

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2009



Jim Berzina
Interim City Manager

Lee Ann Bunselmeyer
Director of Finance

Prepared By:
Chris Rodriguez
Financial Services Manager

ANNUAL INVESTMENT REPORT

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November 18, 2009

TO: Honorable Mayor and Members of the City Council

The Annual Investment Report is written in accordance with state statutes, specifically the Public Funds Investment Act, section 2256 of the Texas Government Code. This report is presented to comply with the City's investment policy that states "within one hundred (180) days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council."

I. STATUTORY AND POLICY REQUIREMENTS

On February 19, 2009, a resolution was passed to adopt a formal investment policy for the City of Corinth. The Investment Policy is required by state law to be reviewed each year. The policy designates the Director of Finance as being responsible for the City's investment program. The Director of Finance is also responsible for establishing written procedures for the operation of the program. These procedures include the explicit delegation of authority to persons who carry out the daily investment transactions. The Director of Finance has made this delegation of authority to the Financial Services Manager. Investment officials have the authority to invest all funds for the City of Corinth, the Corinth Crime Control and Prevention District and Corinth Economic Development Corporation with the exception of funds contributed to the Texas Municipal Retirement System (TMRS); other funds established by the City for deferred employee compensation; and revenue bond escrow funds. These funds are managed by outside investment managers and administrators and monitored by the Finance Department.

The funds of the City of Corinth, Texas, are invested in compliance with Article. 842(a-1) entitled the "Public Funds Investment Act" of the Texas Government Code. Staff annually reviews the policy guidelines and objectives to ensure compliance with the changes in state law and with the investment strategies adopted by the City Council as summarized below in order of importance.

1) Safety – Preservation and safety of Principal.

Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized

securities as defined in this Policy, by qualifying the financial institutions and broker with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

2) Liquidity.

The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City's portfolio.

3) Diversification.

Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.

4) Market Rate-of-Return (Yield).

The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and liquidity. Rate of return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

5) Public Trust

The Investment Officer shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

II. BANK DEPOSITORY

Depository services support the objectives of the City's cash and investment management program. Those objectives are to maximize investment yield after satisfying the goals of safety and liquidity. A depository services contract is required for municipalities and the City of Corinth contracts with NorthStar Bank. The Frost Bank serves as the City's safekeeping institution and acts as a third party custodian.

There are five significant cash management services that are provided to the City. These services are (1) a control concentration/sweep account, (2) the on-line cash management system, (3) positive pay, (4) safekeeping services, and (5) Courier service that includes daily pick-up and delivery of city deposits at various remote locations. These automated services facilitate full utilization of available cash thus maximizing interest income.

III. INVESTMENT ACCOUNTING METHODOLOGY

The accounts of the City of Corinth are maintained on the basis of funds or account groups, each of which is considered a separate accounting entity. Therefore, each fund is invested separately if it maintains sufficient balances. The investment activity of each fund is summarized in the tables presented in this report.

The enclosed Annual Investment Report is in compliance with the investment strategies adopted by the City Council as well as in accordance with the relevant provisions of the Tex. Gov't Code Ch. 2256. The objectives adopted by the City Council will continue to drive the investment program in the next fiscal year in order to achieve optimum protection of public funds.

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Lee Ann Bunselmeyer
Director of Finance

Signature Redacted

Chris Rodriguez
Financial Services Manager

CITY OF CORINTH
ANNUAL INVESTMENT REPORT
For Period Ending September 30, 2009

Security Type	Par Value	Book Value	Market Value	% of Mkt to Book
U. S. Federal Agency-Coupon	\$ 5,345,000	\$ 5,470,778	\$ 5,547,972	101.41%
U.S. Federal Agency -Callable	10,750,000	10,754,317	10,776,501	100.21%
Certificates of Deposit	1,990,000	1,990,000	1,990,000	100.00%
Managed Pools	13,165,721	13,165,721	13,165,721	100.00%
Bank Cash	2,119,634	2,119,634	2,119,634	100.00%
	<u>\$ 33,370,355</u>	<u>\$ 33,500,450</u>	<u>\$ 33,599,827</u>	<u>100.30%</u>

PORTFOLIO SUMMARY REPORT

Beginning Par Value as of 9/30/2008	\$ 34,473,457
Beginning Book Value as of 9/30/2008	\$ 34,733,413
Beginning Market Value as of 9/30/2008	\$ 34,624,924
WAM at Beginning Date (Days)	328
Ending Par Value as of 9/30/2009	\$ 33,370,355
Ending Book Value as of 9/30/2009	\$ 33,500,450
Ending Market Value as of 9/30/2009	\$ 33,599,827
WAM at Ending Date (Days)	322
Change to Market Value ⁽¹⁾	\$ (1,025,097)

⁽¹⁾ Change in Market Vale is due to a decrease in the portfolio balance for capital project expenditures.

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 for the preceding reporting period."

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

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Lee Ann Bunselmeyer
 Director of Finance

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Chris Rodriguez
 Financial Services Manager

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Scott McIntyre, First Southwest Asset Management

Investment Strategies Compliance Report

For Period Ending September 30, 2009

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.

Beginning Book Value as of 9/30/2008	\$	7,440,516
Beginning Market Value as of 9/30/2008	\$	7,430,306
WAM at Beginning Date (Days)		241
Ending Book Value as of 9/30/2009	\$	9,087,875
Ending Market Value as of 9/30/2009	\$	9,158,642
Unrealized Gain/(Loss)	\$	70,767
Change to Market Value ⁽¹⁾	\$	1,728,336
WAM at Ending Date (Days)		268
WAM Policy Benchmark ≤		270

⁽¹⁾ The change in Market Value is due to the transfer of \$833,000 from the Reserve Funds to the Operating Funds, and the increase in water revenue the last three months of the fiscal year.

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.

Beginning Book Value as of 9/30/2008	\$	1,510,625
Beginning Market Value as of 9/30/2008	\$	1,501,717
WAM at Beginning Date (Days)		365
Ending Book Value as of 9/30/2009	\$	721,133
Ending Market Value as of 9/30/2009	\$	728,730
Unrealized Gain/(Loss)	\$	7,597
Change to Market Value ⁽²⁾	\$	(772,987)
WAM at Ending Date (Days) ⁽³⁾		370
WAM Policy Benchmark ≤		365

⁽²⁾ Change in Market Value is due to the transfer of \$833,000 from the Reserve Funds to the Operating Funds.

⁽³⁾ The WAM exceeded the policy benchmark by five days.

Investment Strategies Compliance Report

For Period Ending September 30, 2009

BOND FUNDS

Investment strategies for bond 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.

Beginning Book Value as of 9/30/2008	\$	24,772,131
Beginning Market Value as of 9/30/2008	\$	24,692,447
WAM at Beginning Date (Days)		355
Ending Book Value as of 9/30/2009	\$	22,136,775
Ending Market Value as of 9/30/2009	\$	22,157,565
Unrealized Gain/(Loss)	\$	20,791
Change to Market Value ⁽¹⁾	\$	(2,534,882)
WAM at Ending Date (Days)		362
WAM Policy Benchmark ≤		365

⁽¹⁾ Change in Market Value is due to a decrease in the portfolio balance for water, streets and departmental capital project expenditures.

SPECIAL REVENUE FUNDS

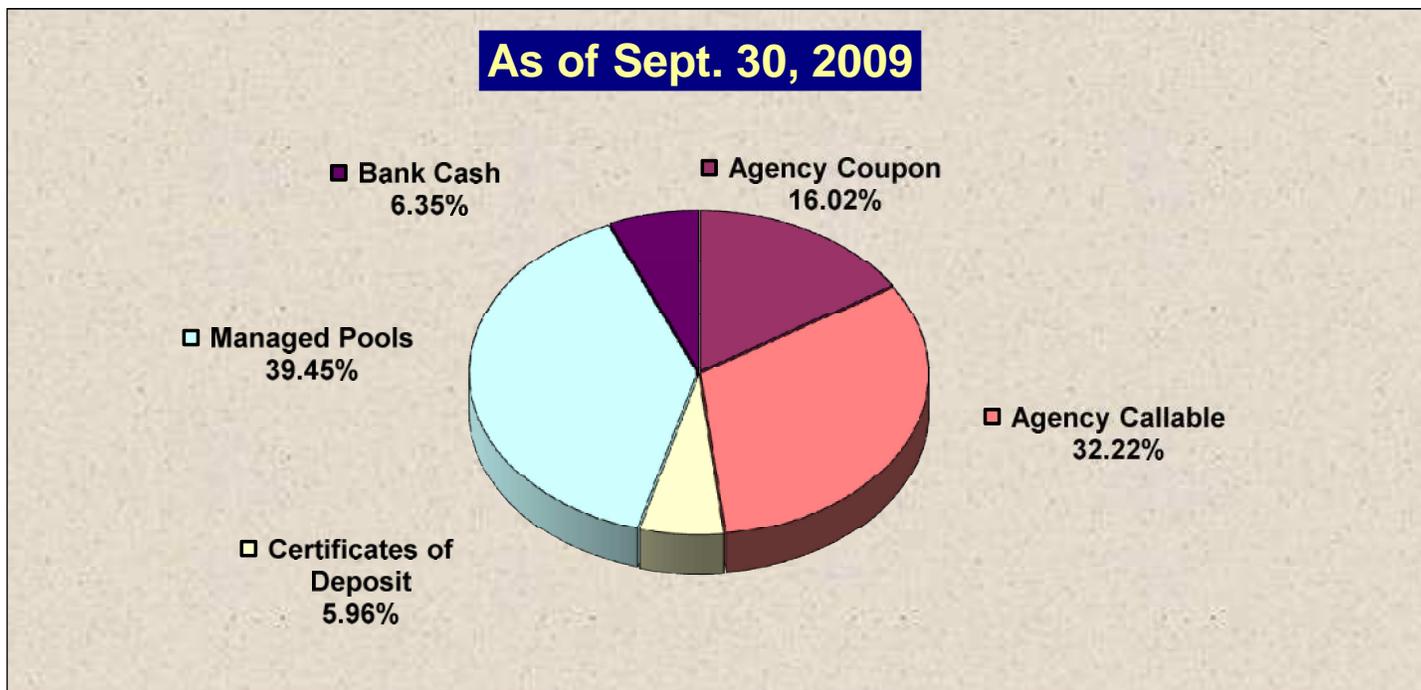
Investment strategies for construction projects or special revenue fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility 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.

Beginning Book Value as of 9/30/2008	\$	1,010,141
Beginning Market Value as of 9/30/2008	\$	1,000,454
WAM at Beginning Date (Days)		252
Ending Book Value as of 9/30/2009	\$	1,554,667
Ending Market Value as of 9/30/2009	\$	1,554,890
Unrealized Gain/(Loss)	\$	223
Change to Market Value ⁽²⁾	\$	554,436
WAM at Ending Date (Days)		41
WAM Policy Benchmark ≤		270

⁽²⁾ Change in Market Value is due to the receipt of street, water and wastewater impact fees during the year.

ANNUAL INVESTMENT REPORT
Portfolio Summary By Market Sector

Market Sector	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
U.S. Federal Agency -Coupon	\$ 9,025,000	\$ 7,785,000	\$ 8,340,000	\$ 5,345,000
U.S. Federal Agency-Callable	9,955,000	11,855,000	8,450,000	10,750,000
Certificates of Deposit	-	1,990,000	1,990,000	1,990,000
Managed Pools	12,974,361	12,700,122	13,815,155	13,165,721
Bank Cash	2,213,834	1,864,104	2,576,937	2,119,634
Total Par Value:	\$ 34,168,195	\$ 36,194,226	\$ 35,172,092	\$ 33,370,355



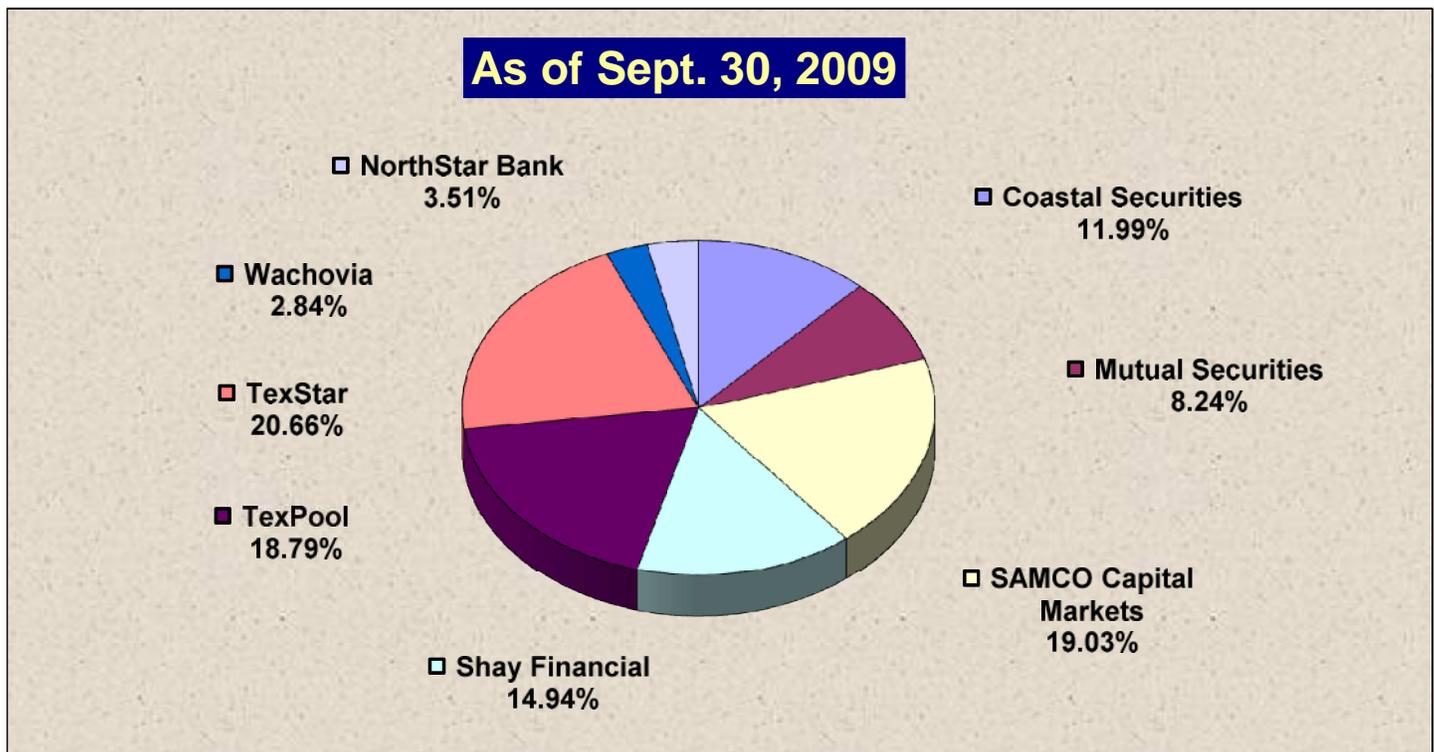
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Average Yield to Maturity		2.43%	1.87%	1.41%	1.32%
\geq Policy Benchmark-(Six Month T-Bill)		0.23%	0.41%	0.30%	0.20%
Callable Securities \leq	30.00%	29.14%	32.75%	24.02%	32.21%
Investment By Type \leq					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	55.55%	54.26%	47.73%	48.24%
Certificates of Deposit	100.00%	0.00%	5.50%	5.66%	5.96%
Managed Pools	50.00%	37.97%	35.09%	39.28%	39.45%
Cash	100.00%	6.48%	5.15%	7.33%	6.35%

Note: The portfolio exceeds the benchmark for callable securities in Sept. The Average Yield to Maturity exceeds the Policy Benchmark for all four quarters of the year.

ANNUAL INVESTMENT REPORT
Portfolio Summary By Broker/Dealer

	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Broker/Dealer				
Coastal Securities	\$ 5,340,000	\$ 7,040,000	\$ 5,740,000	\$ 4,000,000
Mutual Securities	-	1,000,000	1,750,000	2,750,000
SAMCO Capital Markets	9,195,000	8,805,000	6,805,000	6,350,000
Shay Financial	4,445,000	4,785,000	4,485,000	4,985,000
Total Broker/Dealer	\$ 18,980,000	\$ 21,630,000	\$ 18,780,000	\$ 18,085,000
Managed Pools/ Depository Bank				
TexPool	\$ 2,249,894	\$ 6,259,063	\$ 6,265,841	\$ 6,270,896
TexStar	10,724,467	6,441,060	7,549,313	6,894,825
Wachovia	1,770,914	1,391,537	2,084,429	948,517
NorthStar Bank	442,920	472,566	492,509	1,171,117
Total Managed Pools/Depository Bank	\$ 15,188,195	\$ 14,564,226	\$ 16,392,092	\$ 15,285,355
Total Par Value:	\$ 34,168,195	\$ 36,194,226	\$ 35,172,092	\$ 33,370,355

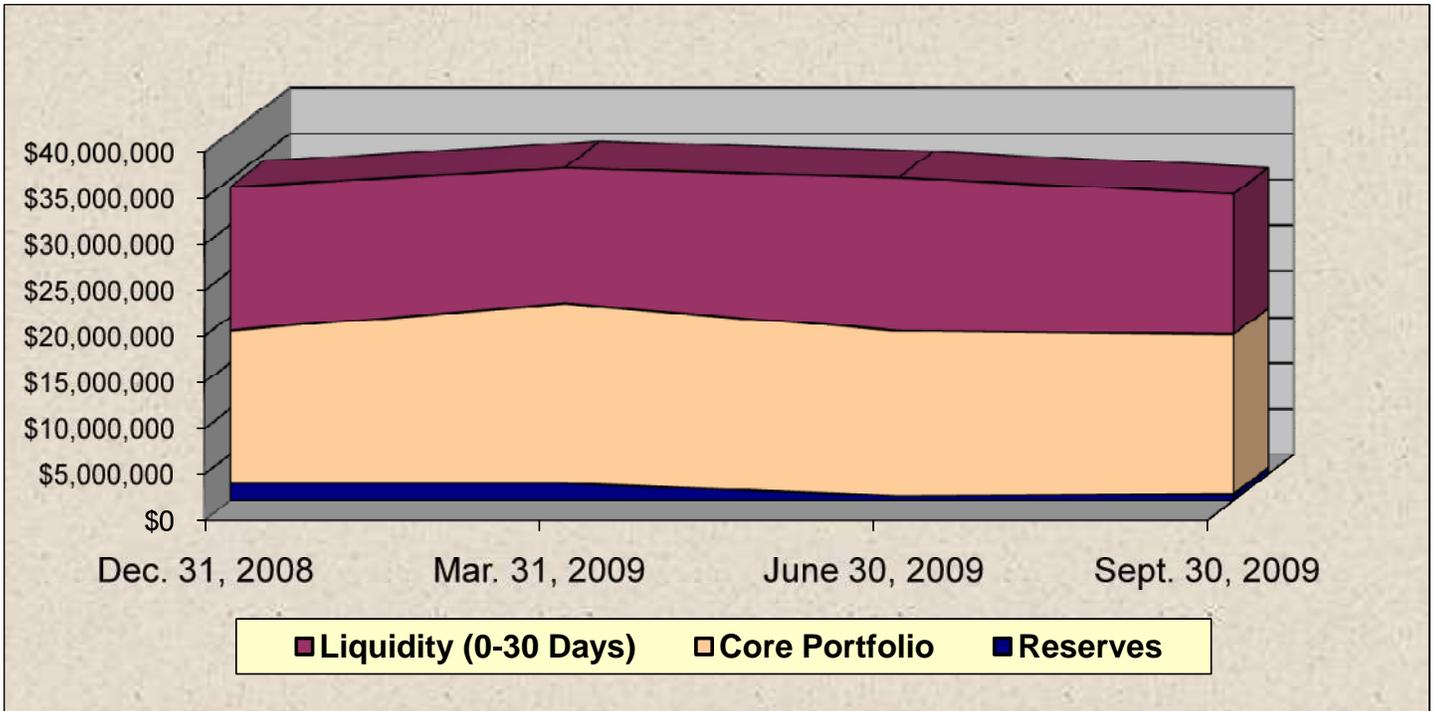


To guard against default possibilities, and to promote diversification of bidders, business with any one issuer, or investment broker, is limited to forty (40%) percent of the total portfolio at any point in time. As shown in the table below, the portfolio adhered to this provision throughout the quarter.

Performance Indicators	Policy Benchmark	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Highest Broker Percent ≤	40.00%	26.91%	24.33%	19.35%	19.03%

ANNUAL INVESTMENT REPORT
Portfolio Summary By Maturity

Maturity Time Frame	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
0-30 Days	\$ 15,688,195	\$ 14,764,226	\$ 16,727,092	\$ 15,285,355
31-90 Days	500,000	700,000	1,960,000	1,031,000
91-180 Days	900,000	2,295,000	229,000	99,000
181-270 Days	2,295,000	130,000	901,000	1,145,000
271-360 Days	130,000	1,000,000	1,145,000	1,410,000
361-450 Days	-	3,400,000	2,410,000	1,260,000
451-540 Days	3,700,000	2,105,000	1,260,000	4,290,000
541 Days & Over	10,955,000	11,800,000	10,540,000	8,850,000
	\$ 34,168,195	\$ 36,194,226	\$ 35,172,092	\$ 33,370,355



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.

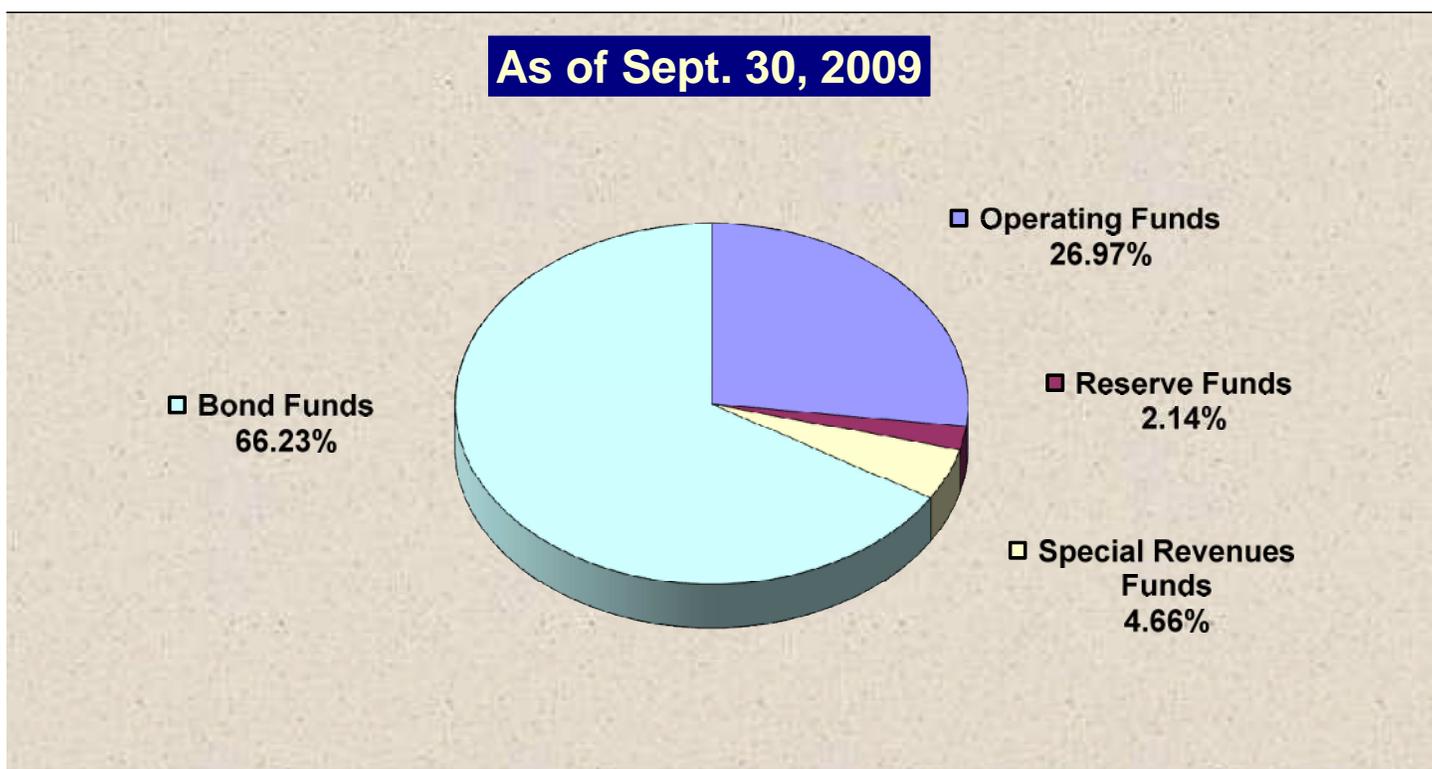
Performance Indicators	Policy Benchmark	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Weighted Avg. Maturity \leq	365 Days	323	349	296	322
Maturities ≤ 30 days \geq	5.00%	45.91%	40.79%	47.56%	45.81%

Note: The portfolio is within the benchmark limits for the Weighted Average Maturity and liquidity is at 46% at the end of the fiscal year.

ANNUAL INVESTMENT REPORT

Portfolio Summary By Fund Type

Fund Type	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Operating Funds	\$ 8,301,417	\$ 10,906,203	\$ 12,230,646	\$ 8,999,802
Reserve Funds	1,845,000	1,849,000	500,000	715,000
Special Revenues Funds	1,023,840	1,204,468	1,104,624	1,554,000
Bond Funds	22,997,938	22,234,555	22,336,822	22,101,552
	<u>\$ 34,168,195</u>	<u>\$ 36,194,226</u>	<u>\$ 36,172,092</u>	<u>\$ 33,370,355</u>



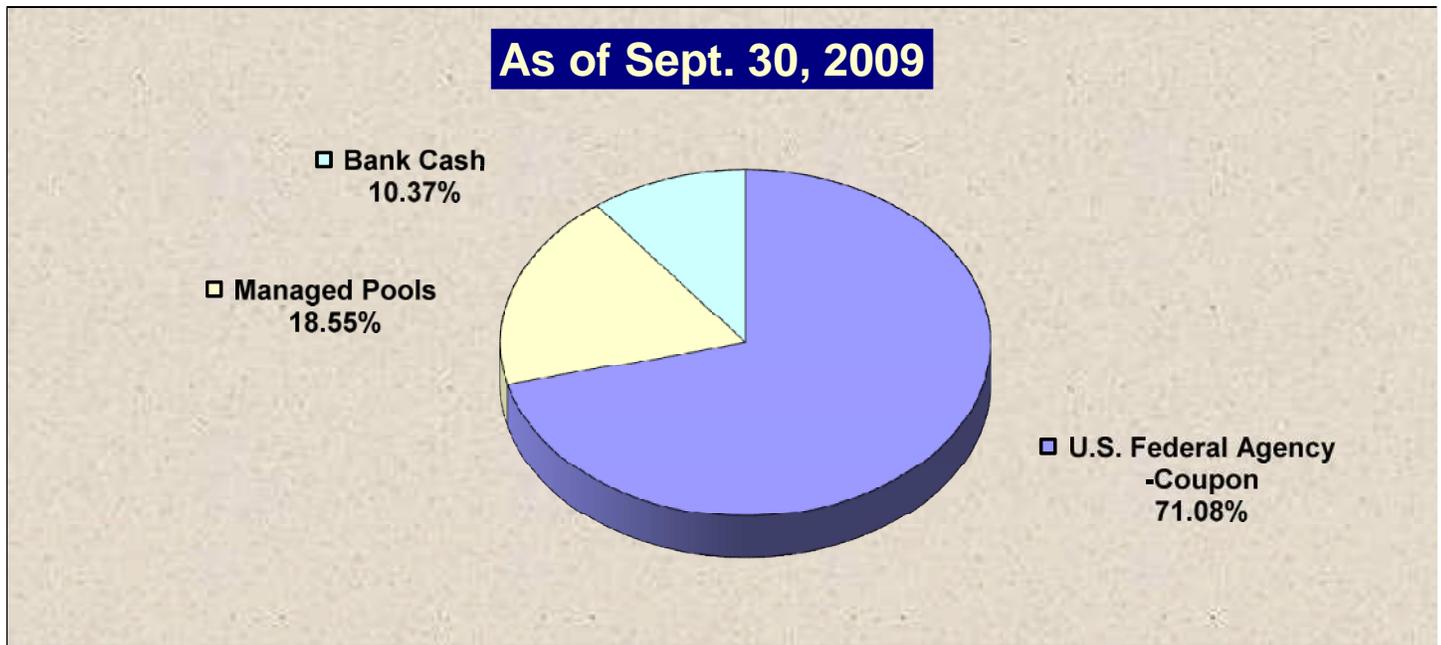
As shown in the graph above, the investments in the portfolio are distributed by fund type. Preservation and safety of principal of these investments is the most important strategy. All investments shall be high quality securities with no perceived default risk. Market fluctuations will occur; however,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

Performance Indicators	Policy Benchmark	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
WAM by Fund ≤					
Operating Funds	270 Days	252	296	268	268
Reserve Funds	365 Days	303	351	325	370
Special Revenue Funds	270 Days	190	260	240	41
Bond Funds	365 Days	357	380	314	362

Note: The Weighted Average Maturity for the Reserve Funds exceeds the policy benchmark by five days. The other three funds are within the policy benchmark for the fiscal year.

ANNUAL INVESTMENT REPORT
Economic Development Corporation

Market Sector	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
U.S. Federal Agency -Coupon	\$ 955,000	\$ 1,305,000	\$ 1,305,000	\$ 1,520,000
U.S. Federal Agency-Callable	-	-	-	-
Managed Pools	733,325	532,473	588,073	396,787
Bank Cash	235,599	235,916	236,910	221,823
Total Par Value:	\$ 1,923,924	\$ 2,073,389	\$ 2,129,983	\$ 2,138,611



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	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Average Yield to Maturity		2.92%	1.98%	2.33%	2.44%
≥ Policy Benchmark-(Six Month T-Bill)		0.23%	0.41%	0.30%	0.20%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%	0.00%
Investment By Type ≤					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	49.63%	62.94%	61.27%	71.08%
Managed Pools	100.00%	38.12%	25.68%	27.61%	18.55%
Cash	100.00%	12.25%	11.38%	11.12%	10.37%
Weighted Avg. Maturity ≤	270 Days	230	251	188	183
Maturities ≤30 days ≥	5.00%	50.36%	37.06%	38.73%	28.93%

Note: The portfolio exceeds the policy benchmark for the Average Yield to Maturity for all four quarters of the fiscal year. The liquidity for the portfolio is 29% at the end of the fiscal year.

ANNUAL INVESTMENT REPORT
Crime Control & Prevention District

Market Sector	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
U.S. Federal Agency -Coupon Cash in Bank	\$ - 101,761	\$ - 96,428	\$ - 107,717	\$ - 118,735
Total Par Value:	\$ 101,761	\$ 96,428	\$ 107,717	\$ 118,735



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.

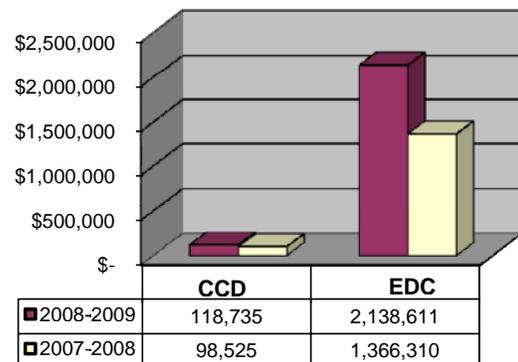
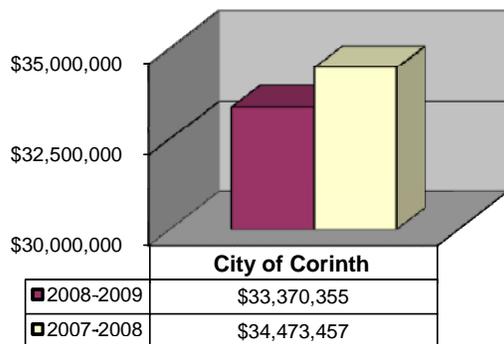
Performance Indicators	Policy Benchmark	Dec. 31, 2008	Mar. 31, 2009	June 30, 2009	Sept. 30, 2009
Average Yield to Maturity		0.78%	0.40%	0.40%	0.40%
≥ Policy Benchmark-(Six Month T-Bill)		0.23%	0.41%	0.30%	0.20%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%	0.00%
Investment By Type ≤					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	0.00%	0.00%	0.00%	0.00%
Managed Pools	100.00%	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	100.00%	100.00%
Weighted Avg. Maturity ≤	270 Days	1	1	1	1

Note: There are no investments for this fund at the end of the fiscal year, due to the need for liquidity, the balance is in the bank.

CITY OF CORINTH
INVESTED BALANCE COMPARISON
(For Periods Ending September 30)

Fund	Name	Actual 2008-2009	Actual 2007-2008	Variance
OPERATING FUNDS:				
01	General Fund	4,468,241	4,630,049	\$ (161,808)
02	Water/Sewer Operations	1,604,953	300,000	1,304,953
10	Street Maintenance Sales Tax	506,975	303,808	203,167
46	Storm Water Utility Fund	300,000	175,000	125,000
	Wachovia/Northstar Cash	2,119,634	1,986,808	132,826
		<u>\$ 8,999,802</u>	<u>\$ 7,395,665</u>	<u>\$ 1,604,137</u>
RESERVE FUNDS:				
04	Debt Service	715,000	990,000	\$ (275,000)
20	W/WW Interest & Sinking	-	500,000	(500,000)
		<u>\$ 715,000</u>	<u>\$ 1,490,000</u>	<u>\$ (775,000)</u>
SPECIAL PURPOSE FUNDS:				
11	Roadway Impact Fees	650,000	300,000	\$ 350,000
44	Water/Sewer Impact Fees	604,000	497,493	106,507
45	Wastewater Impact Fees	300,000	200,000	100,000
		<u>\$ 1,554,000</u>	<u>\$ 997,493</u>	<u>\$ 556,507</u>
BOND FUNDS:				
03	Water/Sewer Capital Fund	750,000	1,200,000	\$ (450,000)
06	Capital Project Fund	450,000	400,000	50,000
31	Parks CIP 2008	-	400,000	(400,000)
50	Water - 2007 C.O.	6,026,225	6,548,608	(522,383)
60	Sewer - 2007 C.O.	5,063,098	5,086,394	(23,296)
70	Streets - 2007 C.O.	8,072,400	8,749,166	(676,766)
80	Drainage - 2007 C.O.	1,514,129	1,570,168	(56,039)
90	All Departmental - 2007 C.O.	225,700	635,962	(410,262)
		<u>\$ 22,101,552</u>	<u>\$ 24,590,298</u>	<u>\$ (2,488,746)</u>
		<u><u>\$ 33,370,355</u></u>	<u><u>\$ 34,473,457</u></u>	<u><u>\$ (1,103,102)</u></u>
OTHER FUNDS:				
12	Crime Control & Prevention District	\$ 118,735	\$ 98,525	\$ 20,210
14	Economic Development Corporation	2,138,611	1,366,310	772,301
		<u>\$ 2,257,345</u>	<u>\$ 1,464,835</u>	<u>\$ 792,510</u>

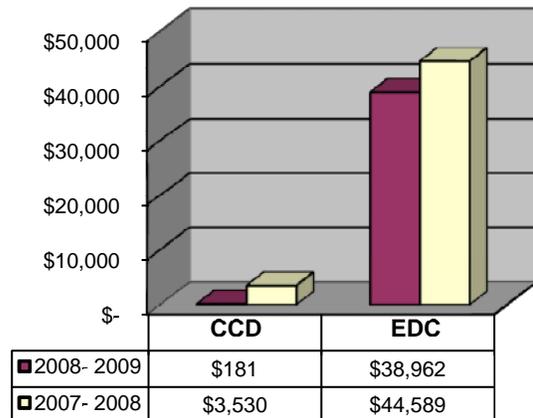
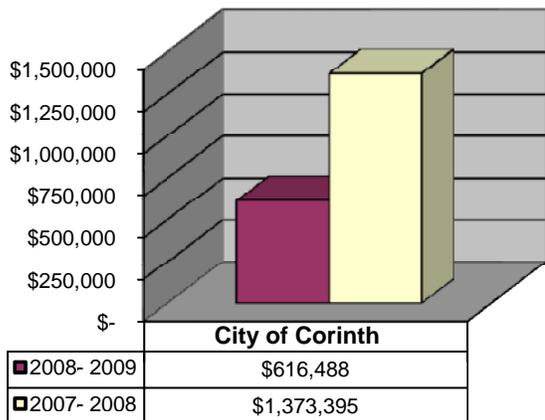
INVESTED BALANCE COMPARISON



CITY OF CORINTH
INTEREST EARNINGS COMPARISON
(For Periods Ending September 30)

Fund	Name	Actual 2008- 2009	Actual 2007- 2008	Variance
OPERATING FUNDS:				
01	General Fund	\$ 167,191	\$ 335,205	\$ (168,014)
02	Water/Sewer Operations	13,340	12,504	836
10	Street Maintenance Sales Tax	3,474	17,741	(14,267)
46	Storm Water Utility Fund	2,024	12,682	(10,658)
		<u>\$ 186,028</u>	<u>\$ 378,132</u>	<u>\$ (192,103)</u>
RESERVE FUNDS:				
04	Debt Service	\$ 27,896	\$ 10,512	\$ 17,383
20	W/WW Interest & Sinking	13,152	18,160	(5,008)
		<u>\$ 41,048</u>	<u>\$ 28,672</u>	<u>\$ 12,376</u>
SPECIAL PURPOSE FUNDS:				
11	Roadway Impact Fees	\$ 13,740	\$ 6,899	\$ 6,841
13	Special Revenue	0	20,438	(20,438)
44	Water/Sewer Impact Fees	7,809	25,696	(17,887)
45	Wastewater Impact Fees	4,242	16	4,227
		<u>\$ 25,792</u>	<u>\$ 53,049</u>	<u>\$ (27,257)</u>
BOND FUNDS:				
03	Water/Sewer Capital Fund	\$ 20,887	\$ 43,498	\$ (22,611)
06	Capital Project Fund	7,451	55,243	(47,792)
31	Parks 2008 CIP	6	7,305	(7,299)
50	Water - 2007 C.O.	114,841	247,556	(132,715)
60	Sewer - 2007 C.O.	93,373	228,421	(135,048)
70	Streets - 2007 C.O.	97,119	241,709	(144,590)
80	Drainage - 2007 C.O.	27,976	47,672	(19,696)
90	All Departmental - 2007 C.O.	1,967	42,139	(40,171)
		<u>\$ 363,619</u>	<u>\$ 913,542</u>	<u>\$ (549,923)</u>
		<u>\$ 616,488</u>	<u>\$ 1,373,395</u>	<u>\$ (756,907)</u>
OTHER FUNDS:				
12	Crime Control & Prevention District	\$ 181	\$ 3,530	\$ (3,349)
14	Economic Development Corporation	38,962	44,589	(5,627)
		<u>\$ 39,143</u>	<u>\$ 48,119</u>	<u>\$ (8,976)</u>

INTEREST EARNINGS COMPARISON



City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2009



APPENDIX A

**Investment Report
For Month Ending September 30, 2009**

City of Corinth
Texas Compliance Change In Value Report
Sorted by Fund
October 1, 2008 - September 30, 2009

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
Fund: Pooled Cash									
10012	NTHSTR	00	10/01/2007	6,939.57	0.00	0.00	0.00	1,171,117.08	1,171,117.08
SYS10012	1,171,117.08	0.500	/ /	0.00	0.00	0.00	0.00	1,171,117.08	1,171,117.08
10061	WACHVA	00	10/01/2007	10,987.62	1,986,807.80	0.00	0.00	-1,038,291.15	948,516.65
SYS10024	948,516.65	0.400	/ /	0.00	1,986,807.80	0.00	0.00	-1,038,291.15	948,516.65
Sub Totals For: Fund: Pooled Cash									
				17,927.19	1,986,807.80	0.00	0.00	132,825.93	2,119,633.73
				0.00	1,986,807.80	0.00	0.00	132,825.93	2,119,633.73
Fund: 01-General Fund									
10143	FHLB	01	03/01/2008	4,400.00	1,500,000.00	0.00	1,500,000.00	0.00	0.00
3133XMMN72	0.00	0.000	10/23/2009	36,000.00	1,501,500.00	0.00	1,500,000.00	-1,500.00	0.00
10201	FHLB	01	10/15/2008	6,247.22	0.00	133,409.90	0.00	-2,836.12	130,573.78
3133XGYT5	130,000.00	2.677	12/11/2009	4,261.11	0.00	133,409.90	0.00	-2,181.40	131,228.50
10170	FNMA	01	07/16/2008	2,312.50	51,390.39	0.00	0.00	-949.86	50,440.53
31359MC50	50,000.00	3.250	06/01/2010	2,023.44	51,193.00	0.00	0.00	210.00	51,403.00
10210	FHLB	01	10/01/2008	4,500.00	0.00	149,663.39	0.00	198.66	149,862.05
3133XR2Y5	150,000.00	5.542	06/11/2010	3,125.00	0.00	149,663.39	0.00	3,029.11	152,692.50
10203	FNMA	01	10/16/2008	16,561.20	0.00	403,270.31	0.00	-4,716.13	398,554.18
3136F7BE6	395,000.00	3.085	06/21/2010	11,760.86	0.00	403,270.31	0.00	2,655.39	405,925.70
10217	FHLB	01	11/01/2008	4,139.67	0.00	103,316.38	0.00	-1,712.68	101,603.70
3133X85H1	100,000.00	2.590	08/10/2010	3,499.90	0.00	103,316.38	0.00	154.62	103,471.00
10221	FHLB	01	11/01/2008	17,270.00	0.00	413,412.08	0.00	-6,861.99	406,550.09
3133XCNB5	400,000.00	2.776	08/16/2010	14,915.00	0.00	413,412.08	0.00	1,403.92	414,816.00

Portfolio CITY

City of Corinth
Texas Compliance Change in Value Report
October 1, 2008 - September 30, 2009

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value		
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Ending Market Value		
					Purchases/ Additions	Redemptions	Change in Value	
10236	FHLB	01	01/01/2009	16,779.37	0.00	489,445.28	-6,667.05	482,778.23
3133XCNB5		2.781	08/16/2010	13,982.81	0.00	489,445.28	3,148.72	492,594.00
10175	FHLB	01	08/18/2008	3,150.00	180,000.00	0.00	180,000.00	0.00
3133XR39		0.000	08/18/2010	3,902.50	180,378.00	0.00	180,000.00	-378.00
10134	FHLMC	01	02/01/2008	12,480.00	308,627.14	0.00	0.00	-4,242.86
3128X3YF4		2.683	10/13/2010	12,480.00	305,550.00	0.00	0.00	5,097.00
10294	FHLMC	01	08/31/2009	1,733.34	0.00	507,896.43	0.00	7,384.04
3128X3YF4		2.712	10/13/2010	0.00	0.00	507,896.43	0.00	9,848.57
10128	FNMA	01	02/07/2008	7,575.00	157,912.89	0.00	0.00	-3,367.19
31359MF81		2.698	02/07/2011	7,575.00	156,090.00	0.00	0.00	2,568.00
10153	FNMA	01	04/01/2008	3,787.50	78,956.44	0.00	0.00	-1,683.59
31359MF81		2.701	02/07/2011	3,787.50	78,045.00	0.00	0.00	1,284.00
10154	FNMA	01	04/01/2008	3,787.50	78,956.44	0.00	0.00	-1,683.59
31359MF81		2.701	02/07/2011	3,787.50	78,045.00	0.00	0.00	1,284.00
10269	FNMA	01	04/30/2009	11,650.07	0.00	571,846.19	0.00	-5,178.61
31359MF81		2.733	02/07/2011	7,483.82	0.00	571,846.19	0.00	9,899.81
10190	FNMA	01	09/30/2008	3,125.00	201,335.99	0.00	200,000.00	-1,335.99
31398APR7		0.000	04/01/2011	3,142.36	198,720.00	0.00	200,000.00	1,280.00
10016	TXSTAR	01	10/01/2007	0.00	0.00	0.00	0.00	0.00
SYS10016		5.290	/ /	0.00	0.00	0.00	0.00	0.00
10022	FEDER	01	10/01/2007	0.00	0.00	0.00	0.00	0.00
SYS10022		5.120	/ /	0.00	0.00	0.00	0.00	0.00
10140	TXSTAR	01	03/28/2008	10,483.49	850,048.88	0.00	0.00	-622,808.16
SYS10140		0.263	/ /	12,191.84	850,048.88	0.00	0.00	-622,808.16
10254	FFIN	01	02/02/2009	1,524.33	0.00	99,000.00	0.00	99,000.00
10254		2.300	01/20/2011	1,252.52	0.00	99,000.00	0.00	99,000.00

Portfolio CITY

City of Corinth
Texas Compliance Change in Value Report
October 1, 2008 - September 30, 2009

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value	Change in Value	Redemptions	Purchases/ Additions	Beginning Market Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
10255	FFIN	01	02/02/2009	1,524.33	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10255	99,000.00	2.300	01/26/2011	1,284.13	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10256	FFIN	01	02/02/2009	1,524.33	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10256	99,000.00	2.300	01/26/2011	1,290.47	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10257	FFIN	01	02/02/2009	1,524.33	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10257	99,000.00	2.300	01/28/2011	1,303.12	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10258	FFIN	01	02/02/2009	1,524.33	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10258	99,000.00	2.300	01/31/2011	1,328.56	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10259	FFIN	01	02/03/2009	1,518.00	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10259	99,000.00	2.300	01/31/2011	1,322.25	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10260	FFIN	01	02/03/2009	1,518.00	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10260	99,000.00	2.300	02/02/2011	1,303.07	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10261	FFIN	01	02/03/2009	1,518.00	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10261	99,000.00	2.300	02/02/2011	1,303.07	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10262	FFIN	01	02/03/2009	1,518.00	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
10262	99,000.00	2.300	02/02/2011	1,303.07	0.00	99,000.00	0.00	0.00	99,000.00	0.00	99,000.00
Sub Totals For: Fund: 01-General Fund				143,675.51	3,407,228.17	3,663,259.96	1,880,000.00	-656,461.12	3,663,259.96	4,534,027.01	4,534,027.01
				155,608.90	3,399,569.88	3,663,259.96	1,880,000.00	-585,004.42	3,663,259.96	4,597,825.42	4,597,825.42
Fund: 02-Water/Sewer Operation											
10296	FHLB	02	08/31/2009	750.00	0.00	299,690.99	0.00	0.00	299,690.99	0.00	301,724.10
3133XR2Y5	300,000.00	8.862	06/11/2010	0.00	0.00	299,690.99	0.00	0.00	299,690.99	5,694.01	305,385.00
10111	FHLB	02	01/24/2008	3,532.50	310,526.93	0.00	309,123.34	-1,403.59	0.00	0.00	0.00
3133XCNB5	0.00	0.000	08/16/2010	5,298.75	308,760.00	0.00	309,123.34	363.34	0.00	0.00	0.00
10305	FHLMC	02	09/01/2009	1,458.33	0.00	361,583.49	0.00	0.00	361,583.49	5,611.46	367,194.95
3128X4QK0	350,000.00	2.022	10/18/2010	0.00	0.00	361,583.49	0.00	0.00	361,583.49	4,044.01	365,627.50

City of Corinth
Texas Compliance Change in Value Report
October 1, 2008 - September 30, 2009

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value	Par Value	YTM	Mat Date	Interest Received	Change in Value	Redemptions	Purchases/ Additions	Beginning Market Value	Ending Market Value
10289	FHLMC	02	08/24/2009	205.56	0.00	100,000.00	100,000.00			0.00	0.00	0.00	100,000.00	100,000.00	
3128X9CM0		2.000	02/24/2012	0.00	0.00	100,000.00	100,000.00			0.00	714.00	0.00	100,000.00	100,714.00	
10280	FHLMC	02	06/29/2009	1,533.33	0.00	400,000.00	400,000.00			0.00	0.00	0.00	400,000.00	400,000.00	
3128X82R2		1.500	06/29/2012	0.00	0.00	400,000.00	400,000.00			0.00	1,756.00	0.00	400,000.00	401,756.00	
10023	FEDER	02	10/01/2007	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	
SYS10023		5.190	/ /	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	
10211	TXSTAR	02	11/12/2008	1,766.88	0.00	200,000.00	200,000.00			0.00	5,953.03	0.00	200,000.00	205,953.03	
SYS10211		0.263	/ /	1,953.03	0.00	200,000.00	200,000.00			0.00	5,953.03	0.00	200,000.00	205,953.03	
10247	FFIN	02	02/02/2009	3,083.80	0.00	249,000.00	249,000.00			0.00	0.00	0.00	249,000.00	249,000.00	
10247		1.850	12/30/2009	2,649.05	0.00	249,000.00	249,000.00			0.00	0.00	0.00	249,000.00	249,000.00	
Sub Totals For: Fund: 02-Water/Sewer Operation															
				12,330.40	310,526.93	1,610,274.48	1,610,274.48			9,900.83	12,194.01	309,123.34	1,610,274.48	1,623,872.08	
				9,900.83	308,760.00	1,610,274.48	1,610,274.48				18,524.39	309,123.34		1,628,435.53	
Fund: 03-Water/Sewer Capital															
10231	FHLMC	03	01/14/2009	3,123.26	0.00	250,000.00	250,000.00			0.00	0.00	0.00	250,000.00	250,000.00	
3128X8EC2		1.750	01/14/2011	2,187.50	0.00	250,000.00	250,000.00			0.00	1,062.50	0.00	250,000.00	251,062.50	
10127	FHLB	03	01/31/2008	5,281.25	500,000.00	500,000.00	500,000.00			0.00	0.00	500,000.00	0.00	500,000.00	
3133XPD27		0.000	01/28/2011	8,125.00	498,800.00	498,800.00	498,800.00			0.00	1,200.00	500,000.00	0.00	500,000.00	
10220	FNMA	03	09/30/2008	1,024.03	53,009.37	53,009.37	53,009.37			0.00	-826.93	52,182.44	0.00	53,009.37	
31359MF81		0.000	02/07/2011	1,031.04	52,030.00	52,030.00	52,030.00			0.00	152.44	52,182.44	0.00	52,030.00	
10230	FHLB	03	01/06/2009	6,440.97	0.00	500,000.00	500,000.00			0.00	0.00	0.00	500,000.00	500,000.00	
3133XSSY5		1.750	07/06/2011	4,375.00	0.00	500,000.00	500,000.00			0.00	1,780.00	0.00	500,000.00	501,780.00	
10018	TXPOOL	03	10/01/2007	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	
SYS10018		0.00	/ /	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	
Sub Totals For: Fund: 03-Water/Sewer Capital															
				15,869.51	553,009.37	750,000.00	750,000.00			15,869.51	-826.93	552,182.44	750,000.00	750,000.00	
				15,718.54	550,830.00	750,000.00	750,000.00			15,718.54	4,194.94	552,182.44	750,000.00	752,842.50	

Fund: 04-Debt Service

Portfolio CITY

City of Corinth
Texas Compliance Change In Value Report
October 1, 2008 - September 30, 2009

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10284	FHLB	04	06/30/2009	1,137.50	0.00	0.00	149,811.83	0.00	287.72	150,099.55	150,099.55
3133XR2Y5	150,000.00	3.134	06/11/2010	0.00	0.00	0.00	149,811.83	0.00	2,880.67	152,692.50	152,692.50
10307	FHLB	04	09/01/2009	250.00	0.00	0.00	99,896.99	0.00	677.71	100,574.70	100,574.70
3133XR2Y5	100,000.00	3.131	06/11/2010	0.00	0.00	0.00	99,896.99	0.00	1,898.01	101,795.00	101,795.00
10304	FHLMC	04	09/01/2009	330.42	0.00	0.00	130,774.13	0.00	141.15	130,915.28	130,915.28
3128X6Y59	130,000.00	2.409	08/12/2010	0.00	0.00	0.00	130,774.13	0.00	2,209.37	132,983.50	132,983.50
10178	FHLB	04	08/18/2008	7,704.86	250,000.00	250,000.00	0.00	250,000.00	0.00	0.00	0.00
3133XR39	0.00	0.000	08/18/2010	8,750.00	250,525.00	250,000.00	0.00	250,000.00	-525.00	0.00	0.00
10308	FHLMC	04	09/10/2009	84.58	0.00	0.00	100,708.31	0.00	-41.32	100,666.99	100,666.99
3128X8QT2	100,000.00	0.738	09/10/2010	0.00	0.00	0.00	100,708.31	0.00	181.69	100,890.00	100,890.00
10314	FHLB	04	09/29/2009	31.32	0.00	0.00	113,898.63	0.00	-21.66	113,876.97	113,876.97
3133XGRD8	110,000.00	1.540	09/29/2010	0.00	0.00	0.00	113,898.63	0.00	1,120.67	115,019.30	115,019.30
10287	FHLMC	04	08/24/2009	208.77	0.00	0.00	125,000.00	0.00	0.00	125,000.00	125,000.00
3128X9BR0	125,000.00	1.625	08/24/2011	0.00	0.00	0.00	125,000.00	0.00	350.00	125,350.00	125,350.00
10017	TXSTAR	04	10/01/2007	0.00	0.00	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	0.00	0.00
Sub Totals For: Fund: 04-Debt Service											
				9,747.45	250,000.00	250,000.00	720,089.89	250,000.00	1,043.60	721,133.49	721,133.49
				8,750.00	250,525.00	250,000.00	720,089.89	250,000.00	8,115.41	728,730.30	728,730.30
Fund: 06- Capital Project											
10191	FNMA	06	09/30/2008	4,650.00	304,325.00	304,325.00	0.00	300,000.00	-4,325.00	0.00	0.00
3136F9EJ8	0.00	0.000	04/07/2010	4,675.00	298,980.00	298,980.00	0.00	300,000.00	1,020.00	0.00	0.00
10156	FNMA	06	05/28/2008	3,146.78	101,849.12	101,849.12	0.00	100,000.00	-1,849.12	0.00	0.00
31398ABT8	0.00	0.000	05/14/2010	4,882.44	101,160.00	101,160.00	0.00	100,000.00	-1,160.00	0.00	0.00
10297	FHLB	06	08/31/2009	364.59	0.00	0.00	350,000.00	0.00	583.33	350,583.33	350,583.33
3133XSUE6	350,000.00	1.979	01/13/2011	0.00	0.00	0.00	350,000.00	0.00	1,018.50	351,018.50	351,018.50

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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10281	FHLMC	06	06/29/2009	383.33	0.00	0.00	100,000.00	0.00	0.00	100,000.00	100,000.00
3128X82R2	100,000.00	2.484	06/29/2012	0.00	0.00	0.00	100,000.00	0.00	439.00	100,439.00	100,439.00
10019	TXPOOL	06	10/01/2007	0.00	0.00	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	0.00	0.00
Sub Totals For: Fund: 06- Capital Project											
				8,544.70	406,174.12	406,174.12	450,000.00	400,000.00	-5,590.79	450,583.33	450,583.33
				9,657.44	400,140.00	400,140.00	450,000.00	400,000.00	1,317.50	451,457.50	451,457.50
Fund: 07-Recreation											
10013	TXSTAR	07	10/01/2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SYS10013	0.00	5.292	/ /	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: 07-Recreation											
				0.00	0.00	0.00	0.00	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: 10-Street Maint Sales Tax											
10303	FNMA	10	09/01/2009	420.83	0.00	0.00	103,217.54	0.00	149.60	103,367.14	103,367.14
31359MF81	100,000.00	2.744	02/07/2011	0.00	0.00	0.00	103,217.54	0.00	2,554.46	105,772.00	105,772.00
10155	TXSTAR	10	05/27/2008	2,563.65	303,808.12	303,808.12	0.00	0.00	103,166.72	406,974.84	406,974.84
SYS10155	406,974.84	0.263	/ /	3,166.72	303,808.12	303,808.12	0.00	0.00	103,166.72	406,974.84	406,974.84
Sub Totals For: Fund: 10-Street Maint Sales Tax											
				2,984.48	303,808.12	303,808.12	103,217.54	0.00	103,316.32	510,341.98	510,341.98
				3,166.72	303,808.12	303,808.12	103,217.54	0.00	105,721.18	512,746.84	512,746.84
Fund: 11-Roadway Impact Fees											
10180	FHLMC	11	09/15/2008	375.83	101,127.50	101,127.50	0.00	100,000.00	-1,127.50	0.00	0.00
3128X7PT5	0.00	0.000	05/12/2010	522.50	99,920.00	99,920.00	0.00	100,000.00	80.00	0.00	0.00
10166	FHLB	11	06/06/2008	2,750.00	100,083.93	100,083.93	0.00	99,896.99	-186.94	0.00	0.00
3133XR2Y5	0.00	0.000	06/11/2010	3,708.34	100,121.00	100,121.00	0.00	99,896.99	-224.01	0.00	0.00
10176	FHLB	11	08/18/2008	3,081.94	100,000.00	100,000.00	0.00	100,000.00	0.00	0.00	0.00
3133XR39	0.00	0.000	08/18/2010	3,500.00	100,210.00	100,210.00	0.00	100,000.00	-210.00	0.00	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
10301	TXSTAR	11	09/30/2009	4.68	0.00	650,000.00	0.00	0.00	650,000.00
SYS10301	650,000.00	0.263	/ /	0.00	0.00	650,000.00	0.00	0.00	650,000.00
Sub Totals For: Fund: 11-Roadway Impact Fees									
				6,212.45	301,211.43	650,000.00	299,896.99	-1,314.44	650,000.00
				7,730.84	300,251.00	650,000.00	299,896.99	-354.01	650,000.00
Fund: 12-Crime Control & Prevention									
10077	WACHVA	12	10/01/2007	632.27	98,525.22	0.00	0.00	20,209.68	118,734.90
SYS10072	118,734.90	0.400	/ /	0.00	98,525.22	0.00	0.00	20,209.68	118,734.90
Sub Totals For: Fund: 12-Crime Control & Prevention									
				632.27	98,525.22	0.00	0.00	20,209.68	118,734.90
				0.00	98,525.22	0.00	0.00	20,209.68	118,734.90
Fund: 14-Eco Dev Corp 4(B)									
10173	FHLB	14	08/13/2008	10,500.00	304,498.92	0.00	0.00	-4,369.76	300,129.16
3133X9BF6	300,000.00	3.000	11/03/2009	7,583.33	301,140.00	0.00	0.00	-252.00	300,888.00
10202	FHLB	14	10/15/2008	6,433.44	0.00	254,594.55	0.00	276.70	254,871.25
3133XPNX8	255,000.00	2.740	03/12/2010	6,080.17	0.00	254,594.55	0.00	3,014.10	257,608.65
10263	FHLB	14	02/27/2009	3,566.66	0.00	199,658.61	0.00	157.45	199,816.06
3133XR2Y5	200,000.00	6.030	06/11/2010	1,733.33	0.00	199,658.61	0.00	3,931.39	203,590.00
10266	FHLB	14	03/31/2009	1,500.00	0.00	99,841.81	0.00	66.22	99,908.03
3133XR2Y5	100,000.00	6.514	06/11/2010	583.33	0.00	99,841.81	0.00	1,953.19	101,795.00
10197	FHLB	14	10/01/2008	18,064.00	0.00	413,888.32	0.00	-7,473.54	406,414.78
3133X85H1	400,000.00	2.589	08/10/2010	15,504.93	0.00	413,888.32	0.00	-4.32	413,884.00
10264	FNMA	14	02/27/2009	1,500.97	0.00	52,182.44	0.00	-667.20	51,515.24
31359MF81	50,000.00	2.729	02/07/2011	1,122.22	0.00	52,182.44	0.00	703.56	52,886.00
10286	FHLB	14	08/13/2009	1,684.17	0.00	230,475.70	0.00	-1,370.54	229,105.16
3133MDBT9	215,000.00	1.050	02/15/2011	70.18	0.00	230,475.70	0.00	-556.85	229,918.85
10007	TXPOOL	14	10/01/2007	4,052.23	588,577.73	0.00	0.00	-191,790.61	396,787.12
SYS10007	396,787.12	0.282	/ /	4,930.54	588,577.73	0.00	0.00	-191,790.61	396,787.12

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Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10009	TXPOOL	14	10/01/2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SYS100099	0.00	4.750	/ /	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10021	NTHSTR	14	10/01/2007	200.31	0.00	0.00	0.00	0.00	221,823.45	221,823.45	221,823.45
SYS10021	221,823.45	1.240	/ /	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: 14-Eco Dev Corp 4(B)											
				47,501.78	893,076.65	1,250,641.43	1,250,641.43	0.00	16,652.17	2,160,370.25	2,160,370.25
				37,608.03	889,717.73	1,250,641.43	1,250,641.43	0.00	-183,001.54	1,957,357.62	1,957,357.62
10177	FHLB	20	08/18/2008	2,041.66	100,000.00	100,000.00	0.00	100,000.00	0.00	100,000.00	100,000.00
3133RX39	0.00	0.000	08/18/2010	2,459.72	100,210.00	100,210.00	0.00	100,000.00	-210.00	100,000.00	100,000.00
10163	FNMA	20	06/05/2008	1,562.50	99,669.73	99,669.73	0.00	100,000.00	330.27	100,000.00	100,000.00
31398APR7	0.00	0.000	04/01/2011	2,569.44	99,360.00	99,360.00	0.00	100,000.00	640.00	100,000.00	100,000.00
Sub Totals For: Fund: 20-W/WW Int & Sinking											
				3,604.16	199,669.73	199,669.73	0.00	200,000.00	330.27	200,000.00	200,000.00
				5,029.16	199,570.00	199,570.00	0.00	200,000.00	430.00	200,000.00	200,000.00
10114	FHLB	31	01/24/2008	0.00	413,888.32	413,888.32	0.00	413,888.32	0.00	413,888.32	413,888.32
3133X85H1	0.00	0.000	08/10/2010	2,559.07	410,160.00	410,160.00	0.00	413,888.32	3,728.32	413,888.32	413,888.32
Sub Totals For: Fund: 31-Parks CIP 2008											
				0.00	413,888.32	413,888.32	0.00	413,888.32	0.00	413,888.32	413,888.32
				2,559.07	410,160.00	410,160.00	0.00	413,888.32	3,728.32	413,888.32	413,888.32
10014	TXSTAR	44	10/01/2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SYS10014	0.00	5.292	/ /	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10052	TXSTAR	44	10/01/2007	1,872.37	147,493.40	147,493.40	0.00	0.00	152,506.60	147,493.40	147,493.40
SYS10013	300,000.00	0.323	/ /	2,163.46	147,493.40	147,493.40	0.00	0.00	152,506.60	147,493.40	147,493.40
10249	FFIN	44	02/02/2009	2,538.87	0.00	0.00	205,000.00	0.00	0.00	205,000.00	205,000.00
10249	205,000.00	1.850	12/30/2009	2,180.91	0.00	0.00	205,000.00	0.00	0.00	205,000.00	205,000.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value			Market Value	Market Value
10250	FFIN	44	02/02/2009	1,226.09	0.00	99,000.00	0.00	0.00	99,000.00
10250	99,000.00	1.850	12/30/2009	995.49	0.00	99,000.00	0.00	0.00	99,000.00
Sub Totals For: Fund: 44-Water/Sewer Imp Fees									
				5,637.33	147,493.40	304,000.00	0.00	152,506.60	604,000.00
				5,339.86	147,493.40	304,000.00	0.00	152,506.60	604,000.00
Fund: 45-Wastewater Impact Fees									
10272	FHLMC	45	05/28/2009	495.41	0.00	100,909.00	0.00	-242.01	100,666.99
3128X8QT2	100,000.00	0.737	09/10/2010	410.83	0.00	100,909.00	0.00	-19.00	100,890.00
10315	TXSTAR	45	09/30/2009	0.00	0.00	200,000.00	0.00	0.00	200,000.00
SYS10315	200,000.00	0.000	/ /	0.00	0.00	200,000.00	0.00	0.00	200,000.00
Sub Totals For: Fund: 45-Wastewater Impact Fees									
				495.41	0.00	300,909.00	0.00	-242.01	300,666.99
				410.83	0.00	300,909.00	0.00	-19.00	300,890.00
Fund: 46 - Storm Water Utility									
10112	FHLB	46	01/24/2008	2,060.63	181,140.71	0.00	180,321.95	-818.76	0.00
3133XCNB5	0.00	0.000	08/16/2010	3,090.94	180,110.00	0.00	180,321.95	211.95	0.00
10302	TXSTAR	46	09/30/2009	2.16	0.00	300,000.00	0.00	0.00	300,000.00
SYS10302	300,000.00	0.263	/ /	0.00	0.00	300,000.00	0.00	0.00	300,000.00
Sub Totals For: Fund: 46 - Storm Water Utility									
				2,062.79	181,140.71	300,000.00	180,321.95	-818.76	300,000.00
				3,090.94	180,110.00	300,000.00	180,321.95	211.95	300,000.00
Fund: 50- Water 2007 C.O.									
10164	FHLB	50	06/06/2008	8,250.00	300,251.80	0.00	299,690.99	-560.81	0.00
3133XR2Y5	0.00	0.000	06/11/2010	11,125.00	300,363.00	0.00	299,690.99	-672.01	0.00
10193	FHLB	50	09/30/2008	2,433.34	202,067.87	0.00	199,658.61	-2,409.26	0.00
3133XR2Y5	0.00	0.000	06/11/2010	2,450.00	200,242.00	0.00	199,658.61	-583.39	0.00
10179	FHLB	50	08/18/2008	11,403.19	370,000.00	0.00	370,000.00	0.00	0.00
3133XR39	0.00	0.000	08/18/2010	12,950.00	370,777.00	0.00	370,000.00	-777.00	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10189	FHLMC	50	09/30/2008	19,066.66	524,027.47	524,027.47	0.00	507,896.43	-16,131.04	507,896.43	507,896.43
3128X3YF4		0.000	10/13/2010	19,124.44	509,250.00	509,250.00	0.00	507,896.43	-1,353.57	507,896.43	507,896.43
10298	FHLB	50	08/31/2009	260.41	0.00	0.00	250,000.00	0.00	416.67	250,416.67	250,416.67
3133XSUE6		1.979	01/13/2011	0.00	0.00	0.00	250,000.00	0.00	727.50	250,727.50	250,727.50
10119	FHLB	50	01/30/2008	5,281.25	500,000.00	500,000.00	0.00	500,000.00	0.00	500,000.00	500,000.00
3133XPD27		0.000	01/28/2011	8,125.00	498,800.00	498,800.00	0.00	500,000.00	1,200.00	500,000.00	500,000.00
10188	FHLB	50	09/30/2008	4,225.00	402,238.89	402,238.89	0.00	400,000.00	-2,238.89	400,000.00	400,000.00
3133XPD27		0.000	01/28/2011	4,261.11	399,040.00	399,040.00	0.00	400,000.00	960.00	400,000.00	400,000.00
10147	FNMA	50	04/14/2008	11,510.42	1,250,000.00	1,250,000.00	0.00	1,250,000.00	0.00	1,250,000.00	1,250,000.00
3136F9GM9		0.000	04/14/2011	28,906.25	1,247,750.00	1,247,750.00	0.00	1,250,000.00	2,250.00	1,250,000.00	1,250,000.00
10295	FNMA	50	08/31/2009	520.83	0.00	0.00	500,000.00	0.00	2,152.78	502,152.78	502,152.78
3136FHL9		1.850	04/27/2011	0.00	0.00	0.00	500,000.00	0.00	2,395.00	502,395.00	502,395.00
10233	FHLMC	50	01/20/2009	13,944.44	0.00	0.00	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00
3128X8EE8		2.000	07/20/2011	10,000.00	0.00	0.00	1,000,000.00	0.00	5,020.00	1,005,020.00	1,005,020.00
10288	FHLMC	50	08/24/2009	626.30	0.00	0.00	375,000.00	0.00	0.00	375,000.00	375,000.00
3128X9BR0		1.625	08/24/2011	0.00	0.00	0.00	375,000.00	0.00	1,050.00	376,050.00	376,050.00
10290	FHLMC	50	08/24/2009	411.11	0.00	0.00	200,000.00	0.00	0.00	200,000.00	200,000.00
3128X9CM0		2.000	02/24/2012	0.00	0.00	0.00	200,000.00	0.00	1,428.00	201,428.00	201,428.00
10310	FNMA	50	09/16/2009	645.83	0.00	0.00	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00
3136FJCL3		1.550	03/16/2012	0.00	0.00	0.00	1,000,000.00	0.00	-700.00	999,300.00	999,300.00
10066	TXPOOL	50	10/01/2007	6,841.64	0.00	0.00	0.00	0.00	2,006,287.47	2,006,287.47	2,006,287.47
SYS10009		0.282	/ /	6,287.47	0.00	0.00	0.00	0.00	2,006,287.47	2,006,287.47	2,006,287.47
10135	TXSTAR	50	03/14/2008	15,854.60	3,003,839.56	3,003,839.56	0.00	0.00	-2,605,902.01	397,937.55	397,937.55
SYS10135		0.263	/ /	19,329.36	3,003,839.56	3,003,839.56	0.00	0.00	-2,605,902.01	397,937.55	397,937.55
10252	FFIN	50	02/02/2009	1,226.09	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00
10252		1.850	12/28/2009	982.03	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10253	FFIN	50	02/03/2009	1,221.00	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00
10253	99,000.00	1.850	02/02/2010	1,068.62	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00
10251	FFIN	50	02/02/2009	1,524.33	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00
10251	99,000.00	2.300	01/14/2011	1,214.56	0.00	0.00	99,000.00	0.00	0.00	99,000.00	99,000.00
Sub Totals For: Fund: 50- Water 2007 C.O.											
				105,246.44	6,552,425.59	6,028,794.47	3,622,000.00	3,527,246.03	-618,385.09	6,028,794.47	6,028,794.47
				125,823.84	6,530,061.56	6,036,145.52	3,622,000.00	3,527,246.03	-588,670.01	6,036,145.52	6,036,145.52
Fund: 60- Wastewater 2007											
10079	FHLB	60	10/16/2007	2,562.50	1,232,402.34	0.00	0.00	1,230,000.00	-2,402.34	0.00	0.00
3133XHFA5	0.00	0.000	10/16/2009	30,750.00	1,230,984.00	0.00	0.00	1,230,000.00	-984.00	0.00	0.00
10299	FHLB	60	08/31/2009	312.50	0.00	0.00	300,000.00	0.00	500.00	300,500.00	300,500.00
3133XSUE6	300,000.00	1.979	01/13/2011	0.00	0.00	0.00	300,000.00	0.00	873.00	300,873.00	300,873.00
10232	FHLMC	60	01/14/2009	3,123.26	0.00	0.00	250,000.00	0.00	0.00	250,000.00	250,000.00
3128X8EC2	250,000.00	1.750	01/14/2011	2,187.50	0.00	0.00	250,000.00	0.00	1,062.50	251,062.50	251,062.50
10144	FHLB	60	03/01/2008	5,281.25	500,000.00	0.00	0.00	500,000.00	0.00	0.00	0.00
3133XPD27	0.00	0.000	01/28/2011	8,125.00	498,800.00	0.00	0.00	500,000.00	1,200.00	0.00	0.00
10131	FNMA	60	02/07/2008	4,629.17	105,275.26	0.00	0.00	103,217.54	-2,057.72	0.00	0.00
31359MFB1	0.00	0.000	02/07/2011	5,386.67	104,060.00	0.00	0.00	103,217.54	-842.46	0.00	0.00
10279	FHLMC	60	06/05/2009	2,965.25	0.00	0.00	162,942.00	0.00	-2,461.10	160,480.90	160,480.90
3134A0VF6	150,000.00	0.987	02/15/2011	1,789.37	0.00	0.00	162,942.00	0.00	-2,403.00	160,539.00	160,539.00
10148	FNMA	60	04/14/2008	11,510.42	1,250,000.00	0.00	0.00	1,250,000.00	0.00	0.00	0.00
3136F9GM9	0.00	0.000	04/14/2011	28,906.25	1,247,750.00	0.00	0.00	1,250,000.00	2,250.00	0.00	0.00
10271	FNMA	60	04/28/2009	3,984.38	0.00	0.00	750,000.00	0.00	0.00	750,000.00	750,000.00
3136FHKS3	750,000.00	1.250	10/28/2011	0.00	0.00	0.00	750,000.00	0.00	3,292.50	753,292.50	753,292.50
10313	FNMA	60	09/28/2009	166.67	0.00	0.00	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00
31398AZF2	1,000,000.00	2.000	09/28/2012	0.00	0.00	0.00	1,000,000.00	0.00	-270.00	999,730.00	999,730.00

City of Corinth
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
10067	TXPOOL	60	10/01/2007	6,841.64	0.00	0.00	0.00	0.00	2,006,287.47	2,006,287.47	2,006,287.47
SYS10009		0.282	/ /	6,287.47	0.00	0.00	0.00	0.00	2,006,287.47	2,006,287.47	2,006,287.47
10136	TXSTAR	60	03/14/2008	12,613.22	2,524,313.28	2,524,313.28	0.00	0.00	-1,917,502.33	606,810.95	606,810.95
SYS10136		0.263	/ /	15,416.78	2,524,313.28	2,524,313.28	0.00	0.00	-1,917,502.33	606,810.95	606,810.95
Sub Totals For: Fund: 60- Wastewater 2007											
				53,990.26	5,611,990.88	2,462,942.00	2,462,942.00	3,083,217.54	82,363.98	5,074,079.32	5,074,079.32
				98,849.04	5,605,907.28	2,462,942.00	2,462,942.00	3,083,217.54	92,963.68	5,078,595.42	5,078,595.42
10192	FNMA	70	09/30/2008	7,000.00	710,091.67	710,091.67	0.00	700,000.00	-10,091.67	0.00	0.00
3136F9EJ8		0.000	04/07/2010	7,058.33	697,620.00	697,620.00	0.00	700,000.00	2,380.00	0.00	0.00
10195	FHLB	70	09/30/2008	3,362.50	151,550.89	151,550.89	0.00	149,811.83	-1,739.06	0.00	0.00
3133XR2Y5		0.000	06/11/2010	3,375.00	150,181.50	150,181.50	0.00	149,811.83	-369.67	0.00	0.00
10167	FHLB	70	06/25/2008	10,500.00	1,000,000.00	1,000,000.00	0.00	1,000,000.00	0.00	0.00	0.00
3133XRGW4		0.000	06/25/2010	18,900.00	998,200.00	998,200.00	0.00	1,000,000.00	1,800.00	0.00	0.00
10184	FHLB	70	09/30/2008	1,570.00	416,338.57	416,338.57	0.00	413,412.08	-2,926.49	0.00	0.00
3133XCNB5		0.000	08/16/2010	1,622.33	411,680.00	411,680.00	0.00	413,412.08	1,732.08	0.00	0.00
10306	FHLMC	70	09/01/2009	437.50	0.00	0.00	109,345.74	0.00	-362.15	108,983.59	108,983.59
3128X4HN4		0.835	09/01/2010	0.00	0.00	0.00	109,345.74	0.00	-51.24	109,294.50	109,294.50
10234	FHLB	70	01/14/2009	3,569.44	0.00	0.00	400,000.00	0.00	0.00	400,000.00	400,000.00
3133XSUE6		1.746	01/13/2011	2,486.11	0.00	0.00	400,000.00	0.00	1,164.00	401,164.00	401,164.00
10120	FHLB	70	01/30/2008	1,056.25	100,000.00	100,000.00	0.00	100,000.00	0.00	0.00	0.00
3133XPD27		0.000	01/28/2011	1,625.00	99,760.00	99,760.00	0.00	100,000.00	240.00	0.00	0.00
10309	FHLB	70	09/11/2009	812.50	0.00	0.00	317,073.35	0.00	-632.35	316,441.00	316,441.00
3133XENX3		3.096	03/11/2011	0.00	0.00	0.00	317,073.35	0.00	425.65	317,499.00	317,499.00
10291	FHLB	70	08/24/2009	863.33	0.00	0.00	700,000.00	0.00	0.00	700,000.00	700,000.00
3133XUKP7		1.200	08/24/2011	0.00	0.00	0.00	700,000.00	0.00	0.00	700,000.00	700,000.00

City of Corinth
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value			Market Value	Market Value
10235	FHLB	70	01/12/2009	9,892.36	0.00	1,000,000.00	0.00	0.00	1,000,000.00
3133XSUF3	1,000,000.00	2.117	01/12/2012	6,875.00	0.00	1,000,000.00	0.00	2,980.00	1,002,980.00
10282	FHLMC	70	06/29/2009	1,150.00	0.00	300,000.00	0.00	0.00	300,000.00
3128X82R2	300,000.00	2.484	06/29/2012	0.00	0.00	300,000.00	0.00	1,317.00	301,317.00
10311	FHLB	70	09/25/2009	62.54	0.00	300,500.20	0.00	-1.67	300,498.53
3133XUJ68	300,200.00	2.201	09/25/2012	0.00	0.00	300,500.20	0.00	-1,050.70	299,449.50
10064	TXPOOL	70	10/01/2007	15,246.33	2,239,938.78	0.00	0.00	18,382.10	2,258,320.88
SYS10009	2,258,320.88	0.282	/ /	18,382.10	2,239,938.78	0.00	0.00	18,382.10	2,258,320.88
10138	TXSTAR	70	03/14/2008	10,457.51	2,139,475.37	0.00	0.00	569,403.96	2,708,879.33
SYS10138	2,708,879.33	0.263	/ /	12,991.99	2,139,475.37	0.00	0.00	569,403.96	2,708,879.33
Sub Totals For: Fund: 70 - Streets 2007 CIP									
				65,980.26	6,757,395.28	3,126,919.29	2,363,223.91	572,032.67	8,093,123.33
				73,315.86	6,736,855.65	3,126,919.29	2,363,223.91	598,353.18	8,098,904.21

Fund: 80 - Drainage 2007

10196	FHLB	80	09/30/2008	1,500.00	101,033.93	0.00	99,841.81	-1,192.12	0.00
3133XR2Y5	0.00	0.000	06/11/2010	1,508.34	100,121.00	0.00	99,841.81	-279.19	0.00
10133	FNMA	80	02/07/2008	16,124.93	579,013.93	0.00	571,846.19	-7,167.74	0.00
31359MFB1	0.00	0.000	02/07/2011	20,291.18	572,330.00	0.00	571,846.19	-483.81	0.00
10292	FHLB	80	08/24/2009	370.00	0.00	300,000.00	0.00	0.00	300,000.00
3133XUKP7	300,000.00	1.646	08/24/2011	0.00	0.00	300,000.00	0.00	0.00	300,000.00
10312	FHLB	80	09/25/2009	41.63	0.00	199,999.80	0.00	-1.11	199,998.69
3133XUJ68	199,800.00	2.201	09/25/2012	0.00	0.00	199,999.80	0.00	-699.30	199,300.50
10068	TXPOOL	80	10/01/2007	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	80	03/14/2008	4,257.03	827,469.29	0.00	0.00	-62,140.29	765,329.00
SYS10137	765,329.00	0.263	/ /	5,161.17	827,469.29	0.00	0.00	-62,140.29	765,329.00

City of Corinth
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
10248	FFIN	80	02/03/2009	3,071.00	0.00	249,000.00	0.00	0.00	249,000.00
10248		1.850	12/30/2009	2,623.43	0.00	249,000.00	0.00	0.00	249,000.00
Sub Totals For: Fund: 80 - Drainage 2007									
				25,364.59	1,507,517.15	748,999.80	671,688.00	-70,501.26	1,514,327.69
				29,584.12	1,499,920.29	748,999.80	671,688.00	-63,602.59	1,513,629.50
Fund: 90-All Departmental									
10194	FHLB	90	09/30/2008	0.00	151,550.89	0.00	149,663.39	-1,887.50	0.00
3133XR2Y5	0.00	0.000	06/11/2010	12.50	150,181.50	0.00	149,663.39	-518.11	0.00
10187	FHLB	90	09/30/2008	376.33	104,099.30	0.00	103,316.38	-782.92	0.00
3133X85H1	0.00	0.000	08/10/2010	388.88	102,540.00	0.00	103,316.38	776.38	0.00
10300	FHLB	90	08/31/2009	104.16	0.00	100,000.00	0.00	166.67	100,166.67
3133XSUE6	100,000.00	1.979	01/13/2011	0.00	0.00	100,000.00	0.00	291.00	100,291.00
10065	TXPOOL	90	10/01/2007	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	90	03/14/2008	1,145.71	385,262.07	0.00	0.00	-259,562.35	125,699.72
SYS10139	125,699.72	0.705	/ /	1,397.68	385,262.07	0.00	0.00	-259,562.35	125,699.72
Sub Totals For: Fund: 90-All Departmental									
				1,626.20	640,912.26	100,000.00	252,979.77	-262,066.10	225,866.39
				1,799.06	637,983.57	100,000.00	252,979.77	-259,013.08	225,990.72
Report Grand Totals:									
				529,433.18	30,522,801.13	20,163,253.39	14,383,768.29	-522,731.27	35,779,554.96
				593,843.08	30,436,996.50	20,163,253.39	14,383,768.29	-540,561.89	35,675,919.71

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2009



APPENDIX B

First Southwest Portfolio Assessment



City of Corinth, Texas
Review of Investment Report
Quarter Ending September 30, 2009

Fund Groups Included: Pooled, Eco Development, and Crime Control

Summary of Exceptions

The following exception(s) were noted during our review of the above-captioned investment report:

As of September 30, 2009:

- The 370-day weighted-average maturity of the Reserve Funds portfolio exceeded the maximum maturity by 5 days.
- The percentage of callable securities in the consolidated portfolio was 32%, slightly exceeding the 30% policy limit.

Signature Redacted

Scott D. McIntyre, CFA
Senior Vice President
FirstSouthwest Asset Management, Inc.

11/9/09

Date

City of Corinth, Texas
Portfolio Assessment
Quarter Ending September 30, 2009

After careful review of the City portfolios, the following observations were made:

▪ **Consolidated Portfolio**

- Yield-to-Maturity is 1.32%
- WAM is 322 days
- Net Asset Value is 1.000
- Percentage Liquid – 45.6%

The consolidated portfolio average yield is well above the overnight target rate of (zero to 0.25%), established in 10 months ago. The City's decision to extend the portfolio last year allowed it to retain a significantly higher portion of earnings as rates have progressively fallen.

▪ **Eco Development**

- Yield-to-Maturity is 2.44%
- WAM is 183 days
- Net Asset Value is 1.0087
- Percentage Liquid – 28.4%

The Economic Development portfolio yield is above the overnight fed target as a result of purchases made in 2008 at higher net yields.

▪ **Crime Prevention**

- Yield-to-Maturity is 1.75%
- WAM is 1 day
- Net Asset Value is 1.000
- Percentage Liquid – 100%

This Crime Prevention portfolio is 100% liquid with all assets held in Wachovia Bank. The size of the portfolio suggests that money markets are an acceptable investment choice.

Signature Redacted

Scott D. McIntyre, CFA
Senior Vice President

11/6/09

Date

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2009



APPENDIX C

Glossary

Glossary

Accrued Interest - In the sale of a new issue of municipal bonds, the dollar amount, based on the stated rate or rates of interest, which has accrued on the bonds from the dated date, or other stated date, up to but not including the date of delivery. When a bond is purchased in the secondary market, the dollar amount, based upon the stated rate of interest, which has accrued on the bond from the most recent interest payment date, up to but not including the date of settlement. Accrued interest is paid to the seller by the purchaser and is usually calculated on a 360-day-year basis (assumes each month has 30 days).

Agencies – Federal agency securities.

Arbitrage – Generally, transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a difference in prices in the two markets. With respect to the issuance of municipal bonds, arbitrage usually refers to the difference between the interest paid on the bonds issued and the interest earned by investing the bond proceeds in other securities. Arbitrage profits are permitted on bond proceeds for various temporary periods after issuance of municipal bonds. Internal Revenue Service regulations govern arbitrage of municipal bond proceeds.

Asked – The price at which securities are offered.

Bankers' Acceptance (BA) – A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bearer Bond – Bond which is presumed to be owned by the person who holds it. The Tax Equity and Fiscal Responsibility Act of 1982 requires the issuance of municipal bonds in fully registered form, with minor exceptions.

Bid – The price offered by a buyer of securities. (When you are selling securities, you ask for a bid).

Book Value – The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

Broker – A broker brings buyers and sellers together for a commission.

Callable Bond – a bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk – The risk to a bondholder that a bond may be redeemed prior to maturity.

Capital Appreciation Bond – Long-term tax exempt security sold at a large discount. Yield is reinvested at a stated rate until maturity at which time the investor receives total payment. Latter represents both principal and interest.

Certificate of Deposit (CD) – A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

Collateral – Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (tax-exempt) – Short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30 – 45 days.

Comprehensive Annual Financial Report (CAFR) – The official annual report for the City of Denton. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance related to legal and contractual provision, extensive introductory material, and a detailed Statistical Section.

Coupon – (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Current Yield – The ratio of the annual dollar amount of interest to the purchase price of a bond, stated as a percentage. For example, a \$1,000 bond purchased at par with an 8% coupon pays \$80 per year, or a current yield of 8%. The same bond, if purchased at a discounted price of \$800, would have a current yield of 10%.

Dated Date – The date of a bond issue, printed on each bond, from which interest usually starts to accrue, even though the bonds may actually be delivered at some later date.

Dealer – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture – A bond secured only by the general credit of the issuer.

Delivery Date – Date on which the bonds are physically delivered in exchange for the payment of the purchase price. The date of issuance is the same date as the delivery date.

Delivery Versus Payment – There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount – The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities – Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

Diversification – Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies – Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC) – A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

Federal Funds Rate – The rate of interest at which federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) – The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

Federal National Mortgage Association (FNMA) – FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) – Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System – The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiscal Year – A twelve-month period which determines the time frame for financial reporting, budgeting, and accounting. At the end of the fiscal year, financial position and results of operations are determined.

Government National Mortgage Association (GNMA or Ginnie Mae) – Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "pass throughs" is often used to describe Ginnie Maes.

Interest – Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.

Liquidity – Usually refers to the ability to convert assets (such as investments) into cash.

Market Value – The Current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

Master Repurchase Agreement – A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity – The date upon which the principal of a municipal bond becomes due and payable to the bondholder.

Money Market – The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Note – A written, short-term promise of the issuer to repay a specified principal amount on a certain date, together with interest at a stated rate, or according to a formula for determining that rate, payable from a defined source of anticipated revenue. Notes usually mature in less than five years.

Offer – The price asked by a seller of securities. (When you are buying securities, you ask for an offer.)

Open Market Operations – Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves in the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Original Issue Discount – An amount which represents the difference by which par value exceeds the public offering price of a new issue or part of an issue of municipal bonds. Original issue discount is amortized over the life of the bonds and is generally treated as tax-exempt interest. When the investor sells the bonds before maturity, any profit or loss realized on such sale is figured on the adjusted cost basis for tax purposes. The adjusted cost basis is calculated for each year the bonds are outstanding by adding the accretion value to the original offering price. The accretion value is determined by the rules and regulations of the Internal Revenue Service. Selling the bonds at a price in excess of the adjusted cost basis would result in a taxable gain for the seller, while a selling price below that level would be treated as a loss for income tax purposes.

Par Value – In the case of bonds, the amount of principal which must be paid at maturity. Par value is also referred to as the face amount of a security.

Pooled Fund Group – An internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

Portfolio – Collection of securities held by an investor.

Premium – The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

Primary Dealer – A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) – registered securities broker-dealers, banks, and a few unregulated firms.

Primary Market – The market for new issues of municipal securities.

Principal – The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Prudent Person Rule – An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal

list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Qualified Public Depositories – A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Qualified Representative – A Person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- (a) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;
- (b) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or
- (c) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

Rate of Return – The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

Ratings – Evaluations of the credit quality of notes and bonds usually made by independent rating services, although many financial institutions also rate bonds for their own purposes. Ratings generally measure the probability of the timely repayment of principal of and interest on municipal bonds. Ratings are initially made before issuance and are continuously reviewed and may be amended to reflect changes in the issuer's credit position. The information required by the rating agencies varies with each bond issue, but generally includes demographics, debt burden, economic base, finances, and management structure. The information is evaluated and the issue is assigned a letter rating which reflects the creditworthiness of the bonds. The higher the credit rating, the more favorable the effect on the marketability of the bond.

Repurchase Agreement - A simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

Safekeeping – A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market – A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission or SEC – The federal agency responsible for supervising and regulating the securities industry. Generally, municipal securities are exempt from the SEC's registration and reporting requirements. However, the SEC has responsibility for the approval of Municipal Securities Rulemaking Board rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

Security – Generally, evidence of debt or equity in a common enterprise in which a person invests in the expectation of earning income. The term includes notes, stocks, bonds, debentures, mortgages, and other forms of negotiable and non-negotiable evidences of indebtedness or ownership. Unless exempted, as are municipal bonds, securities transactions are subject to federal and state regulation.

Separately Invested Asset – An account or fund of a state agency or local government that is not invested in a pooled fund group.

Treasury Securities – Debt obligations of the United States Government sold by the Treasury Department in the forms of bills, notes, and bonds.

Bills – Short-term obligations which mature in one year or less, and are sold at a discount in lieu of paying periodic interest.

Notes – Interest bearing obligations which mature between one year and 10 years.

Bonds – Interest bearing long-term obligations which generally mature in 10 years or more.

Yield Curve – A graph which plots the yields on securities with equivalent quality but different maturities, at a given point in time. The vertical axis represents the interest rates, while the horizontal axis depicts the years to maturity. The term structure of interest rates, as reflected by the yield curve, will vary according to market conditions, resulting in a variety of yield curve configurations.

Normal or Positive Yield Curve – Indicates that short-term securities have a lower interest rate than long-term securities.

Inverted or Negative Yield Curve – Reflects the situation of short-term rates exceeding long-term rates.

Flat Yield Curve – Reflects the situation when short and long-term rates are the same.

Humpback Yield Curve – An unusual shape, indicating that rates are rising in the early years, peaking in the middle years and declining in later years.

Yield to Maturity – The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate. Yield to maturity takes into account the time value of the investment.

Zero Coupon Bond – A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

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MINUTES
City of Corinth
Investment Committee Meeting

6 After determining that a quorum was present, the Investment Committee convened on Tuesday,
7 August 19, 2009 at 7:30 a.m. in the Administration Conference Room at City Hall.

8
9 **PRESENT:** Mayor Paul Ruggiere, Council Member Joe Harrison, Interim City Manager Jim
10 Berzina, Director of Finance Lee Ann Bunselmeyer, and Financial Services Manager Chris
11 Rodriguez.

12
13 **ABSENT:** None

14
15 **I. APPROVE MINUTES FOR THE APRIL 15, 2009 COMMITTEE MEETING**

16
17 **Action: Council Member Harrison made a motion to approve the April 15, 2009 minutes**
18 **as written. Interim City Manager Jim Berzina seconded the motion. The motion passed.**
19 **Mayor Ruggiere abstained.**

20
21 **II. DISCUSS AND APPROVE THE THIRD QUARTER INVESTMENT REPORT FOR**
22 **FY2008-09**

23
24 Chris presented the investment report for the third quarter. She noted that the change to market
25 value for the portfolio was due to the expenditure of funds for the water, wastewater and street
26 capital improvement projects. She pointed out that the weighted average maturity for all of the
27 funds were within the benchmark for the quarter. It was noted that the funds in the
28 Water/Wastewater Reserve fund were transferred back to the Water/Wastewater Operating fund
29 in the third quarter. This was the first Investment meeting for our new committee member so
30 staff walked through the report and explained the different fund types, the objectives of the
31 investment policy, the City's investment strategy, investment terminology, and the benchmarks
32 set out in the policy.

33
34 The Economic Development portfolio exceeds the six-month treasury bill rate and the liquidity
35 for the portfolio is at thirty-nine percent. The portfolio is within the benchmark for the Weighted
36 Average Maturity (WAM).

37
38 The Crime Control & Prevention District portfolio has no investments at this time.

39
40 **Action: Council Member Harrison made a motion to approve the Third Quarter**
41 **Investment report. Mayor Ruggiere seconded the motion and it passed unanimously.**

42
43 **III. REVIEW ECONOMIC OUTLOOK**

44
45 Chris presented the economic outlook for the next year. Chris stated that the Fed Funds rate
46 was expected to remain low for the rest of 2009. She mentioned that most economic reports
47 indicate that rates are going to remain low for the rest of the current year and most of 2010. She
48 further stated that the management strategy would continue to preserve safety and liquidity as its
49 priority.

52 IV. REVIEW THE THIRD QUARTER INTEREST INCOME ANALYSIS

53

54 Chris presented the third quarter interest income analysis. This report shows what the
55 benchmark rate has been for the last nine months, the portfolios' yield to maturity for the last
56 nine months, and the interest earned for all three portfolios.

57

58 V. REVIEW THE CIP EXPENDITURE UPDATE AS OF 7/31/09

59

60 The Capital Improvement summaries were presented to the committee. Chris reviewed the
61 original budget, budget adjustments approved by Council, and the revised budget for the CIP
62 funds. She further highlighted the expenditures by year, the outstanding encumbrances, the
63 available balance, available fund balance which includes the unallocated bond proceeds, and the
64 interest income. Council member Harrison requested that the report be distributed to Council.
65 Lee Ann stated that the CIP expenditure update would be included in the monthly financials
66 provided to the City Council.

67

68 VI. RECEIVE AN UPDATE ON THE BANK DEPOSITORY TRANSITION

69

70 Lee Ann presented an update on the bank depository transition. She told the committee that the
71 City is now depositing the funds from daily transactions into Northstar and utilizing Northstar's
72 courier service. Lee Ann further stated that all of the EDC's money had been moved from
73 Wachovia to Northstar, and that the City will need to keep some funds in Wachovia to allow for
74 outstanding checks to clear the bank.

75

76 VII. OTHER ITEMS

77

78 Discuss the Investment Committee Structure – This item was requested by Councilmember
79 Harrison. The discussion was whether or not the committee wanted to consider adding any
80 additional members. The committee decided to review at a later date.

81

82 The Committee's next meeting will be on Wednesday, November 11, 2009 at 7:30 a.m. in the
83 Administration Conference Room at City Hall.

84

85 I. ADJOURN

86

87