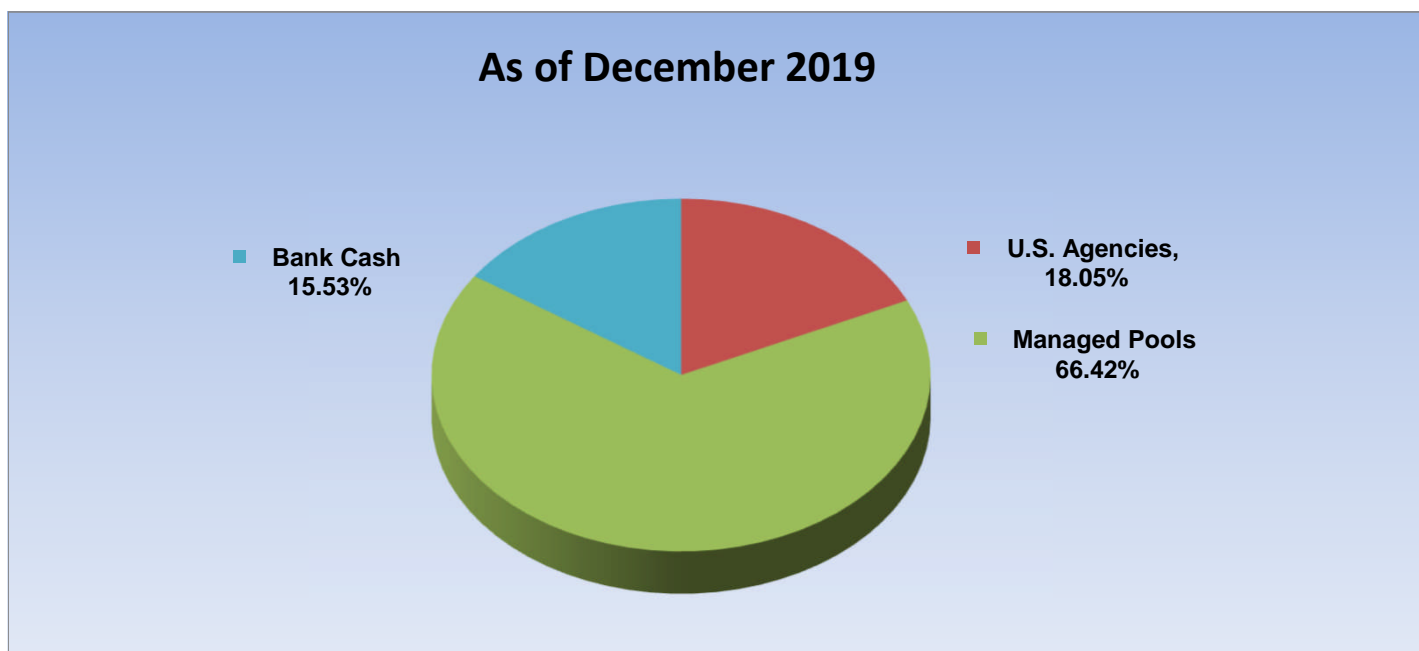
Note: The liquidity is 61%. The portfolio's Average Yield to Maturity is slightly below the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark for the quarter.

For Quarter Ending December 2019

Street Maintenance Sales Tax

Portfolio Summary

Market Sector	Oct-19	Nov-19	Dec-19
U.S. Federal Agency -Callable	\$ -	\$ -	\$ -
U.S. Federal Agency -Coupon	250,000	250,000	250,000
Managed Pools	917,346	918,566	919,643
Bank Cash	141,053	182,178	215,108
Total Par Value:	\$ 1,308,399	\$ 1,350,744	\$ 1,384,751



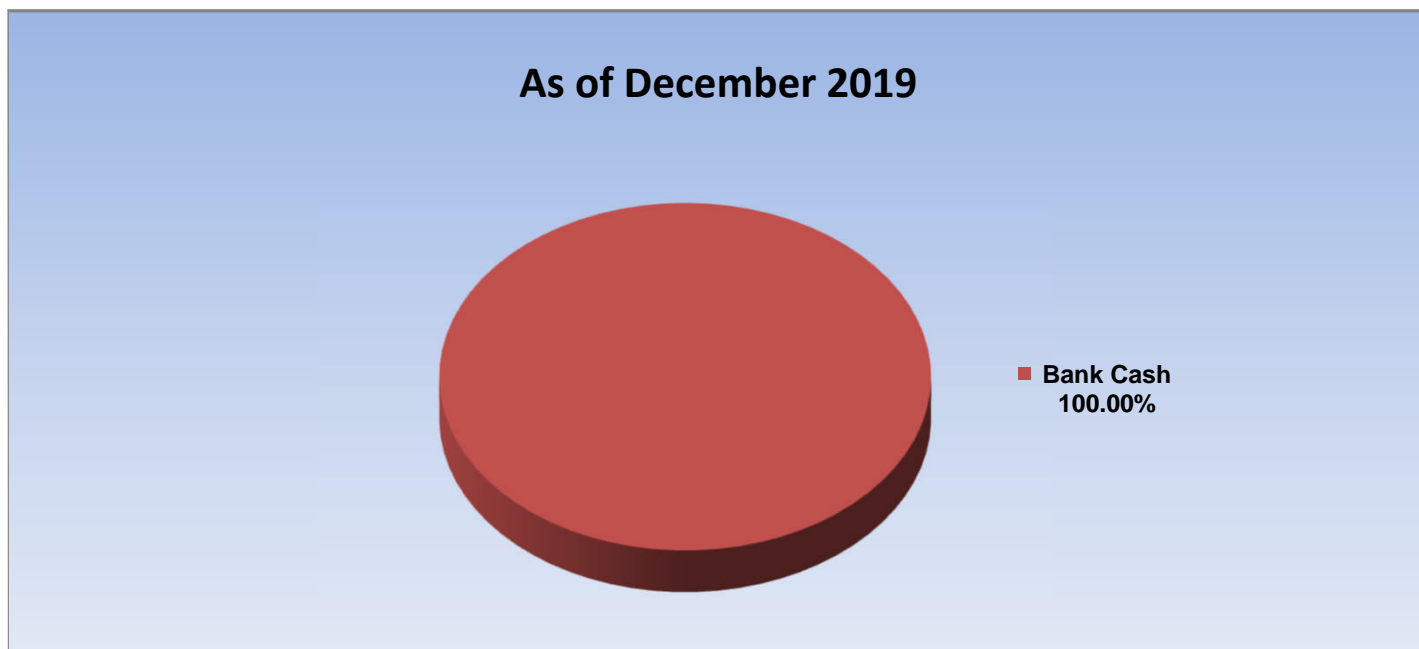
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Average Yield to Maturity		1.870%	1.708%	1.673%
≥ Policy Benchmark-(Six Month T-Bill)		1.659%	1.580%	1.573%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	19.11%	18.50%	18.05%
Managed Pools	100.00%	70.11%	68.01%	66.42%
Money Market	100.00%	0.00%	0.00%	0.00%
Bank Cash	100.00%	10.78%	13.49%	15.53%
Weighted Avg. Maturity ≤	270 Days	16	10	4

Note: The liquidity is 39%. The portfolio's Average Yield to Maturity is below the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark.

For Quarter Ending December 2019
Corinth Crime Control & Prevention District
Portfolio Summary

Market Sector	Oct-19	Nov-19	Dec-19
Bank Cash	\$ 441,228	\$ 486,211	\$ 500,538
Total Par Value:	\$ 441,228	\$ 486,211	\$ 500,538



The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

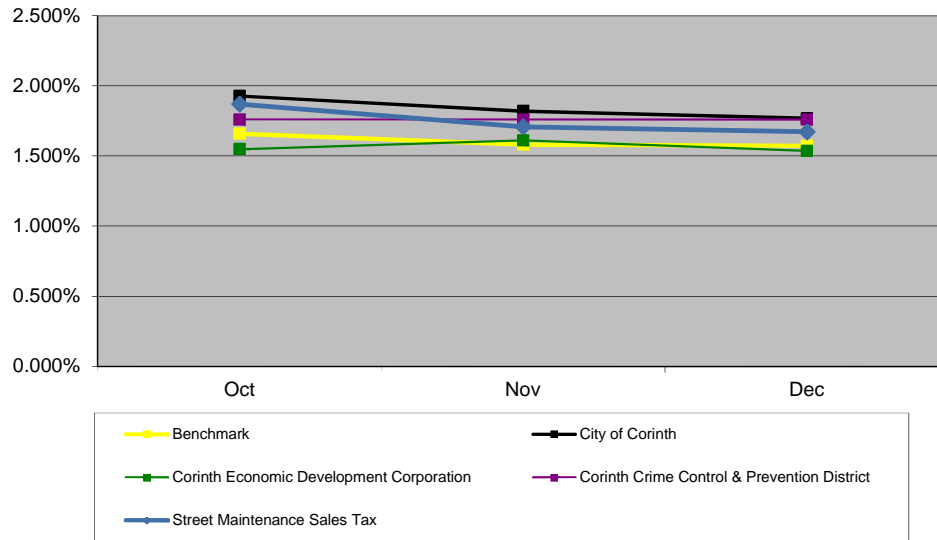
Performance Indicators	Policy Benchmark	Oct-19	Nov-19	Dec-19
Average Yield to Maturity		1.760%	1.760%	1.760%
≥ Policy Benchmark-(Six Month T-Bill)		1.659%	1.580%	1.573%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	0.00%	0.00%	0.00%
Managed Pools	100.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	100.00%
Weighted Avg. Maturity ≤	270 Days	1	1	1

Note: Due to liquidity needs, the fund balance is not invested. All funds are held in the bank account.

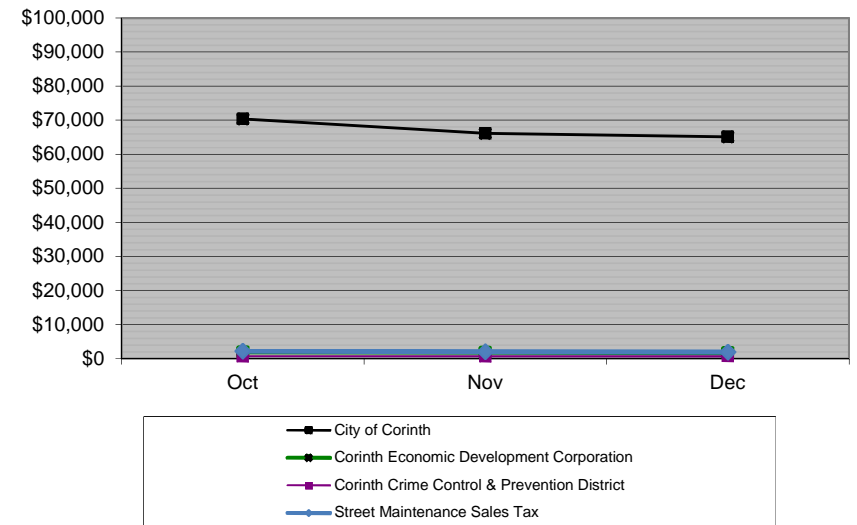
PORTFOLIO INTEREST ANALYSIS Fiscal Year 2018-2019

	City of Corinth				Corinth Economic Development				Street Maintenance Sales Tax				Corinth Crime Control & Prevention			
	Portfolio Benchmark	Portfolio Yield	Invested Balance	Interest Earnings	Portfolio Benchmark	Portfolio Yield	Invested Balance	Interest Earnings	Portfolio Benchmark	Portfolio Yield	Invested Balance	Interest Earnings	Portfolio Benchmark	Portfolio Yield	Invested Balance	Interest Earnings
Oct	1.659%	1.927%	\$ 41,623,661	\$ 70,350	1.659%	1.549%	\$ 1,399,864	\$ 1,939	1.659%	1.870%	\$ 1,308,399	\$ 2,212	1.659%	1.760%	441,228	\$ 650
Nov	1.580%	1.820%	41,209,610	66,136	1.580%	1.611%	1,247,630	1,786	1.580%	1.708%	1,350,744	2,013	1.580%	1.760%	486,211	640
Dec	1.573%	1.769%	48,190,301	65,104	1.573%	1.536%	1,292,736	1,687	1.573%	1.673%	1,384,751	1,951	1.573%	1.760%	500,538	727
Avg	1.604%	1.839%	\$ 43,674,524	\$ 67,197	1.604%	1.565%	\$ 1,313,410	\$ 1,804	1.604%	1.750%	\$ 1,347,965	\$ 2,059	1.604%	1.760%	\$ 475,992	\$ 672

Interest Rate Comparison



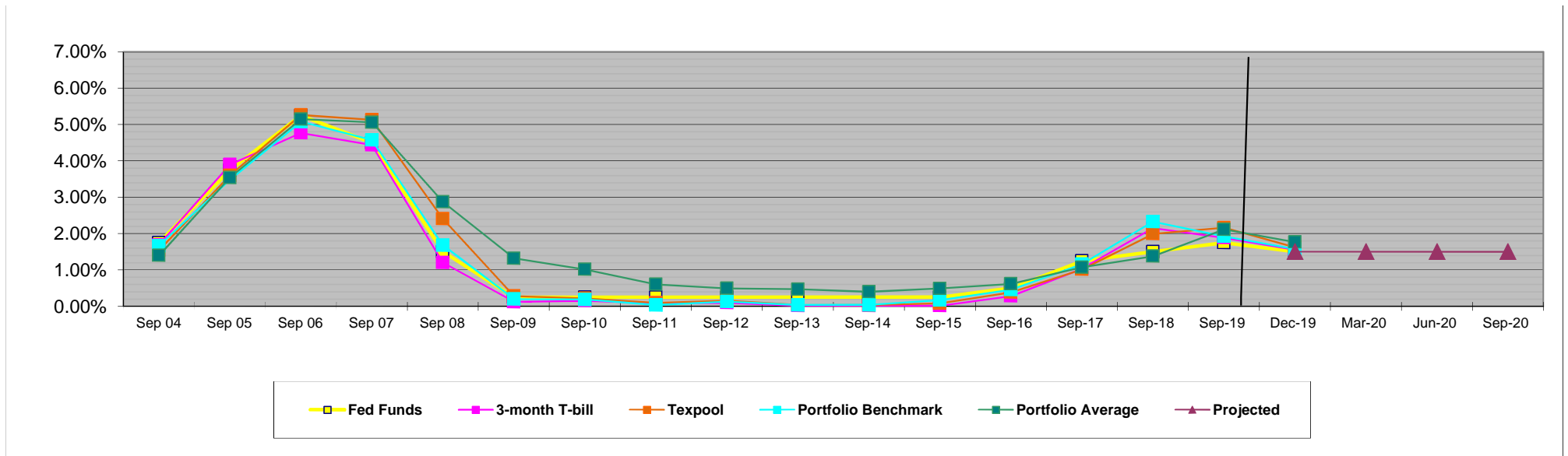
Invested Earnings Comparison



ECONOMIC SUMMARY

Interest Rate History

Market Sector	Sep 04	Sep 05	Sep 06	Sep 07	Sep 08	Sep-09	Sep-10	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Fiscal Year 2019-20			
																	Dec-19	Mar-20	Jun-20	Sep-20
Fed Funds	1.75%	3.75%	5.25%	4.50%	1.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	1.25%	1.50%	1.75%	1.50%			
3-month T-bill	1.69%	3.90%	4.77%	4.44%	1.20%	0.12%	0.15%	0.09%	0.10%	0.01%	0.02%	0.01%	0.28%	1.04%	2.15%	1.88%	1.56%			
Texpool	1.54%	3.60%	5.26%	5.13%	2.41%	0.28%	0.22%	0.09%	0.16%	0.04%	0.03%	0.09%	0.38%	1.02%	2.00%	2.16%	1.62%			
Portfolio Benchmark	1.67%	3.48%	5.08%	4.58%	1.68%	0.20%	0.19%	0.04%	0.13%	0.04%	0.04%	0.17%	0.46%	1.16%	2.33%	1.93%	1.57%			
Portfolio Average	1.40%	3.54%	5.15%	5.06%	2.87%	1.32%	1.02%	0.61%	0.50%	0.47%	0.40%	0.49%	0.62%	1.07%	1.38%	2.12%	1.77%			



The Fed Fund target rate as of December 2019 is a range of 1.5% to 1.75%.

The median fed funds forecast for Q1 2020 is 1.5%. The FOMC is expected to leave the rates unchanged for 2020.

Source: Public Investor, First Southwest Asset Management, Inc.

**City of Corinth portfolio
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2019 - December 31, 2019**

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
Fund: Pooled Cash									
10012	NTHSTR	00	10/01/2018	7,551.87	2,460,492.94	4,548,456.58	2,897,862.53	1,650,594.05	4,111,086.99
SYS10012	4,111,086.99	1.760	/ /	0.00	2,460,492.94	4,548,456.58	2,897,862.53	1,650,594.05	4,111,086.99
Sub Totals For: Fund: Pooled Cash				7,551.87	2,460,492.94	4,548,456.58	2,897,862.53	1,650,594.05	4,111,086.99
				0.00	2,460,492.94	4,548,456.58	2,897,862.53	1,650,594.05	4,111,086.99
Fund: Pooled Cash- Crime C									
10323	NTHSTR	00A	10/01/2018	2,017.42	434,284.71	66,252.92	0.00	66,252.92	500,537.63
SYS10322	500,537.63	1.760	/ /	0.00	434,284.71	66,252.92	0.00	66,252.92	500,537.63
Sub Totals For: Fund: Pooled Cash- Crime C				2,017.42	434,284.71	66,252.92	0.00	66,252.92	500,537.63
				0.00	434,284.71	66,252.92	0.00	66,252.92	500,537.63
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2018	95.84	289,983.49	68,397.75	153,041.26	-84,643.51	205,339.98
SYS10021	205,339.98	0.150	/ /	0.00	289,983.49	68,397.75	153,041.26	-84,643.51	205,339.98
Sub Totals For: Fund: Pooled Cash-Eco Dev				95.84	289,983.49	68,397.75	153,041.26	-84,643.51	205,339.98
				0.00	289,983.49	68,397.75	153,041.26	-84,643.51	205,339.98
Fund: Pooled Cash - Street									
10401	NTHSTR	00C	10/01/2018	643.42	108,313.79	106,794.44	0.00	106,794.44	215,108.23
SYS10042	215,108.23	1.760	/ /	0.00	108,313.79	106,794.44	0.00	106,794.44	215,108.23
Sub Totals For: Fund: Pooled Cash - Street				643.42	108,313.79	106,794.44	0.00	106,794.44	215,108.23
				0.00	108,313.79	106,794.44	0.00	106,794.44	215,108.23
Fund: Capital Project Ban									
10630	NTHSTR	00D	10/01/2018	33,103.68	5,058,287.76	3,873,787.41	4,145,605.68	-271,818.27	4,786,469.49
SYS10630	4,786,469.49	1.760	/ /	0.00	5,058,287.76	3,873,787.41	4,145,605.68	-271,818.27	4,786,469.49

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: Capital Project Ban				33,103.68	5,058,287.76	3,873,787.41	4,145,605.68	-271,818.27	4,786,469.49
				0.00	5,058,287.76	3,873,787.41	4,145,605.68	-271,818.27	4,786,469.49
Fund: Special Revenue Bank									
10631	NTHSTR	00E	10/01/2018	4,839.44	1,171,695.60	18,650.82	530,961.69	-512,310.87	659,384.73
SYS10631	659,384.73	1.760	/ /	0.00	1,171,695.60	18,650.82	530,961.69	-512,310.87	659,384.73
Sub Totals For: Fund: Special Revenue Bank				4,839.44	1,171,695.60	18,650.82	530,961.69	-512,310.87	659,384.73
				0.00	1,171,695.60	18,650.82	530,961.69	-512,310.87	659,384.73
Fund: Reserve Funds - Pool									
10666	NTHSTR	00F	10/01/2019	3,185.81	0.00	2,504,319.24	0.00	2,504,318.24	2,504,318.24
SYS10666	2,504,318.24	1.760	/ /	0.00	0.00	2,504,319.24	0.00	2,504,318.24	2,504,318.24
Sub Totals For: Fund: Reserve Funds - Pool				3,185.81	0.00	2,504,319.24	0.00	2,504,318.24	2,504,318.24
				0.00	0.00	2,504,319.24	0.00	2,504,318.24	2,504,318.24
Fund: General Fund									
10607	FFCB	100	02/28/2018	3,105.00	599,184.59	0.00	0.00	162.00	599,346.59
3133EH5G4	600,000.00	2.182	01/04/2021	0.00	602,160.00	0.00	0.00	720.00	602,880.00
10140	TXSTAR	100	10/01/2018	17,304.33	2,237,865.12	3,012,647.64	0.00	3,012,647.64	5,250,512.76
SYS10140	5,250,512.76	1.564	/ /	12,647.64	2,237,865.12	3,012,647.64	0.00	3,012,647.64	5,250,512.76
10327	NTHSTR	100	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10327	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10601	FHLB	100	01/29/2018	5,050.00	999,808.25	0.00	0.00	146.25	999,954.50
3130ADFP2	1,000,000.00	2.080	01/29/2020	0.00	1,000,300.00	0.00	0.00	0.00	1,000,300.00
10596	FHLB	100	11/29/2017	1,462.50	499,722.97	0.00	500,000.00	-499,722.97	0.00
3130ACTL8	0.00	0.000	11/25/2020	4,875.00	500,100.00	0.00	500,000.00	-500,100.00	0.00
10633	FFCB	100	12/20/2018	2,773.12	714,137.08	0.00	0.00	2,049.61	716,186.69
3133EFXB8	725,000.00	2.700	01/28/2021	0.00	721,810.00	0.00	0.00	1,595.00	723,405.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
Sub Totals For: Fund: General Fund				29,694.95	5,050,718.01	3,012,647.64	500,000.00	2,515,282.53	7,566,000.54
				17,522.64	5,062,235.12	3,012,647.64	500,000.00	2,514,862.64	7,577,097.76
Fund: Utility Fund									
10656	FFCB	110	06/30/2019	1,763.97	297,068.21	0.00	0.00	11.14	297,079.35
3133EJHL6	297,090.00	2.388	03/27/2020	0.00	297,624.76	0.00	0.00	-178.25	297,446.51
10018	TXPOOL	110	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10018	0.00	5.272	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10023	FEDER	110	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10023	0.00	5.190	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10211	TXSTAR	110	10/01/2018	10,156.99	2,727,749.31	11,128.49	0.00	11,128.49	2,738,877.80
SYS10211	2,738,877.80	1.564	/ /	11,128.49	2,727,749.31	11,128.49	0.00	11,128.49	2,738,877.80
10358	NTHSTR	110	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10358	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Utility Fund				11,920.96	3,024,817.52	11,128.49	0.00	11,139.63	3,035,957.15
				11,128.49	3,025,374.07	11,128.49	0.00	10,950.24	3,036,324.31
Fund: Drainage Fund									
10302	TXSTAR	120	10/01/2018	1,235.41	331,780.20	1,353.58	0.00	1,353.58	333,133.78
SYS10302	333,133.78	1.564	/ /	1,353.58	331,780.20	1,353.58	0.00	1,353.58	333,133.78
10332	NTHSTR	120	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10332	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Drainage Fund				1,235.41	331,780.20	1,353.58	0.00	1,353.58	333,133.78
				1,353.58	331,780.20	1,353.58	0.00	1,353.58	333,133.78
Fund: Economic Development									
10606	FHLMC	130	02/28/2018	2,062.50	499,224.14	0.00	0.00	431.03	499,655.17
3134G35V8	500,000.00	2.003	03/13/2020	0.00	499,750.00	0.00	0.00	200.00	499,950.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10007	TXPOOL	130	10/01/2018	2,410.49	584,830.65	2,565.46	0.00	2,565.46	587,396.11
SYS10007	587,396.11	1.623	/ /	2,565.46	584,830.65	2,565.46	0.00	2,565.46	587,396.11
10379	NTHSTR	130	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10379	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Economic Development				4,472.99	1,084,054.79	2,565.46	0.00	2,996.49	1,087,051.28
				2,565.46	1,084,580.65	2,565.46	0.00	2,765.46	1,087,346.11
Fund: Street Maintenance S									
10657	FAMC	132	06/30/2019	1,250.00	250,000.00	0.00	0.00	0.00	250,000.00
3132X0E72	250,000.00	1.999	01/17/2020	0.00	250,100.00	0.00	0.00	-75.00	250,025.00
10155	TXSTAR	132	10/01/2018	3,410.46	915,906.22	3,736.66	0.00	3,736.66	919,642.88
SYS10155	919,642.88	1.564	/ /	3,736.66	915,906.22	3,736.66	0.00	3,736.66	919,642.88
10331	NTHSTR	132	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10331	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Street Maintenance S				4,660.46	1,165,906.22	3,736.66	0.00	3,736.66	1,169,642.88
				3,736.66	1,166,006.22	3,736.66	0.00	3,661.66	1,169,667.88
Fund: General Fund Capital									
10658	FAMC	193	06/30/2019	1,500.00	300,000.00	0.00	0.00	0.00	300,000.00
3132X0E72	300,000.00	1.999	01/17/2020	0.00	300,120.00	0.00	0.00	-90.00	300,030.00
10608	FFCB	193	03/27/2018	1,204.78	202,895.12	0.00	0.00	7.61	202,902.73
3133EJHL6	202,910.00	2.390	03/27/2020	0.00	203,275.24	0.00	0.00	-121.75	203,153.49
10650	FFCB	193	04/02/2019	2,671.88	450,000.00	0.00	0.00	0.00	450,000.00
3133EJHL6	450,000.00	2.375	03/27/2020	0.00	450,810.00	0.00	0.00	-270.00	450,540.00
10665	FHLMC	193	12/30/2019	25.00	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GUG46	500,000.00	1.801	09/30/2022	0.00	0.00	500,000.00	0.00	499,650.00	499,650.00
10464	NTHSTR	193	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10464	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10576	FNMA	193	04/06/2017	1,031.25	250,000.00	0.00	0.00	0.00	250,000.00
3135G0S46	250,000.00	1.645	01/27/2020	0.00	250,025.00	0.00	0.00	-25.00	250,000.00
Sub Totals For: Fund: General Fund Capital				6,432.91	1,202,895.12	500,000.00	0.00	500,007.61	1,702,902.73
				0.00	1,204,230.24	500,000.00	0.00	499,143.25	1,703,373.49
Fund: Water/Wastewater Cap									
10465	NTHSTR	194	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10465	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10651	FNMA	194	04/04/2019	975.00	323,396.26	0.00	0.00	1,002.34	324,398.60
3136G32E4	325,000.00	2.454	02/25/2020	0.00	324,187.50	0.00	0.00	585.00	324,772.50
10638	FFCB	194	01/11/2019	2,437.50	375,065.02	0.00	0.00	-55.73	375,009.29
3133EJUM9	375,000.00	2.569	07/16/2020	0.00	377,100.00	0.00	0.00	-300.00	376,800.00
Sub Totals For: Fund: Water/Wastewater Cap				3,412.50	698,461.28	0.00	0.00	946.61	699,407.89
				0.00	701,287.50	0.00	0.00	285.00	701,572.50
Fund: General Debt Service									
10017	TXSTAR	200	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10017	0.00	5.288	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10328	NTHSTR	200	10/01/2018	1,308.56	295,896.65	1,307.11	0.00	1,307.11	297,203.76
SYS10328	297,203.76	1.760	/ /	1,307.11	295,896.65	1,307.11	0.00	1,307.11	297,203.76
Sub Totals For: Fund: General Debt Service				1,308.56	295,896.65	1,307.11	0.00	1,307.11	297,203.76
				1,307.11	295,896.65	1,307.11	0.00	1,307.11	297,203.76
Fund: GF Vehicle & Equip									
10462	NTHSTR	300	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10462	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: GF Vehicle & Equip				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Fire Vehicle Replace									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10510	NTHSTR	301	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10510	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Fire Vehicle Replace				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Utility Vehicle & Eq									
10577	FNMA	310	04/06/2017	1,031.25	250,000.00	0.00	0.00	0.00	250,000.00
3135G0S46	250,000.00	1.650	01/27/2020	0.00	250,025.00	0.00	0.00	-25.00	250,000.00
10463	NTHSTR	310	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10462	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Utility Vehicle & Eq				1,031.25	250,000.00	0.00	0.00	0.00	250,000.00
				0.00	250,025.00	0.00	0.00	-25.00	250,000.00
Fund: Utility Meter Replac									
10511	NTHSTR	311	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10511	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Utility Meter Replac				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Water Impact Fees									
10052	TXSTAR	610	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10013	0.00	0.210	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Water Impact Fees				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Wastewater Impact Fe									
10315	TXSTAR	611	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10315	0.00	0.210	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10648	FHLB	611	04/02/2019	2,968.75	500,000.00	0.00	0.00	0.00	500,000.00
3130ADUJ9	500,000.00	2.375	03/30/2020	0.00	501,250.00	0.00	0.00	-350.00	500,900.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: Wastewater Impact Fe				2,968.75	500,000.00	0.00	0.00	0.00	500,000.00
				0.00	501,250.00	0.00	0.00	-350.00	500,900.00
Fund: Roadway Impact Fees									
10649	FHLB	630	04/02/2019	2,968.75	500,000.00	0.00	0.00	0.00	500,000.00
3130ADUJ9	500,000.00	2.375	03/30/2020	0.00	501,250.00	0.00	0.00	-350.00	500,900.00
10301	TXSTAR	630	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10301	0.00	0.210	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Roadway Impact Fees				2,968.75	500,000.00	0.00	0.00	0.00	500,000.00
				0.00	501,250.00	0.00	0.00	-350.00	500,900.00
Fund: Street Escrow									
10019	TXPOOL	699	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10019	0.00	4.928	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10329	NTHSTR	699	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10329	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Street Escrow				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Street 2007 CO									
10064	TXPOOL	703	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	0.131	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10138	TXSTAR	703	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10138	0.00	0.133	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10330	NTHSTR	703	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10330	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Street 2007 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Tech 2007 CO									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10065	TXPOOL	704	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS100099	0.00	2.246	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10139	TXSTAR	704	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10139	0.00	0.145	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10380	NTHSTR	704	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10380	0.00	0.613	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Tech 2007 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Fire 2010 CO									
10370	NTHSTR	705	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10370	0.00	0.511	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Fire 2010 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: 2016 CO General Capi									
10549	TXSTAR	706	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10549	0.00	1.352	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10660	FHLMC	706	09/04/2019	1,694.44	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134GT4P5	0.00	0.000	09/03/2021	2,472.22	500,300.00	0.00	500,000.00	-500,300.00	0.00
10664	FHLMC	706	12/30/2019	25.00	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GUG46	500,000.00	1.801	09/30/2022	0.00	0.00	500,000.00	0.00	499,650.00	499,650.00
Sub Totals For: Fund: 2016 CO General Capi				1,719.44	500,000.00	500,000.00	500,000.00	0.00	500,000.00
				2,472.22	500,300.00	500,000.00	500,000.00	-650.00	499,650.00
Fund: 2019 CO - Steets									
10646	FHLMC	708	04/01/2019	4,500.00	750,000.00	0.00	0.00	0.00	750,000.00
3134GTBG7	750,000.00	2.400	04/01/2021	9,000.00	753,375.00	0.00	0.00	-1,125.00	752,250.00

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Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10653	FHLMC	708	04/18/2019	2,502.78	2,000,000.00	0.00	2,000,000.00	-2,000,000.00	0.00
3134GTDP5	0.00	0.000	04/18/2022	26,500.00	2,001,400.00	0.00	2,000,000.00	-2,001,400.00	0.00
10663	FFCB	708	12/27/2019	203.33	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3133ELFD1	1,000,000.00	1.830	12/27/2022	0.00	0.00	1,000,000.00	0.00	999,200.00	999,200.00
10644	TXSTAR	708	04/04/2019	32,972.20	8,269,315.24	1,034,751.73	0.00	1,034,751.73	9,304,066.97
SYS10644	9,304,066.97	1.564	/ /	34,751.73	8,269,315.24	1,034,751.73	0.00	1,034,751.73	9,304,066.97
Sub Totals For: Fund: 2019 CO - Steets				40,178.31	11,019,315.24	2,034,751.73	2,000,000.00	34,751.73	11,054,066.97
				70,251.73	11,024,090.24	2,034,751.73	2,000,000.00	31,426.73	11,055,516.97
Fund: 2017 CO General Capi									
10661	FHLMC	709	09/04/2019	1,694.44	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134GT4P5	0.00	0.000	09/03/2021	2,472.22	500,300.00	0.00	500,000.00	-500,300.00	0.00
10586	TXSTAR	709	10/01/2018	1,181.50	0.00	500,577.82	0.00	500,577.82	500,577.82
SYS10586	500,577.82	1.564	/ /	577.82	0.00	500,577.82	0.00	500,577.82	500,577.82
Sub Totals For: Fund: 2017 CO General Capi				2,875.94	500,000.00	500,577.82	500,000.00	577.82	500,577.82
				3,050.04	500,300.00	500,577.82	500,000.00	277.82	500,577.82
Fund: Water 2007 CO									
10066	TXPOOL	800	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	0.050	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10135	TXSTAR	800	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10135	0.00	0.104	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10333	NTHSTR	800	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10333	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Water 2007 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Wastewater 2007 CO									

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Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10067	TXPOOL	801	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	0.035	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10136	TXSTAR	801	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10136	0.00	0.032	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10334	NTHSTR	801	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10334	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Wastewater 2007 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Drainage 2007 CO									
10068	TXPOOL	802	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	2.972	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10137	TXSTAR	802	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10137	0.00	0.090	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10458	NTHSTR	802	10/01/2018	0.00	0.00	0.00	0.00	0.00	0.00
SYS10458	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Drainage 2007 CO				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: 2016 CO WATER									
10598	FHLMC	803	01/10/2018	2,062.50	499,224.14	0.00	0.00	431.03	499,655.17
3134G35V8	500,000.00	2.004	03/13/2020	0.00	499,750.00	0.00	0.00	200.00	499,950.00
10629	FHLMC	803	10/19/2018	2,312.50	496,070.53	0.00	0.00	1,254.09	497,324.62
3134GBXV9	500,000.00	2.885	07/13/2020	0.00	500,000.00	0.00	0.00	-50.00	499,950.00
10602	FFCB	803	01/16/2018	2,070.00	399,456.40	0.00	0.00	108.00	399,564.40
3133EH5G4	400,000.00	2.182	01/04/2021	0.00	401,440.00	0.00	0.00	480.00	401,920.00
Sub Totals For: Fund: 2016 CO WATER				6,445.00	1,394,751.07	0.00	0.00	1,793.12	1,396,544.19
				0.00	1,401,190.00	0.00	0.00	630.00	1,401,820.00

Portfolio CITY

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Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: 2019 CO - Water									
10659	FAMC	806	06/30/2019	2,250.00	450,000.00	0.00	0.00	0.00	450,000.00
3132X0E72	450,000.00	1.999	01/17/2020	0.00	450,180.00	0.00	0.00	-135.00	450,045.00
10647	FHLMC	806	04/01/2019	4,500.00	750,000.00	0.00	0.00	0.00	750,000.00
3134GTBG7	750,000.00	2.400	04/01/2021	9,000.00	753,375.00	0.00	0.00	-1,125.00	752,250.00
10652	FHLB	806	04/09/2019	1,120.00	2,000,000.00	0.00	2,000,000.00	-2,000,000.00	0.00
3130AG5X9	0.00	0.000	10/09/2020	25,200.00	2,000,600.00	0.00	2,000,000.00	-2,000,600.00	0.00
10662	FHLB	806	12/23/2019	404.44	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3130AHRV7	1,000,000.00	1.820	12/23/2022	0.00	0.00	1,000,000.00	0.00	999,700.00	999,700.00
10645	TXSTAR	806	04/04/2019	19,905.87	5,058,538.98	521,129.35	0.00	521,129.35	5,579,668.33
SYS10645	5,579,668.33	1.564	/ /	21,129.35	5,058,538.98	521,129.35	0.00	521,129.35	5,579,668.33
Sub Totals For: Fund: 2019 CO - Water				28,180.31	8,258,538.98	1,521,129.35	2,000,000.00	-478,870.65	7,779,668.33
				55,329.35	8,262,693.98	1,521,129.35	2,000,000.00	-481,030.65	7,781,663.33
Report Grand Totals:				200,943.97	45,300,193.37	19,275,857.00	13,227,471.16	6,054,209.24	51,354,402.61
				168,717.28	45,335,548.16	19,275,857.00	13,227,471.16	6,043,444.84	51,378,993.00