



**** PUBLIC NOTICE ****

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

**Thursday, February 21, 2019, 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 13, 2018 Regular Session.

BUSINESS AGENDA

2. Consider and act on the September 2018 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 2018-2019 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: 02/21/2019
Title: December 13, 2018 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 13, 2018 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the December 13, 2018 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 13, 2018 Regular Session minutes.

Attachments

Dec Minutes

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

On this the 13th day of December 2018 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
Councilmember Sam Burke

Citizen Members Absent:

Dick Baker

Staff Members Present:

Bob Hart, City Manager
Lee Ann Bunselmeyer, Director of Finance, Communication & Strategic Services
Becky Buck, Comptroller
Chris Rodriguez, Financial Services Manager

CALL TO ORDER

City Manager Bob Hart called the meeting to order at 4:30 pm

BUSINESS AGENDA

- 1) Appoint a Chairman and Vice-Chairman to the Citizen Finance Audit Committee.

MOTION made by Mayor Heidemann to appoint Councilmember Garber as Chairman. Councilmember Burke seconded the motion.

AYES: Heidemann, Burke, Garber

NOES: None

MOTION CARRIED

MOTION made by Councilmember Garber to appoint Councilmember Burke as Vice-Chairman. Mayor Heidemann seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

- 2) Review and discuss the responsibilities of the Citizen Finance Audit Committee.

MOTION: No action required.

AYES:

NOES:

MOTION CARRIED

- 3) Consider and act on minutes from the April 18, 2019 Regular Session.

MOTION made by Councilmember Garber to approve the April 18, 2018 minutes. Mayor Heidemann seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

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

MOTION: No action required.

AYES:

NOES:

MOTION CARRIED

- 5) Review and approve the Investment Policy for the City of Corinth, Economic Development Corporation and Crime Control & Prevention District.

MOTION made by Councilmember Garber to approve the Investment Policy for the City of Corinth, Economic Development Corporation and Crime Control & Prevention District. Councilmember Burke seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

- 6) Consider and act on the Fiscal Year 2017-2018 annual Investment Report.

MOTION made by Councilmember Garber to approve the FY 2017-2018 Annual Investment Report. Mayor Heidemann seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

- 7) Consider and act on the 2018-2019 Authorized Broker/Dealer List for the City of Corinth.

MOTION made by Mayor Heidemann to approve 2018-19 Authorized Broker/Dealer List. Councilmember Garber seconded the motion.

AYES: Heidemann, Garber, Burke

NOES: None

MOTION CARRIED

- 8) Review and discuss the Fiscal Year 2017-2018 Summary of Rebutable Arbitrage.

MOTION: No action required.

AYES:

NOES:

MOTION CARRIED

ADJOURN THE REGULAR MEETING

Councilmember Garber adjourned the Regular Meeting at 5:47 pm.

Finance Audit Committee Regular Session

Meeting Date: 02/21/2019

Title: September Monthly Financials

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 September 2018 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

September 2018 Financials



City of Corinth
Monthly Financial Report
For the Period Ended September 30, 2018

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 2018 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 2018

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 2018

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	September 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-17 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 8,355,605	\$ 2,757	\$ 8,354,562	\$ (1,043)	100.0%	\$ 7,945,800
Delinquent Tax, Penalties & Interest	59,500	(8,051)	53,037	(6,463)	89.1%	146,589
Sales Tax	1,430,981	435,576	1,609,767	178,786	112.5%	1,529,340
Franchise Fees	1,128,227	282,101	1,120,651	(7,576)	99.3%	1,073,788
Utility Fees	17,500	6,105	24,720	7,220	141.3%	31,416
Traffic Fines & Forfeitures	705,268	49,463	722,636	17,368	102.5%	594,119
Development Fees & Permits	751,334	56,142	710,424	(40,910)	94.6%	1,147,711
Police Fees & Permits	508,298	2,451	503,630	(4,668)	99.1%	375,397
Recreation Program Revenue	164,874	(144)	167,603	2,729	101.7%	158,463
Fire Services	2,711,950	342,580	2,748,660	36,710	101.4%	2,741,558
Grants	58,883	-	-	(58,883)	0.0%	-
Investment Income	37,000	9,471	123,265	86,265	333.1%	65,390
Miscellaneous	66,900	44,200	61,501	(5,399)	91.9%	54,447
Transfers In	913,173	-	913,173	-	100.0%	910,330
TOTAL ACTUAL RESOURCES	16,909,493	1,222,653	17,113,630	204,137	101.2%	16,774,349
Use of Fund Balance	1,063,824	783,774	-	-	0.0%	-
TOTAL RESOURCES	\$ 17,973,317	\$ 2,006,427	\$ 17,113,630	\$ 204,137	95.2%	\$ 16,774,349
EXPENDITURES						
Wages & Benefits	12,406,455	1,227,081	11,754,220	(652,235)	94.7%	10,994,826
Professional Fees	1,348,011	237,364	1,224,076	(123,935)	90.8%	1,085,896
Maintenance & Operations	790,871	69,283	682,365	(108,506)	86.3%	600,625
Supplies	413,649	117,192	390,711	(22,938)	94.5%	389,888
Utilities & Communications	639,390	104,512	612,623	(26,767)	95.8%	671,181
Vehicles/Equipment & Fuel	352,395	60,421	347,523	(4,872)	98.6%	360,602
Training	121,339	21,594	105,160	(16,179)	86.7%	95,618
Capital Outlay	863,118	70,109	804,746	(58,372)	93.2%	139,145
Transfer Out	1,038,089	98,870	1,038,089	-	100.0%	-
TOTAL EXPENDITURES	17,973,317	2,006,427	16,959,514	(1,013,803)	94.4%	14,337,781
EXCESS/(DEFICIT)	\$ -	\$ -	\$ 154,116			\$ 2,436,568

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 2018 revenues are remitted to the City in November 2018. 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, \$677,924 cost allocation from the Utility Fund, \$50,534 cost allocation from Storm Drainage and \$83,042 from Economic Development.</p>	<p>Transfer Out includes \$447,620 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$23,295 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, \$297,177 cost allocation to the Utility Fund and \$48,125 to the General Capital Project Fund for INCODE upgrade.</p>



City of Corinth

Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2018

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	September 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-17 Y-T-D Actual
RESOURCES						
City Water Charges	\$ 2,792,989	\$ 424,748	\$ 2,756,270	\$ (36,719)	98.7%	\$ 5,632,605
Upper Trinity Water Charges*	4,965,314	876,028	5,460,227	494,913	110.0%	-
City Wastewater Disposal Charges	1,905,326	329,334	2,245,039	339,713	117.8%	4,335,178
Upper Trinity Wastewater Disposal Charges*	1,382,883	191,481	1,251,833	(131,050)	90.5%	-
Garbage Revenue	736,000	61,821	761,218	25,218	103.4%	741,055
Garbage Sales Tax Revenue	60,000	5,178	61,672	1,672	102.8%	59,823
Water Tap Fees	70,000	11,975	191,977	121,977	274.3%	162,201
Wastewater Tap Fees	50,000	12,179	118,354	68,354	236.7%	114,906
Service/Reconnect & Inspection Fees	53,000	16,657	71,432	18,432	134.8%	85,054
Penalties & Late Charges	160,000	14,318	156,042	(3,958)	97.5%	131,139
Investment Interest	7,500	3,976	26,917	19,417	358.9%	14,632
Credit Card Processing Fees	65,500	5,380	76,369	10,869	116.6%	69,402
Miscellaneous	6,800	586	8,204	1,404	120.7%	9,085
Transfers In	335,385	-	335,385	0	100.0%	267,855
TOTAL ACTUAL RESOURCES	12,590,697	1,953,660	13,520,942	930,245	107.4%	11,622,935
Use of Fund Balance	66,310	-	-	-	0.0%	1,334,758
TOTAL RESOURCES	\$ 12,657,007	\$ 1,953,660	\$ 13,520,942		106.8%	\$ 12,957,693
EXPENDITURES						
Wages & Benefits	1,852,864	185,128	1,609,171	(243,694)	86.8%	1,677,554
Professional Fees	2,356,508	205,992	2,295,468	(61,040)	97.4%	2,266,931
Maintenance & Operations	463,743	56,254	407,982	(55,761)	88.0%	306,725
Supplies	64,978	1,635	52,392	(12,586)	80.6%	65,824
Upper Trinity Region Water District	5,352,401	447,986	5,352,092	(309)	100.0%	5,050,297
Utilities & Communication	200,462	42,855	194,979	(5,483)	97.3%	244,725
Vehicles/Equipment & Fuel	77,715	10,423	74,112	(3,603)	95.4%	87,112
Training	23,620	2,742	21,052	(2,568)	89.1%	15,165
Capital Outlay	77,685	-	84,695	7,010	109.0%	55,849
Debt Service	1,242,521	-	1,242,521	-	100.0%	2,239,362
Transfers	944,510	-	944,510	-	100.0%	948,147
TOTAL EXPENDITURES	12,657,007	953,014	12,278,974	(378,033)	97.0%	12,957,693
EXCESS/(DEFICIT)	\$ -	\$ 1,000,646	\$ 1,241,968			\$ -

* 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 2017-18 budget incorporates new water rates that breakout both 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 \$81,685 for a Sewer camera and \$20,000 for an Asset Management Plan.</p> <p>Transfer Out includes \$351 annual contribution 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, \$150,000 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 \$677,924 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 2018

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	September 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-17 Y-T-D Actual
RESOURCES						
Storm Water Utility Fee	\$ 713,000	\$ 61,439	\$ 719,458	\$ 6,458	100.9%	\$ 727,197
Investment Interest	3,867	370	11,142	7,275	288.1%	6,400
Miscellaneous	-	90	90	90	0.0%	130
Transfer In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	716,867	61,899	730,690	13,823	101.9%	733,727
Use of Fund Balance	407,700	-	270,371		0.0%	-
TOTAL RESOURCES	\$ 1,124,567	\$ 61,899	\$ 1,001,060	\$ 13,823	89.0%	\$ 733,727
EXPENDITURES						
Wages & Benefits	\$ 164,849	\$ 17,242	\$ 132,081	\$ (32,768)	80.1%	\$ 108,491
Professional Fees	76,792	22,168	54,133	(22,659)	70.5%	44,752
Maintenance & Operations	21,282	1,011	4,352	(16,930)	20.4%	9,759
Supplies	8,427	1,678	5,319	(3,108)	63.1%	6,936
Utilities & Communication	6,838	541	5,595	(1,243)	81.8%	5,489
Vehicles/Equipment & Fuel	15,953	2,092	9,282	(6,671)	58.2%	12,404
Training	1,547	-	1,006	(541)	65.0%	1,208
Capital Outlay	85,000	-	45,413	(39,588)	53.4%	-
Debt Service	251,841	-	251,841	0	100.0%	328,373
Transfers	492,038	-	492,038	-	100.0%	96,757
TOTAL EXPENDITURES	1,124,567	44,731	1,001,060	(123,507)	89.0%	614,169
EXCESS/(DEFICIT)	\$ -	\$ 17,167	\$ -			\$ 119,558

KEY TRENDS

Resources

Investment Interest - The budget for investment interest is based on prior year trends.

Expenditures

Debt Service payments are processed in February and August.

Transfer Out includes \$596 to the Tech Replacement Fund for the future purchases of computers, \$50,534 cost allocation to the General Fund, \$38,208 cost allocation to the Utility Fund, \$152,700 to Water/Wastewater Project Fund for the Huffines Development Agreement and \$250,000 for the

Capital Outlay includes \$75,000 for the Meadows/Shady Shores Intersection, \$5,000 for the Asset Management Plan and \$5,000 for the Lynchburg Drainage Concept Plan.

Budget includes an amendment for the Huffines Development agreement in the amount of \$152,700, approved by City Council on June 21, 2018,



City of Corinth
Street Maintenance Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period Ended September 2018

	<u>Current Fiscal Year, 2017-2018</u>					<u>Prior Year</u>
	<u>Budget FY 2017-18</u>	<u>September 2018 Actual</u>	<u>Year-to- Date Actual</u>	<u>Y-T-D Variance</u>	<u>Y-T-D % of Budget</u>	<u>Sep-17 Y-T-D Actual</u>
RESOURCES						
Sales Tax (.25¢)	\$ 356,711	\$ 107,772	\$ 398,015	\$ 41,304	111.6%	\$ 378,376
Interest	3,500	1,491	11,953	8,453	341.5%	6,788
Miscellaneous Income	-	-	-	-	0.0%	1
TOTAL ACTUAL RESOURCES	360,211	109,263	409,968	49,757	113.8%	385,165
Use of Fund Balance	25,449	-	-	-	0.0%	-
TOTAL RESOURCES	<u>\$ 385,660</u>	<u>\$ 109,263</u>	<u>\$ 409,968</u>		<u>106.3%</u>	<u>\$ 385,165</u>
EXPENDITURES						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	310,660	2,068	28,158	(282,502)	9.1%	148,327
Capital Outlay	75,000	-	45,413	(29,587)	0.0%	-
Transfer Out	-	-	-	-	0.0%	-
TOTAL EXPENDITURES	385,660	2,068	73,571	(312,089)	19.1%	148,327
EXCESS/(DEFICIT)	<u>\$ -</u>	<u>\$ 107,196</u>	<u>\$ 336,397</u>			<u>\$ 236,838</u>

KEY TRENDS	
<u>Resources</u>	<u>Expenditures</u>
Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2018 revenues are remitted to the City in November 2018. Sales Tax received in September represents July collections.	Capital Outlay - The budget includes \$75,000 for the Meadows/Shady Shores street intersection.



City of Corinth

Crime Control & Prevention Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2018

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	September 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-17 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 327,424	\$ 96,668	\$ 362,534	\$ 35,110	110.7%	\$ 346,090
Investment Interest	1,000	363	3,340	2,340	334.0%	2,034
TOTAL ACTUAL RESOURCES	328,424	97,031	365,874	37,450	111.4%	348,124
Use of Fund Balance	-	-	-	-	0.00%	-
TOTAL RESOURCES	\$ 328,424	\$ 97,031	\$ 365,874		111.4%	\$ 348,124
EXPENDITURES						
Wages & Benefits	\$ 176,240	\$ 17,406	\$ 175,929	\$ (311)	99.8%	\$ 159,864
Maintenance & Operations	-	-	-	-	0.00%	-
Supplies	22,538	22,537	22,537	(1)	0.00%	4,029
Capital Outlay	5,249	-	5,249	-	100.0%	80,138
Capital Leases	108,386	10,414	39,945	(68,441)	36.9%	-
TOTAL EXPENDITURES	312,413	50,357	243,661	(68,752)	78.0%	244,031
EXCESS/(DEFICIT)	\$ 16,011	\$ 46,674	\$ 122,213			\$ 104,092

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 2018 revenues are remitted to the City in November 2018. 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 \$5,249 for a Thermal Imaging unit and \$25,140 for Radio Frequency Identification system.



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2018

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	September 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-17 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 713,398	\$ 215,536	\$ 796,002	82,604	111.6%	\$ 756,725
Interest Income	800	22	285	(515)	35.7%	907
Investment Income	18,000	5,343	48,170	30,170	267.6%	28,592
Miscellaneous Income	-	-	-	-	0.0%	63
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	732,198	220,901	844,458	112,260	115.3%	786,287
Use of Fund Balance	22,630	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 754,828	\$ 220,901	\$ 844,458		111.9%	\$ 786,287
EXPENDITURES						
Wages & Benefits	\$ 132,469	\$ 13,338	\$ 130,995	\$ (1,475)	98.9%	124,676
Professional Fees	80,562	2,066	13,920	(66,642)	17.3%	77,216
Maintenance & Operations	192,063	1,560	8,104	(183,959)	4.2%	5,643
Supplies	6,329	-	5,814	(515)	91.9%	173
Utilities & Communication	4,132	175	3,537	(595)	85.6%	3,088
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,348	814	12,791	(17,557)	42.1%	10,039
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	308,925	-	308,925	-	100.0%	143,906
TOTAL EXPENDITURES	754,828	17,953	484,085	(270,743)	64.1%	364,742
EXCESS/(DEFICIT)	\$ -	\$ 202,948	\$ 360,373			\$ 421,544

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 2018 revenues are remitted to the City in November 2018. Sales Tax received in September represents July collections.

Expenditures

Transfer Out includes \$175,000 for the Lake Sharon Extension lighting, \$50,000 to the Park Development Fund and \$883 to the Tech Replacement Fund for the future purchases of computers and the \$83,042 cost allocation to the General Fund.

Section 2

City of Corinth
Monthly Financial Report
September 2018

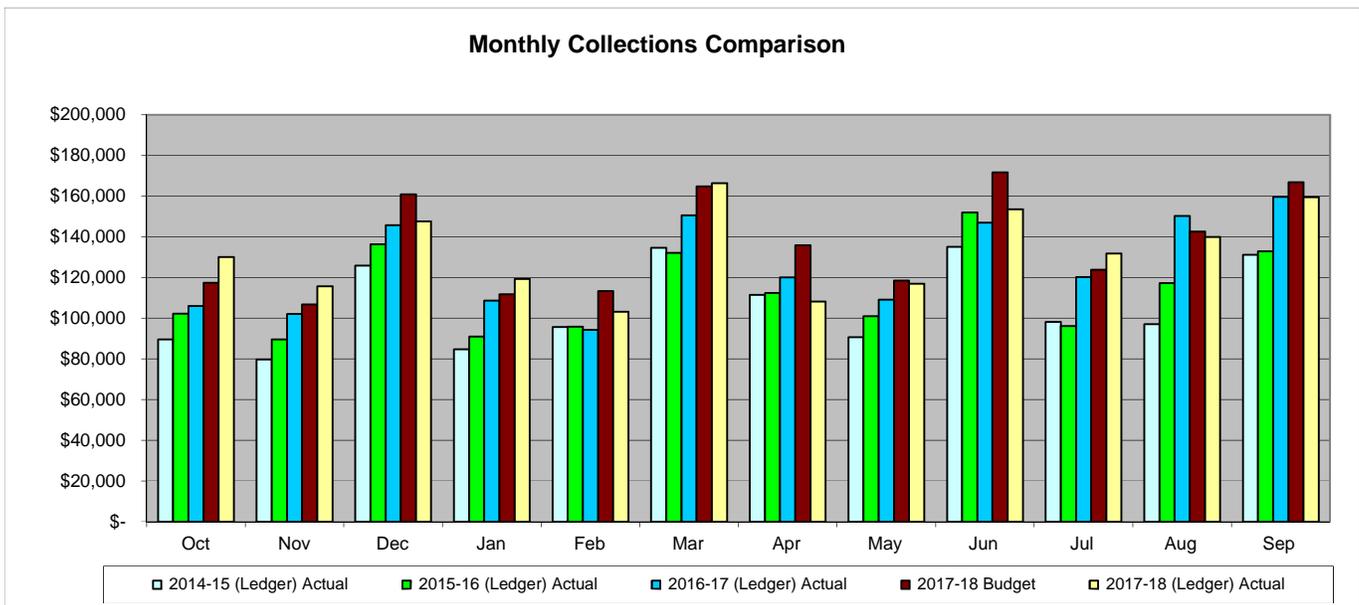
REVENUE & ECONOMIC ANALYSIS

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



General Fund
General Purpose Sales Tax
 PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 89,559	\$ 102,297	\$ 105,950	\$ 117,449	\$ 150,298	\$ 130,060	\$ 12,611	10.7%	\$ 24,110	22.8%
Nov	79,682	89,656	102,142	106,786	159,565	115,781	8,994	8.4%	13,638	13.4%
Dec	125,795	136,322	145,669	160,883	130,060	147,582	(13,301)	-8.3%	1,914	1.3%
Jan	84,702	91,001	108,602	111,797	115,781	119,321	7,524	6.7%	10,719	9.9%
Feb	95,707	95,820	94,295	113,286	147,582	103,271	(10,015)	-8.8%	8,976	9.5%
Mar	134,593	132,047	150,618	164,714	119,321	166,333	1,620	1.0%	15,715	10.4%
Apr	111,426	112,463	120,008	135,936	103,271	108,157	(27,780)	-20.4%	(11,851)	-9.9%
May	90,745	100,967	109,182	118,586	166,333	116,974	(1,612)	-1.4%	7,792	7.1%
Jun	135,097	151,980	146,946	171,598	108,157	153,473	(18,125)	-10.6%	6,527	4.4%
Jul	98,146	96,154	120,203	123,788	116,974	131,780	7,991	6.5%	11,577	9.6%
Aug	97,043	117,263	150,298	142,612	153,473	139,866	(2,746)	-1.9%	(10,432)	-6.9%
Sep	131,200	132,907	159,565	166,828	131,780	159,435	(7,393)	-4.4%	(131)	-0.1%
TOTAL	\$ 1,273,696	\$ 1,358,877	\$ 1,513,477	\$ 1,634,264	\$ 1,602,594	\$ 1,592,032	\$ (42,232)	-2.6%	\$ 78,554	5.2%



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 2018 revenues are remitted to the City in November 2018. 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>

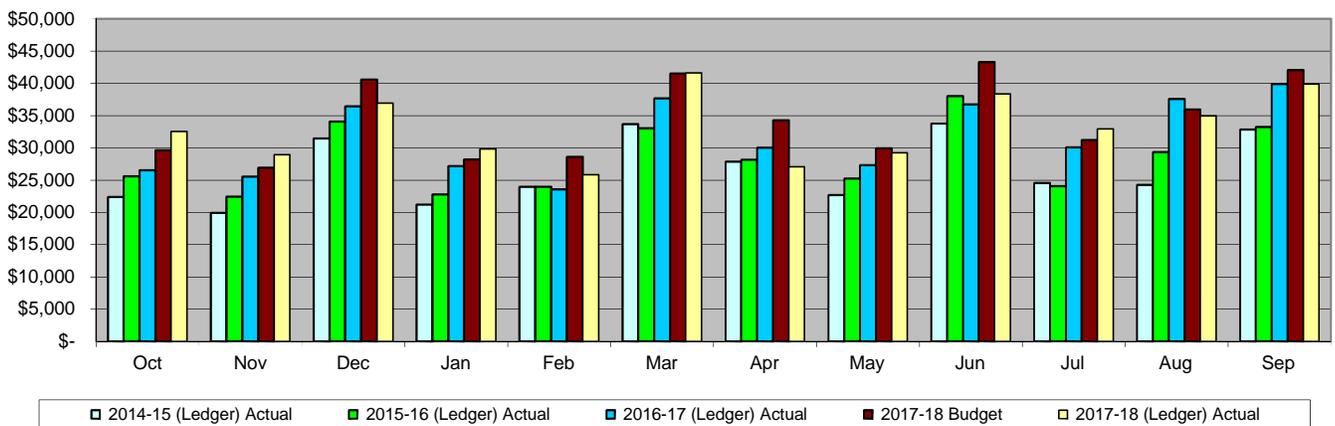


Street Maintenance Sales Tax Fund

Street Maintenance Sales Tax PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 22,390	\$ 25,575	\$ 26,488	\$ 29,609	\$ 37,575	32,516	\$ 2,906	10%	\$ 6,028	23%
Nov	19,921	22,414	25,536	26,921	39,892	28,946	2,025	8%	3,410	13%
Dec	31,449	34,081	36,418	40,559	32,516	36,896	(3,663)	-9%	478	1%
Jan	21,176	22,751	27,151	28,184	28,946	29,831	1,646	6%	2,680	10%
Feb	23,927	23,955	23,574	28,560	36,896	25,818	(2,742)	-10%	2,244	10%
Mar	33,649	33,012	37,655	41,525	29,831	41,584	59	0%	3,929	10%
Apr	27,857	28,116	30,002	34,270	25,818	27,040	(7,230)	-21%	(2,963)	-10%
May	22,687	25,242	27,296	29,896	41,584	29,244	(652)	-2%	1,948	7%
Jun	33,775	37,996	36,737	43,260	27,040	38,369	(4,891)	-11%	1,632	4%
Jul	24,537	24,039	30,051	31,207	29,244	32,945	1,738	6%	2,894	10%
Aug	24,261	29,316	37,575	35,953	38,369	34,967	(986)	-3%	(2,608)	-7%
Sep	32,801	33,227	39,892	42,058	32,945	39,859	(2,198)	-5%	(33)	0%
TOTAL	\$ 318,430	\$ 339,725	\$ 378,376	\$ 412,001	\$ 400,656	\$ 398,015	\$ (13,986)	-3.4%	\$ 19,639	5.2%

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 2018 revenues are remitted to the City in November 2018. 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.



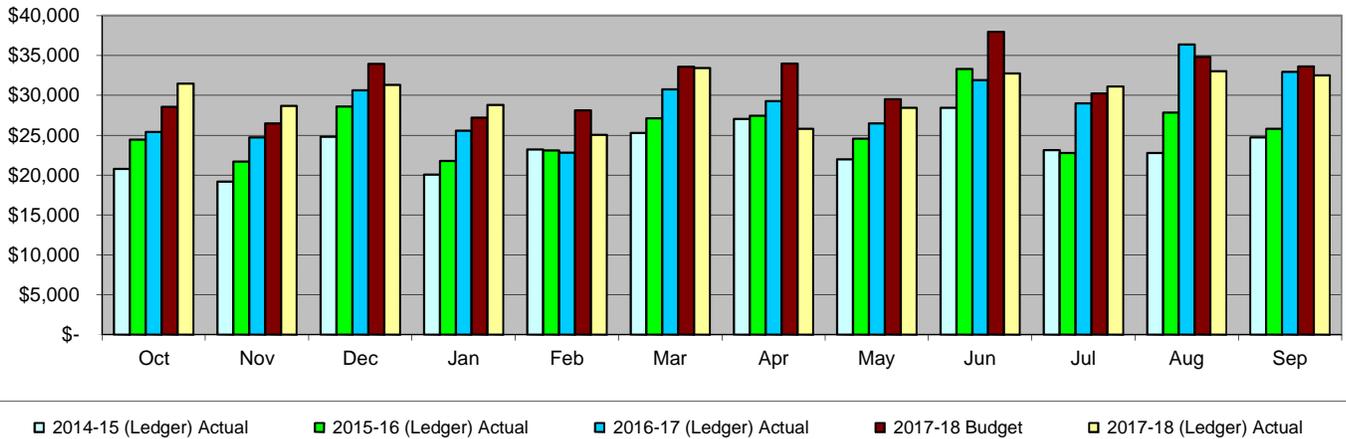
Crime Control & Prevention District

Crime Control & Prevention Sales Tax

PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 20,786	\$ 24,447	\$ 25,436	\$ 28,554	\$ 36,388	\$ 31,487	\$ 2,933	10.3%	\$ 6,051	23.8%
Nov	19,194	21,722	24,747	26,478	32,962	28,674	2,196	8.3%	3,927	15.9%
Dec	24,840	28,612	30,662	33,974	31,487	31,341	(2,633)	-7.7%	679	2.2%
Jan	20,093	21,807	25,578	27,217	28,674	28,829	1,611	5.9%	3,251	12.7%
Feb	23,207	23,118	22,837	28,148	31,341	25,070	(3,078)	-10.9%	2,233	9.8%
Mar	25,312	27,117	30,751	33,607	28,829	33,450	(156)	-0.5%	2,700	8.8%
Apr	27,052	27,466	29,306	34,002	25,070	25,821	(8,181)	-24.1%	(3,486)	-11.9%
May	21,974	24,586	26,479	29,523	33,450	28,436	(1,086)	-3.7%	1,958	7.4%
Jun	28,471	33,316	31,938	37,985	25,821	32,757	(5,228)	-13.8%	820	2.6%
Jul	23,162	22,775	29,008	30,236	28,436	31,119	883	2.9%	2,111	7.3%
Aug	22,769	27,841	36,388	34,817	32,757	33,044	(1,774)	-5.1%	(3,344)	-9.2%
Sep	24,753	25,825	32,962	33,634	31,119	32,506	(1,128)	-3.4%	(456)	-1.4%
TOTAL	\$ 281,612	\$ 308,630	\$ 346,090	\$ 378,175	\$ 366,334	\$ 362,534	\$ (15,641)	-4.1%	\$ 16,444	4.8%

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 2018 revenues are remitted to the City in November 2018. 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)

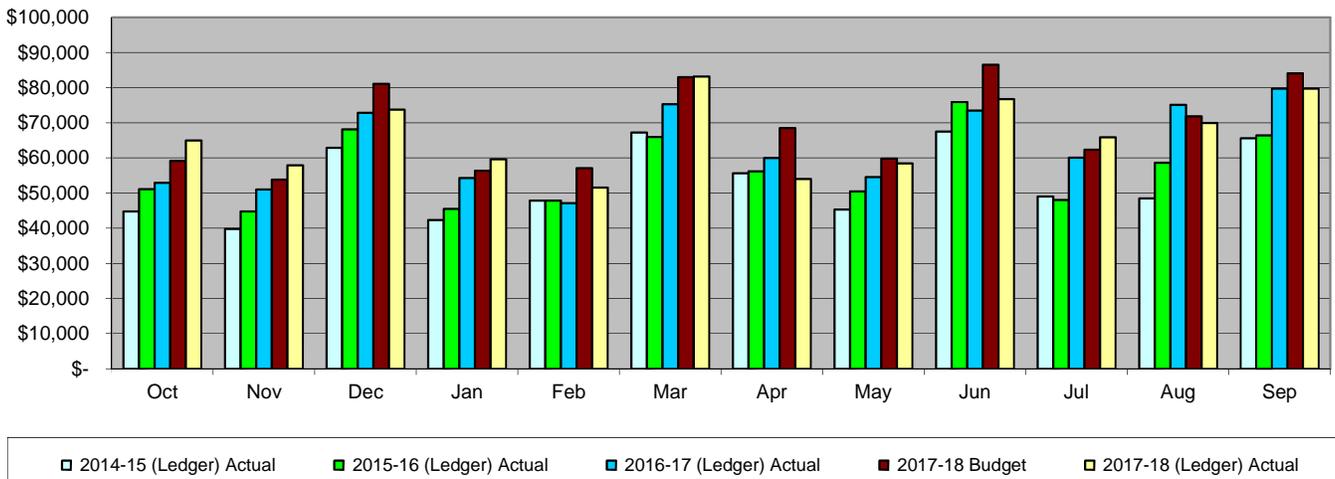
A special election was held on September 11, 2004 for the purpose of adopting a local .25% sales and use tax in Corinth for crime control and prevention. An election was held on May 10, 2014 reauthorizing the dedicated sales tax for five additional years.



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

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 44,779	\$ 51,148	\$ 52,974	\$ 59,216	\$ 75,148	\$ 65,029	\$ 5,813	9.8%	\$ 12,055	22.8%
Nov	39,840	44,827	51,070	53,840	79,781	57,889	4,049	7.5%	6,819	13.4%
Dec	62,897	68,160	72,833	81,115	65,029	73,790	(7,325)	-9.0%	957	1.3%
Jan	42,350	45,500	54,300	56,367	57,889	59,659	3,293	5.8%	5,359	9.9%
Feb	47,853	47,909	47,147	57,118	73,790	51,635	(5,483)	-9.6%	4,488	9.5%
Mar	67,295	66,022	75,308	83,046	59,659	83,165	119	0.1%	7,857	10.4%
Apr	55,712	56,230	60,003	68,537	51,635	54,077	(14,460)	-21.1%	(5,925)	-9.9%
May	45,372	50,483	54,590	59,790	83,165	58,486	(1,304)	-2.2%	3,896	7.1%
Jun	67,547	75,989	73,472	86,518	54,077	76,735	(9,782)	-11.3%	3,263	4.4%
Jul	49,072	48,076	60,100	62,412	58,486	65,889	3,476	5.6%	5,788	9.6%
Aug	48,521	58,630	75,148	71,903	76,735	69,932	(1,971)	-2.7%	(5,216)	-6.9%
Sep	65,599	66,452	79,781	84,112	65,889	79,716	(4,396)	-5.2%	(65)	-0.1%
TOTAL	\$ 636,837	\$ 679,427	\$ 756,725	\$ 823,975	\$ 801,283	\$ 796,002	\$ (27,973)	-3.4%	\$ 39,277	5.2%

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 2018 revenues are remitted to the City in November 2018. 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).



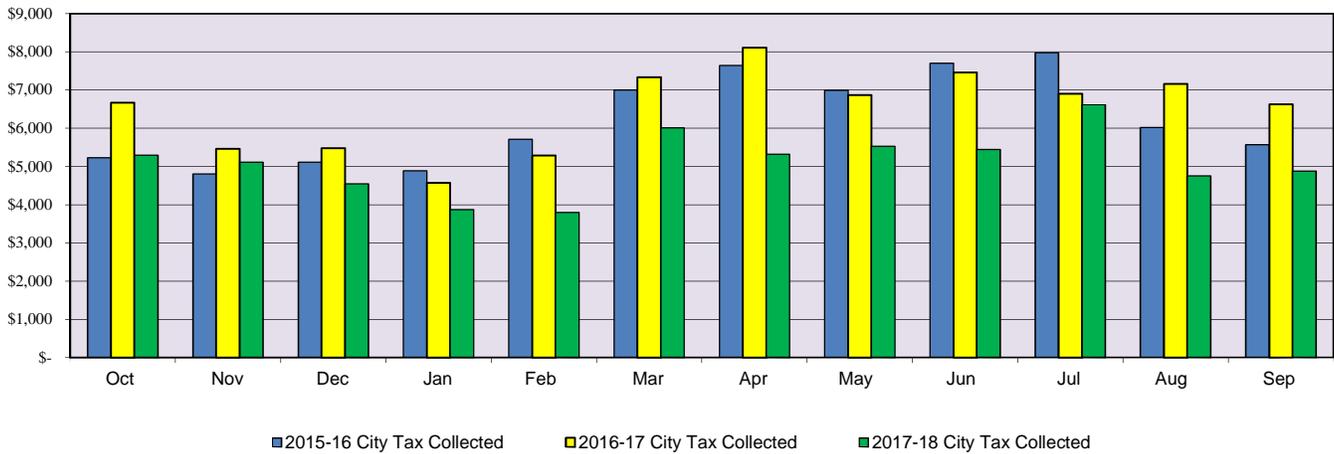
Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended September 2018

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2017-18	Date Received	% Change CY to PY	City Tax Collected FY 2016-17	City Tax Collected FY 2015-16
Oct	53%	\$ 75,917	\$ 280	\$ 75,637	\$ 5,295	\$ 5,295	\$ 5,295	11/21/2016	-20.6%	\$ 6,667	\$ 5,230
Nov	66%	73,289	292	72,997	5,110	5,110	5,110	12/20/2017	-6.5%	5,463	4,802
Dec	53%	64,928	-	64,928	4,545	4,545	4,545	1/22/2018	-17.0%	5,477	5,115
Jan	49%	59,393	3,348	55,334	3,873	3,873	3,873	2/19/2018	-15.3%	4,572	4,891
Feb	47%	54,307	90	54,217	3,795	3,795	3,795	3/19/2018	-28.3%	5,291	5,712
Mar	59%	88,539	2,622	85,917	6,014	6,014	6,014	4/23/2018	-18.0%	7,333	7,003
Apr	53%	76,028	-	76,028	5,322	5,322	5,322	5/21/2018	-34.4%	8,113	7,647
May	55%	78,971	-	78,971	5,528	5,528	5,528	6/18/2018	-19.5%	6,869	6,991
Jun	62%	79,203	-	79,203	5,544	5,544	5,444	7/20/2018	-27.0%	7,459	7,699
Jul		94,610	-	94,610	6,623	6,623	6,623	8/20/2018	-4.0%	6,900	7,973
Aug	51%	67,963	82	67,881	4,752	4,752	4,752	9/17/2018	-33.7%	7,164	6,018
Sep		70,331	616	69,715	4,880	4,880	4,880	10/22/2018	-26.4%	6,631	5,573
TOTALS		\$ 883,480	\$ 7,330	\$ 875,439	\$ 61,281	\$ 61,281	\$ 61,181			\$ 77,940	\$ 74,653

Monthly Hotel Tax Collection



KEY TRENDS

Description

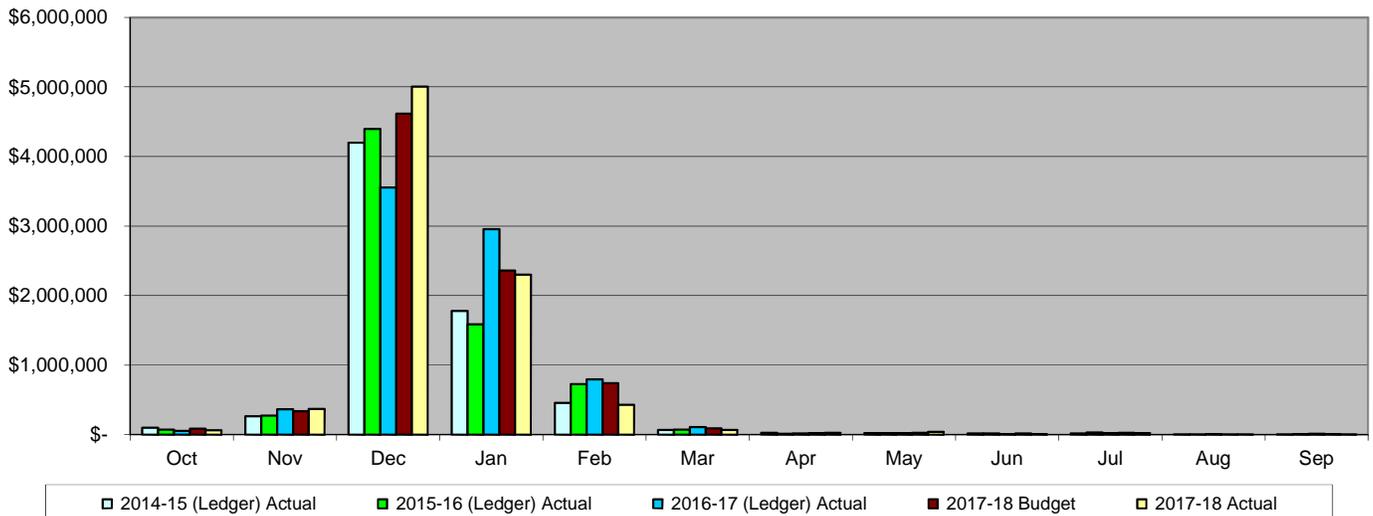
The City's Hotel Occupancy Tax is levied at 7% of room rental rates.



General Fund
Property Tax
 PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 102,508	\$ 74,226	\$ 57,139	\$ 89,587	\$ 64,300	\$ (25,287)	-28.2%	\$ 7,161	12.5%
Nov	263,699	277,233	368,409	341,281	371,307	30,026	8.8%	2,898	0.8%
Dec	4,201,374	4,396,109	3,555,437	4,618,204	5,006,297	388,093	8.4%	1,450,860	40.8%
Jan	1,780,466	1,588,480	2,957,436	2,359,974	2,303,700	(56,274)	-2.4%	(653,736)	-22.1%
Feb	457,322	729,582	797,112	743,067	428,724	(314,343)	-42.3%	(368,388)	-46.2%
Mar	69,529	72,713	108,295	93,748	67,435	(26,313)	-28.1%	(40,860)	-37.7%
Apr	26,041	13,588	18,065	21,975	28,985	7,010	31.9%	10,920	60.4%
May	24,927	25,310	25,033	28,483	41,091	12,608	44.3%	16,058	64.1%
Jun	19,975	16,432	11,668	18,402	10,857	(7,545)	-41.0%	(812)	-7.0%
Jul	16,617	30,395	22,718	26,306	22,420	(3,885)	-14.8%	(298)	-1.3%
Aug	1,671	4,843	8,649	5,564	6,689	1,125	20.2%	(1,960)	-22.7%
Sep	800	8,170	15,839	9,016	2,757	(6,259)	-69.4%	(13,081)	-82.6%
TOTAL	\$ 6,964,929	\$ 7,237,081	\$ 7,945,800	\$ 8,355,605	\$ 8,354,562	\$ (1,043)	0.0%	\$ 408,762	5.1%

Monthly Collections Comparison



KEY TRENDS

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 \$.53686 per \$100 valuation and is collected by the Denton County Tax Office. Denton County remits payment to the city on a monthly basis.

Analysis

The city estimates 100% collection rate. The majority of taxes are collected in December and January.



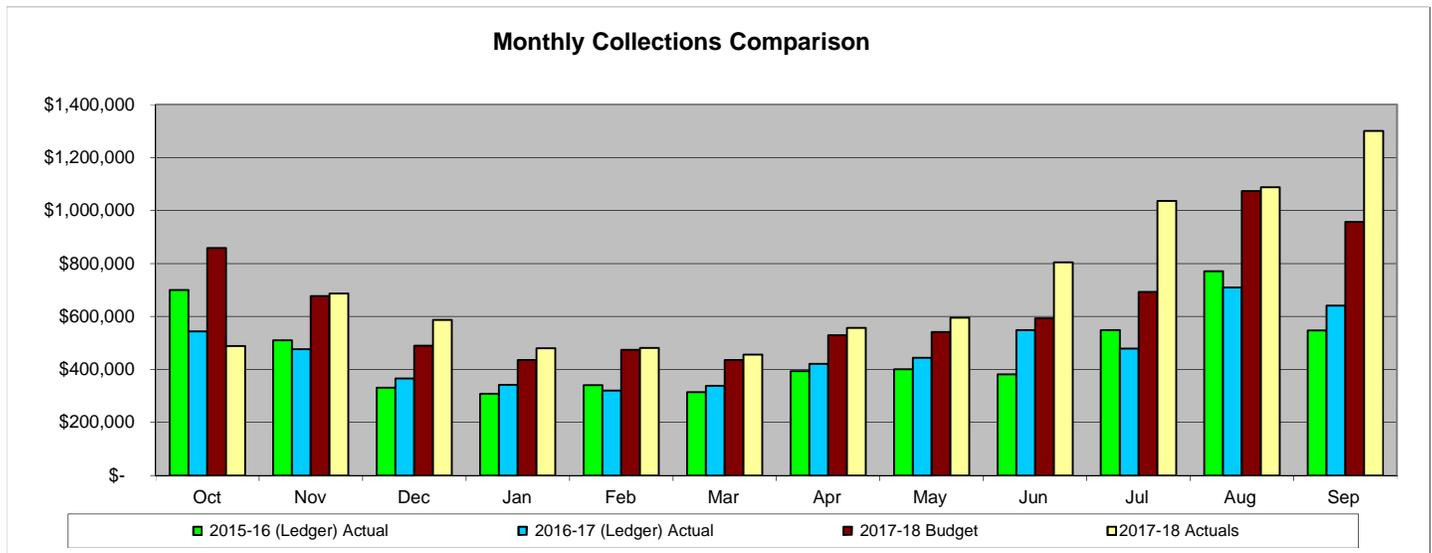
Water/Wastewater Fund

Water Charges

PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 City Actual	2017-18 UTRWD Actual	2017-18 Combined Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 700,252	\$ 543,769	\$ 858,147	\$ 488,294	\$ -	\$ 488,294	\$ (369,853)	-43.1%	\$ (55,475)	-10.2%
Nov	510,370	476,496	677,600	219,334	467,330	686,663	9,064	1.3%	210,168	44.1%
Dec	331,747	365,974	489,599	174,240	412,535	586,774	97,175	19.8%	220,801	60.3%
Jan	308,329	342,045	435,328	129,892	350,628	480,520	45,192	10.4%	138,475	40.5%
Feb	340,963	321,169	473,743	131,280	350,365	481,645	7,901	1.7%	160,476	50.0%
Mar	314,604	338,485	436,378	124,363	331,707	456,070	19,692	4.5%	117,585	34.7%
Apr	393,923	422,060	529,857	158,596	398,488	557,084	27,227	5.1%	135,024	32.0%
May	401,414	443,915	541,747	172,687	423,456	596,143	54,395	10.0%	152,228	34.3%
Jun	381,423	548,509	592,694	267,727	536,236	803,962	211,269	35.6%	255,453	46.6%
Jul	549,310	479,370	692,809	390,716	645,202	1,035,918	343,109	49.5%	556,548	116.1%
Aug	770,738	709,184	1,073,320	420,074	668,253	1,088,327	15,007	1.4%	379,143	53.5%
Sep	547,279	641,629	957,079	424,748	876,028	1,300,777	343,697	35.9%	659,148	102.7%
TOTAL	\$ 5,550,352	\$ 5,632,605	\$ 7,758,303	\$ 3,101,951	\$ 5,460,227	\$ 8,562,178	\$ 803,875	10.4%	\$ 2,929,573	52.0%

Note: The water charges billed in October are for September services so there are no actuals for UTRWD.



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 2017-18 budget incorporates the new 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

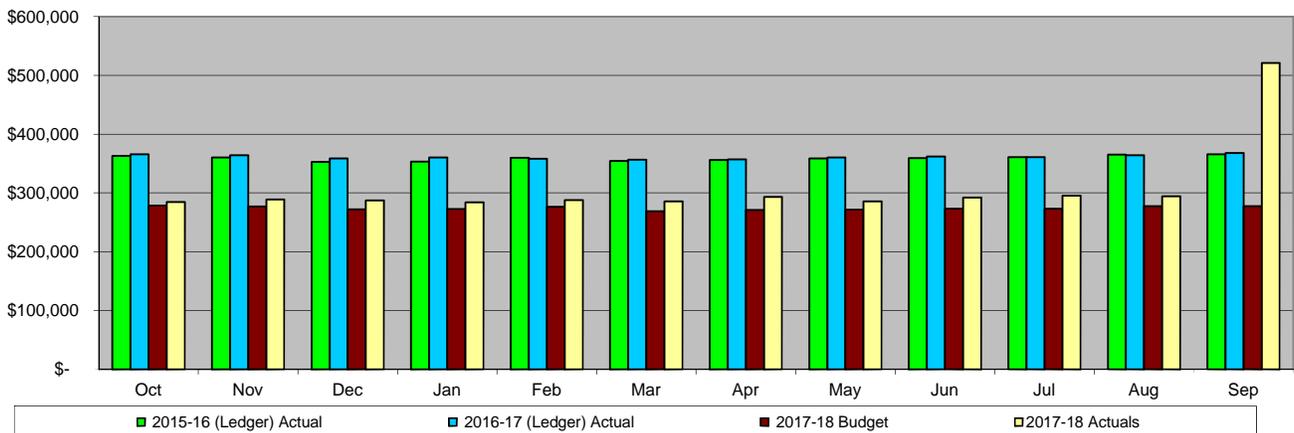
Sewer Charges

PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 City Actual	2017-18 UTRWD Actual	2017-18 Combined Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 362,732	\$ 365,552	\$ 278,277	\$ 284,567	\$ -	\$ 284,567	\$ 6,290	2.3%	\$ (80,985)	-22.2%
Nov	360,374	364,241	276,814	182,388	106,221	288,609	11,795	4.3%	(75,632)	-20.8%
Dec	352,814	358,539	272,050	182,190	105,212	287,402	15,353	5.6%	(71,137)	-19.8%
Jan	353,400	360,366	272,624	181,498	102,378	283,876	11,252	4.1%	(76,490)	-21.2%
Feb	359,581	358,097	276,441	182,573	105,027	287,600	11,160	4.0%	(70,496)	-19.7%
Mar	354,410	356,668	268,950	182,097	103,176	285,274	16,324	6.1%	(71,395)	-20.0%
Apr	355,795	357,049	270,939	184,097	108,777	292,874	21,935	8.1%	(64,174)	-18.0%
May	358,338	360,172	271,539	182,367	103,369	285,736	14,197	5.2%	(74,436)	-20.7%
Jun	359,214	361,702	272,797	184,233	107,625	291,859	19,062	7.0%	(69,844)	-19.3%
Jul	360,775	361,008	273,188	185,295	109,814	295,109	21,921	8.0%	(65,900)	-18.3%
Aug	365,137	363,795	277,212	185,156	108,752	293,908	16,696	6.0%	(69,887)	-19.2%
Sep	365,564	367,989	277,380	329,334	191,481	520,814	243,435	87.8%	152,825	41.5%
TOTAL	\$ 4,308,134	\$ 4,335,178	\$ 3,288,209	\$ 2,445,794	\$ 1,251,833	\$ 3,697,628	\$ 409,419	12.5%	\$ (637,550)	-14.7%

Note: The sewer charges billed in October are for September services so there are no actuals for UTRWD.

Monthly Collections Comparison



KEY TRENDS

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.

Analysis

The FY 2017-18 budget incorporates the new wastewater rates that breakout both the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.

Section 3

City of Corinth
Monthly Financial Report
September 2018

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 2018

	Unaudited Appropriable Fund Balance 9/30/17	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/18
OPERATING FUNDS					
100 General Fund (1)	\$ 5,281,895	\$ 16,200,457	\$ 16,020,295	\$ (26,046)	\$ 5,436,010
110 Water/Wastewater Operations (2)	2,558,984	16,057,134	11,334,464	(3,480,702)	3,800,952
120 Storm Water Utility (3)	945,513	730,690	509,023	(492,038)	675,141
130 Economic Development Corporation (4)	3,536,326	844,458	175,160	(308,925)	3,896,699
131 Crime Control & Prevention	330,897	365,874	243,661	-	453,110
132 Street Maintenance Sales Tax	936,562	409,968	73,571	-	1,272,960
	<u>\$ 13,590,177</u>	<u>\$ 34,608,579</u>	<u>\$ 28,356,172</u>	<u>\$ (4,307,711)</u>	<u>\$ 15,534,872</u>
RESERVE FUNDS					
200 General Debt Service Fund	\$ 390,681	\$ 2,152,730	\$ 2,244,218	\$ -	\$ 299,193
	<u>\$ 390,681</u>	<u>\$ 2,152,730</u>	<u>\$ 2,244,217.76</u>	<u>\$ -</u>	<u>\$ 299,193</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (5)	\$ 1,778,663	\$ 51,153	\$ 72,516	\$ 35,125	\$ 1,792,425
194 Water/Wastewater Projects (6)	555,085	5,545	91,265	402,700	872,065
703 2007 C.O. - Streets	91,791	0	91,791	-	-
706 2016 C.O. - General Fund Capital Projects (7)	6,668,850	31,382	4,640,199	(800,000)	1,260,032
709 2017 C.O. - General Fund Capital Projects (8)	4,972,250	1,404,600	3,174,328	(1,500,000)	1,702,522
803 2016 C.O. - Water Capital Projects (9)	-	20,762	157,891	1,700,000	1,562,871
804 2017 C.O. - Water Capital Projects (10)	-	6,250	-	750,000	756,250
805 2017 C.O. - Wastewater Capital Projects (11)	-	5,897	214,930	750,000	540,967
	<u>\$ 14,066,639</u>	<u>\$ 1,525,589</u>	<u>\$ 8,442,920</u>	<u>\$ 1,337,825</u>	<u>\$ 8,487,132</u>
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement (12)	\$ 115,575	\$ 177,942	106,580	\$ 23,295	\$ 210,232
301 LCFD Vehicle & Equip Replacement (13)	306,974	35,260	230,427	447,620	559,427
302 Technology Replacement Fund (14)	27,649	1,755	78,400	139,043	90,047
310 Utility Vehicle & Equip Replacement (15)	404,384	47,807	13,278	351	439,263
311 Utility Meter Replacement Fund (16)	343,398	1,087	399,862	150,000	94,623
320 Insurance Claims and Risk Fund	312,679	267,909	235,282	-	345,306
	<u>\$ 1,510,659</u>	<u>\$ 531,760</u>	<u>\$ 1,063,830</u>	<u>\$ 760,309</u>	<u>\$ 1,738,898</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 175,414	\$ 62,762	\$ 67,460	\$ -	\$ 170,716
401 Keep Corinth Beautiful	26,950	5,285	3,329	-	28,906
404 County Child Safety Program	22,299	28,093	23,491	-	26,901
405 Municipal Court Security	69,725	15,231	5,439	-	79,516
406 Municipal Court Technology (17)	44,539	19,811	6,760	(12,000)	45,591
420 Police Lease Fund	8,347	2,569	1,790	-	9,126
421 Police Donations	8,491	691	4,455	-	4,727
422 Police Confiscation - State	1,782	14,993	14,808	-	1,967
451 Parks Development (18)	279,568	3,017	8,571	50,000	324,014
452 Community Park Improvement	22,939	10,193	26,854	-	6,278
453 Tree Mitigation Fund	154,625	1,423	-	-	156,048
460 Fire Donations	29,248	10,341	9,039	-	30,550
497 Festival Donations	-	6,083	-	-	6,083
	<u>\$ 843,928</u>	<u>\$ 180,490</u>	<u>\$ 171,996</u>	<u>\$ 38,000</u>	<u>\$ 890,422</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 (19)	\$ 533,634	\$ 325,718	\$ -	\$ (400,000)	\$ 459,351
611 Wastewater Impact Fees	502,006	241,523	-	-	743,528
620 Storm Drainage Impact Fees	91,459	842	-	-	92,301
630 Roadway Impact Fees (20)	392,310	209,549	-	(300,000)	301,860
699 Street Escrow	153,321	1,411	-	-	154,732
	<u>\$ 1,672,730</u>	<u>\$ 779,042</u>	<u>\$ -</u>	<u>\$ (700,000)</u>	<u>\$ 1,751,772</u>
TOTAL ALL FUNDS	<u>\$ 32,074,813</u>	<u>\$ 39,778,190</u>	<u>\$ 40,279,136</u>	<u>\$ (2,871,577)</u>	<u>\$ 28,702,290</u>



City of Corinth
Fund Balance Summary
For the Period Ended September 2018

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 \$677,924 cost allocation from the Utility Fund, \$50,534 cost allocation from Storm Drainage and \$83,042 from Economic Development. The transfer out of \$447,620 to LCFD Vehicle and Equipment Fund for the future purchases of vehicles and equipment, \$123,002 to the Technology Replacement Fund for the future purchases of computers, \$23,295 to the General Fund Vehicle & Replacement Fund for the Enterprise Fleet Replacement Program, \$297,177 for the cost allocation to the Utility Fund, and \$48,125 to General Capital Project Fund for the INCODE Upgrade.
- (2) The transfer in of \$297,177 for the cost allocation from the General Fund and \$38,208 from Storm Drainage. The transfer out of \$101,673 represents the annual allocation to the General Fund for the homeowner's association water contracts, \$150,000 for the annual contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$351 for the the annual contribution to the Vehicle Replacement Fund for Enterprise Fleet Replacement Program, \$14,562 for the annual contribution to the Technology Replacement Fund for the future purchases of computers, and \$677,924 for the cost allocation to the General Fund.
- (3) The transfer out of \$596 to the Technology Replacement Fund is for the future purchases of computers, \$50,534 for the cost allocation to the General Fund, \$38,208 for the cost allocation to the Utility Fund, \$152,700 to the Water/Wastewater Project Fund for the Huffines development agreement, and \$250,000 for the Lynchburg drainage plan.
- (4) The transfer out of \$50,000 to the Parks Development Fund for park improvements, \$883 for the annual contribution to the Technology Replacement Fund for the future purchases of computers, \$175,000 for the Lake Sharon Extension lighting in the General Capital Project Fund, and \$83,042 for the cost allocation to the General Fund.
- (5) The transfer in of \$175,000 from EDC for the Lake Sharon Extension lighting and \$48,125 from Tech Services and \$12,000 from Court Technology for the INCODE Upgrade. The transfer out of \$200,000 to the 2016 CO General Capital Project Fund for the Lake Sharon/Dobbs alignment.
- (6) The transfer in of \$152,700 to from Water/Wastewater Project Fund for the Huffines Development Agreement and \$250,000 from the Water/Wastewater Project Fund for the Lynchburg Drainage Plan.
- (7) The transfer in of \$200,000 from the General Capital Project Fund and \$300,000 from the Roadway Impact Fee Fund for the Lake Sharon/Dobbs alignment project. The transfer out of \$1,300,000 to the 2016 CO Water Fund for the elevated storage tank project.
- (8) The transfer out of \$750,000 to the 2017 CO Water Fund and \$750,000 to the 2017 CO Wastewater Fund for the Public Works Facility.
- (9) The transfer in of \$1,300,000 from the 2016 CO General Capital Project Fund and \$400,000 from the Water Impact Fee Fund for the elevated
- (10) The transfer in of \$750,000 from the 2017 CO General Capital Project Fund for the Public Works Facility.
- (11) The transfer in of \$750,000 from the 2017 CO General Capital Project Fund for the Public Works Facility.
- (12) The transfer in of \$23,295 from the General Fund for the future purchase of vehicles and equipment.
- (13) The transfer in of \$336,245 represents Corinth's annual contribution and \$111,375 from the Lake City Fire contracts for the future purchase of vehicles and equipment.
- (14) The transfer in of \$123,002 from the General Fund, \$14,562 from the Water/Wastewater Fund, \$596 from the Storm Drainage Fund and \$883 from the Economic Development Fund represents the annual contribution for the future purchases of computers.
- (15) The transfer in of \$351 for the annual contribution from the Water/Wastewater Fund for the Enterprise Fleet Replacement Program.
- (16) The transfer in of \$150,000 from the Water/Wastewater Fund for the future purchase of water taps and meters.
- (17) The transfer out of \$12,000 to the General Capital Project Fund for the INCODE Upgrade
- (18) The transfer in of \$50,000 from the Economic Development Fund for park improvements.
- (19) The transfer out of \$400,000 to the 2016 CO Water Fund for the elevated storage tank.
- (20) The transfer out of \$300,000 to the 2016 CO General Project Fund for the Lake Sharon/Dobbs alignment.

Section 4

City of Corinth
Monthly Financial Report
September 2018

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.

CIP SUMMARY
2007 CERTIFICATES OF OBLIGATION
As of September 2018

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets and roads, (ii) constructing , installing improvements to the City's waterworks and sanitary sewer system, (iii) computer and technology equipment and upgrade.

EXPENDITURES

PROJECTS COMPLETED	ACCT #	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	IMPACT FEES	ESCROW FEES	AID IN CONSTR	OPERATING FUNDS	ECONOMIC DEV. FUNDS	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
												PRIOR YRS	09/30/18		
DOBBS ROAD	064	\$ -	\$ 319,628	\$ 319,628	\$ -	\$ 213,024	\$ 400,000	\$ -	\$ 134,000	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -
CHURCH ST	070	2,658,768	(1,099,960)	1,558,808	963,032	146,000	-	80,030	-	2,747,870	-	2,747,870	-	2,747,870	-
8" SS NISSAN TRISTEEL	071	600,369	96,264	696,633	-	-	-	48,400	-	745,033	-	745,033	-	745,033	-
15" SS LYNCHBURG PHASE 1	072	935,600	(308,389)	627,210	330,103	-	-	106,200	-	1,063,513	-	1,063,513	-	1,063,513	-
15" SS LYNCHBURG PHASE 2	073	935,600	(892,426)	43,174	-	-	-	191,174	-	234,348	-	234,348	-	234,348	-
FM 2181 RELOCATIONS	074	4,685,683	(956,680)	3,729,003	409,462	-	28,817	500,000	-	4,667,282	-	4,667,282	-	4,667,282	-
WESTSIDE LS EXPANSION	075	2,664,160	(768,313)	1,895,847	390,325	-	-	-	-	2,286,172	-	2,286,172	-	2,286,172	-
12" WL IH-35 SOUTH (BURL ST TO WINDRIDGE)	076	269,925	(227,818)	42,107	-	-	-	-	-	42,107	-	42,107	-	42,107	-
PARKRIDGE (FM 2181 TO MEADOWVIEW)	077	583,604	370,909	954,513	-	41,285	750,000	60,000	-	1,805,798	-	1,805,798	-	1,805,798	-
LAKE SHARON	078	8,987,486	(1,041,148)	7,946,338	852,934	180,300	-	269,399	109,000	9,357,971	-	9,357,971	-	9,357,971	-
REPLACE TECHNOLOGICAL INFRASTRUCTURE I-35 UPSTREAM IMPROVEMENTS	079	565,000	125,500	690,500	-	-	-	-	-	690,500	-	690,500	-	690,500	-
S. CORINTH STREET	084	-	2,137,686	2,137,686	-	-	-	-	-	2,137,686	-	2,137,686	-	2,137,686	-
REHAB 1.5 MG GROUND STORAGE TANK	085	-	495,513	495,513	-	-	-	-	-	495,513	-	495,513	-	495,513	-
1.5 MG GROUND STORAGE TANK	086	-	1,158,354	1,158,354	-	-	-	900,000	-	2,058,354	-	2,058,354	-	2,058,354	-
PARKRIDGE DR SOUTH	090	-	292,190	292,190	262,000	-	719,283	280,717	-	1,554,190	-	1,554,190	-	1,554,190	-
SHADY REST LANE	091	-	346,054	346,054	-	-	75,000	1,160,000	-	1,581,054	-	1,581,054	-	1,581,054	-
TOWER RIDGE	092	-	114,875	114,875	-	-	-	-	-	114,875	-	114,875	-	114,875	-
CAPITAL IMPROVEMENT TRACKING	171	60,000	(13,846)	46,154	-	-	-	-	-	46,154	-	46,154	-	46,154	-
PLANNING & PERMITTING	172	140,000	(8,090)	131,910	-	-	-	-	-	131,910	-	131,910	-	131,910	-
PHONE SYSTEM UPGRADE	173	90,000	45,571	135,571	-	-	-	-	-	135,571	-	135,571	-	135,571	-
PINNELL POINT DRAINAGE	174	-	108,423	108,423	-	-	140,000	-	-	248,423	-	248,423	-	248,423	-
SECURITY & FIRE SUPPRESSION	176	66,910	(50,489)	16,421	-	-	-	-	-	16,421	-	16,421	-	16,421	-
SECURITY CARD SYSTEM	178	30,000	-	30,000	-	-	-	-	-	30,000	-	30,000	-	30,000	-
LAKE SHARON EXTENSION	079	\$ -	\$ 258,164	\$ 258,164	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 278,164	\$ -	189,289	\$ 88,875	\$ 278,164	-
ISSUANCE COSTS		136,897	(52,620)	76,195	-	-	-	-	-	76,195	-	76,195	-	76,195	-
GRAND TOTAL		\$ 23,493,103	\$ 124,809	\$ 23,617,912	\$ 3,207,856	\$ 580,609	\$ 2,113,100	\$ 3,595,921	\$ 243,000	\$ 33,358,397	\$ -	\$ 33,358,397	\$ -	\$ 33,358,397	\$ -

UNALLOCATED INTEREST \$ (18,699)
UNALLOCATED BOND PROCEEDS 18,699
AVAILABLE FUND BALANCE \$ 0

TOTAL RESOURCES \$ 33,712,757
UNALLOCATED BOND PROCEEDS -
PROJECT TOTAL (33,712,757)
AVAILABLE FUND BALANCE \$ -

**2016 CERTIFICATES OF OBLIGATION
As of September 2018**

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation, drainage, signalization, landscaping, lighting and signage; (ii) constructing and equipping improvements and renovation to City Hall; (iii) acquiring, improving and equipping a public safety facility for the police and fire departments; (iv) constructing and equipping a new fire station and improvements to existing fire stations; (v) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system.

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	IMPACT FEES	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES			TOTAL OBLIGATIONS	AVAILABLE BUDGET
								09/30/16	09/30/17	09/30/18		
FUND 706												
PUBLIC SAFETY FACILITY & FIRE STATION	2000	\$ 12,000,000	\$ 500,000	\$ -		\$ 12,500,000	\$ 30,687	\$ 3,727,303	\$ 4,718,416	4,023,594	\$ 12,500,000	-
LAKE SHARON EXTENSION	4800	2,500,000	(2,500,000)	-		-	-	-	-	-	-	-
FACILITY RENOVATIONS - CITY HALL	1004	350,000	-	-		350,000	-	15,675	327,321	342,996	7,004	
FACILITY RENOVATIONS - FIRE STATION #2	2300	150,000	-	-		150,000	-	6,531	13,587	20,118	129,882	
LAKE SHARON/DOBBS ALIGNMENT	4805	-	700,000	200,000	300,000	1,200,000	376,065	-	-	275,697	651,762	548,238
FUND 803												
ELEVATED STORAGE TANK	8092	-	1,300,000	-	400,000	1,700,000	426,358	-	-	157,891	584,249	1,115,751
ISSUANCE COSTS		246,030	-	-		246,030	-	216,030	300	-	216,330	29,700
		\$ 15,246,030	\$ -	\$ 200,000	\$ 700,000	\$ 16,146,030	\$ 833,110	\$ 3,943,332	\$ 4,740,922	\$ 4,798,090	\$ 14,315,454	\$ 1,830,575

TOTAL REVENUES TO DATE \$ 16,228,989
 ADJUSTED BUDGET 16,146,030
AVAILABLE FUND BALANCE \$ 82,959

UNALLOCATED INTEREST \$ -
 UNALLOCATED FUNDS 82,959
AVAILABLE FUND BALANCE \$ 82,959

**2017 CERTIFICATES OF OBLIGATION
As of September 2018**

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation, drainage, signalization, landscaping, lighting and signage; (ii) acquiring, improving and equipping a public safety facility for the police and fire departments; (iii) constructing and equipping a new fire station and improvements to existing fire stations; (iv) constructing and equipping renovations and improvement to the existing public works department facility, including drainage improvement, and constructing and equipping a storage facility for the public works department; (v) paying legal, fiscal and engineering fees in connection with such projects.

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	DENTON CTY MATCH (1)	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
								09/30/17	09/30/18		
FUND 709											
PUBLIC SAFETY FACILITY & FIRE STATION	2000	\$ 1,900,000	\$ 109,401	\$ -		\$ 2,009,401		\$ 27,565	\$ 1,207,430	\$ 1,234,995	774,405
LAKE SHARON EXTENSION	4800	1,600,000	-	-	3,400,000	5,000,000	2,693,648	3,560	1,966,899	4,664,107	335,893
FUND 804 & 805											
PUBLIC WORKS FACILITY	8093	1,500,000	-	-		1,500,000	226,380	-	214,930	441,310	1,058,690
ISSUANCE COSTS		136,436	-	-		136,436	-	136,436	-	136,436	-
		\$ 5,136,436	\$ 109,401	\$ -	\$ 3,400,000	\$ 8,645,836	\$ 2,920,028	\$ 167,561	\$ 3,389,258	\$ 6,476,848	\$ 2,168,989

TOTAL REVENUES TO DATE	\$ 8,690,132	UNALLOCATED INTEREST	\$ 44,295
ADJUSTED BUDGET	8,645,836	UNALLOCATED FUNDS	0.00
AVAILABLE FUND BALANCE	\$ 44,295	AVAILABLE FUND BALANCE	\$ 44,295

(1) Denton County Match is on a reimbursement basis. Matching amount is 50% of the project.

FUND 193 - GENERAL FUND CAPITAL PROJECTS
As of September 2018

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							PRIOR YEARS	09/30/18		
Projects in Progress										
PLANNING & DEVELOPMENT SOFTWARE	1400	\$ -	\$ 147,510	\$ 132,156	\$ 279,666	\$ 44,786	\$ 187,679	\$ 45,186	\$ 277,652	\$ 2,014
PUBLIC SAFETY COMMUNICATION SYSTEM UPGRADE	2200	300,000	300,000	-	600,000	-	585,429	3,235	588,664	11,336
LAKE CITIES/LITTLE ELM JOINT FIRE TRAINING FIELD	2301	-	60,000	60,000	120,000	15,949	14,280	-	30,229	89,771
LAKE SHARON EXTENSION	4800	1,500,000	(161,129)	175,000	1,513,871	975,386	346,645	17,330	1,339,362	174,509
I-35 AESTHETICS & ENTRYWAY FEATURES	4802	425,000	(150,000)	-	275,000	-	143,153	-	143,153	131,847
RADIO FREQUENCY IDENTIFICATION	2201	-	-	49,993	49,993	-	-	6,515	6,515	43,477.98
CITY ENTRANCE SIGNS	4803	-	150,000	-	150,000	-	-	-	-	150,000
INCODE UPGRADE	1102	-	-	60,125	60,125	-	-	250	250	59,875
		\$ 2,225,000	\$ 346,381	\$ 477,274	\$ 3,048,655	\$ 1,036,122	\$ 1,277,187	\$ 72,516	\$ 2,385,825	\$ 662,830

TOTAL REVENUES TO DATE \$ 3,142,128
 ADJUSTED BUDGET 3,048,655
AVAILABLE FUND BALANCE \$ 93,473

UNALLOCATED FUNDS \$ 93,473
AVAILABLE FUND BALANCE \$ 93,473

FUND 194 - WATER/WASTEWATER CAPITAL PROJECTS
As of September 2018

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	AID-IN CONSTRUCTION	ADJUSTED BUDGET	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							PRIOR YEARS	09/30/18		
Projects in Progress										
SEWERLINE REALIGNMENT - L3	8897	\$ -	\$ (116,782)	\$ 225,000	\$ 108,218	\$ 6,965	\$ 53,510	\$ 19,115	\$ 79,590	\$ 28,628
HUFFINES INFRASTRUCTURE	-	-	424,049	152,700	576,749	-	-	-	-	576,749
LYNCHBURG DRAINAGE PLAN	-	-	-	250,000	250,000	177,850	-	72,150	250,000	-
Complete										
SANITARY SEWER REHAB AMITY VILLAGE		307,267	(307,267)		-	-	-	-	-	-
		\$ 307,267	\$ -	\$ 627,700	\$ 934,967	\$ 184,815	\$ 53,510	\$ 91,265	\$ 329,590	\$ 605,377

TOTAL REVENUES TO DATE \$ 1,016,839
 ADJUSTED BUDGET 934,967
AVAILABLE FUND BALANCE \$ 81,872

UNALLOCATED INTEREST \$ 20,515
 UNALLOCATED FUNDS 61,357
AVAILABLE FUND BALANCE \$ 81,872

BUSINESS ITEM 3.

Finance Audit Committee Regular Session

Meeting Date: 02/21/2019
Title: Annual Audit and Comprehensive Annual Report Discussion
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Chris Rodriguez, Financial Services Manager
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, 2018 was conducted by Eide Bailly, LLP. The audit firm, in its fourth 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, 2019.

RECOMMENDATION

No action to be taken on this item.

Attachments

adjusting entries
2018 CAFR

Adjusting Journal Entries For Year End 2017-2018

Adjusting Journal Entries JE # 1

To post corrections to posting fixed assets.

100-1002-51100	PROFESSIONAL SERVICES	6,065.00	
100-1400-51100	PROFESSIONAL SERVICES	6,435.00	
110-0000-100001	CLAIM ON CASH	716,815.00	
110-0000-119020	AUTOMOBILES & MACHINERY	81,685.00	
110-8800-57000	CAPITAL OUTLAY	7,100.00	
110-8896-52056	WATER TAP & METER	107.00	
120-0000-100001	CLAIM ON CASH	205,683.00	
132-4800-59101	TRANSFER OUT	45,413.00	
194-9800-59101	Transfer out	72,150.00	
311-8800-59101	Transfer out	399,862.00	
706-4805-59101	Transfer out	76,258.00	
803-8092-59101	Transfer out	37,691.00	
803-8092-59101	Transfer out	63,694.00	
805-8093-59101	Transfer out	214,930.00	
100-0000-100001	CLAIM ON CASH		12,500.00
110-0000-119000	LAND		6,065.00
110-0000-119030	WATER DISTRIBUTION SYSTEM		7,100.00
110-0000-41820	TRANSFER IN		76,258.00
110-0000-41820	TRANSFER IN		37,691.00
110-0000-41820	TRANSFER IN		63,694.00
110-0000-41820	TRANSFER IN		214,930.00
110-0000-41820	TRANSFER IN		399,862.00
110-8000-51101	CONTRACT LABOR		107.00
120-0000-119020	AUTOMOBILES & MACHINERY		81,685.00
120-0000-119025	CONSTRUCTION IN PROGRESS		6,435.00
120-0000-41820	TRANSFER IN		45,413.00
120-0000-41820	TRANSFER IN		72,150.00
132-0000-100001	CLAIM ON CASH		45,413.00
194-0000-100001	CLAIM ON CASH		72,150.00
311-0000-100001	CLAIM ON CASH		399,862.00
706-0000-100001	CLAIM ON CASH		76,258.00
803-0000-100001	CLAIM ON CASH		101,385.00
805-0000-100001	CLAIM ON CASH		214,930.00
Total		1,933,888.00	1,933,888.00

Adjusting Journal Entries JE # 2

To post reclass construction in progress to fixed assets - public safety building.

991-0000-119000	LAND	3,091,655.00	
991-0000-119000	LAND	441,689.00	
991-0000-119010	BUILDING	5,183,044.00	
991-0000-119025	CONSTRUCTION IN PROGRESS		8,716,388.00
Total		8,716,388.00	8,716,388.00

Adjusting Journal Entries JE # 3

To post reclass of object codes.

110-0000-119015	IMPROV. OTHER THAN BLDG	29,999.00	
110-0000-119030	WATER DISTRIBUTION SYSTEM	599,983.00	
110-8800-58501	DEPRECIATION EXPENSE	29,999.00	
991-0000-119020	AUTOMOBILES & MACHINERY	1,094.00	
991-1500-58501	Dep Exp	1,094.00	
110-0000-119015	IMPROV. OTHER THAN BLDG		599,983.00
110-0000-119016	A/D IMPROV OTHER THAN BLDG		29,999.00
110-0000-119031	A/D WATER DISTRIBUTION SYSTEM		29,999.00
991-0000-119021	A/D AUTOS, MACH & EQUIP.		1,094.00
991-0000-119021	A/D AUTOS, MACH & EQUIP.		1,094.00
Total		662,169.00	662,169.00

Adjusting Journal Entries JE # 4

To post correction to public safety building facility fixed asset and associated depreciation.

991-0000-119011	A/D BUILDINGS	528.00	
991-0000-310000	FUND BALANCE	50,691.00	
991-0000-119010	BUILDING		50,691.00
991-2000-58501	DEPRECIATION EXPENSE		528.00
Total		51,219.00	51,219.00

Adjusting Journal Entries JE # 5

To reclass revenue.

110-0000-41700	WATER CHARGES	343,024.00	
110-0000-41701	WW DISPOSAL CHARGES	85,298.00	
110-0000-41702	UTRWD WATER CHARGES		343,024.00
110-0000-41703	UTRWD WW DISPOSAL CHARGES		85,298.00
Total		428,322.00	428,322.00

Adjusting Journal Entries JE # 6

To record GASB 68 adjustment #2 for water/sewer.

110-0000-117201	NET PENSION ASSET	251,017.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	25,254.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	4,598.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	41,374.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	1,943.00	
110-8800-50306	TMRS GASB YE	95,023.00	
110-8801-50306	TMRS GASB YE	30,841.00	
110-8802-50306	TMRS GASB YE	14,470.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		102,838.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		8,215.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		39,695.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		1,944.00
110-0000-117202	DEFERRED INFLOWS OF RESOURCES		64,075.00
110-0000-117202	DEFERRED INFLOWS OF RESOURCES		206,472.00
110-8800-50306	TMRS GASB YE		27,951.00
110-8801-50306	TMRS GASB YE		9,073.00
110-8802-50306	TMRS GASB YE		4,257.00
Total		464,520.00	464,520.00

Adjusting Journal Entries JE # 7

To record GASB 68 adjustment #3 and #4 for water/sewer.

110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	110,662.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	75,401.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		75,401.00
110-8800-50306	TMRS GASB YE		74,928.00
110-8801-50306	TMRS GASB YE		24,322.00
110-8802-50306	TMRS GASB YE		11,412.00
Total		186,063.00	186,063.00

Adjusting Journal Entries JE # 8

To record GASB 68 adjustment #2 for storm drainage.

120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	1,952.00	
120-0000-117201	NET PENSION ASSET	19,412.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	356.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	3,200.00	
120-9800-50306	TMRS GASB YE	10,852.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		7,953.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		635.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		3,070.00
120-0000-117202	DEFERRED INFLOWS OF RESOURCES		4,955.00
120-0000-117202	DEFERRED INFLOWS OF RESOURCES		15,967.00
120-9800-50306	TMRS GASB YE		3,192.00
Total		35,772.00	35,772.00

Adjusting Journal Entries JE # 9

To record GASB 68 adjustment #3 and #4 for storm drainage.

120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	8,558.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	9,485.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		9,485.00
120-9800-50306	TMRS GASB YE		8,558.00
Total		18,043.00	18,043.00

Adjusting Journal Entries JE # 10

To record GASB 68 adjustment #2 for governmental activities.

990-0000-117201	NET PENSION ASSET	2,163,493.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES	217,663.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES	39,625.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES	356,599.00	
990-1000-50306	TMRS GASB YE	115,250.00	
990-1100-50306	TMRS GASB YE	69,283.00	
990-1400-50306	TMRS GASB YE	87,491.00	
990-1500-50306	TMRS GASB YE	59,665.00	
990-1800-50306	TMRS GASB YE	57,942.00	
990-2200-50306	TMRS GASB YE	819,785.00	
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		886,352.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		70,733.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		342,123.00
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		552,261.00
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		1,779,561.00

990-1000-50306	TMRS GASB YE		33,904.00
990-1100-50306	TMRS GASB YE		20,380.00
990-1400-50306	TMRS GASB YE		25,737.00
990-1500-50306	TMRS GASB YE		17,551.00
990-1800-50306	TMRS GASB YE		17,044.00
990-2200-50306	TMRS GASB YE		241,150.00
Total		3,986,796.00	3,986,796.00

Adjusting Journal Entries JE # 11

To record GASB 68 adjustment #3 and #4 for governmental activities.

990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	953,787.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES	629,339.00	
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		629,339.00
990-1000-50306	TMRS GASB YE		90,893.00
990-1100-50306	TMRS GASB YE		54,637.00
990-1400-50306	TMRS GASB YE		68,998.00
990-1500-50306	TMRS GASB YE		47,054.00
990-1800-50306	TMRS GASB YE		45,695.00
990-2200-50306	TMRS GASB YE		646,510.00
Total		1,583,126.00	1,583,126.00

Adjusting Journal Entries JE # 12

To record GASB 75 adjustment #1.

110-0000-301006	Prior Period Adjustment	26,989.00	
120-0000-301006	Prior Period Adjustment	2,090.00	
130-0000-301006	Prior Period Adjustment	2,937.00	
990-0000-310000	FUND BALANCE	232,583.00	
110-0000-214025	NET OPEB LIABILITY		26,989.00
120-0000-214025	NET OPEB LIABILITY		2,090.00
130-0000-214025	NET OPEB LIABILITY		2,937.00
990-0000-214025	NET OPEB LIABILITY		232,583.00
Total		264,599.00	264,599.00

Adjusting Journal Entries JE # 13

To record GASB 75 adjustment #2 for governmental activities.

110-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB	2,954.00	
110-8800-50306	TMRS GASB YE	2,163.00	
110-8801-50306	TMRS GASB YE	700.00	
110-8802-50306	TMRS GASB YE	319.00	
120-0000-117204	DEFERRED OUTFLOWS OF RESORUCES OPEB	229.00	
120-9800-50306	TMRS GASB YE	246.00	
130-0000-117204	Deferred Outflows - OPEB	321.00	
130-1700-50306	TMRS GASB YE	347.00	
990-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB	25,455.00	
990-1000-50306	TMRS GASB YE	2,614.00	
990-1100-50306	TMRS GASB YE	1,572.00	
990-1400-50306	TMRS GASB YE	1,984.00	
990-1500-50306	TMRS GASB YE	1,354.00	
990-1800-50306	TMRS GASB YE	1,313.00	
990-2200-50306	TMRS GASB YE	18,584.00	

110-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB		444.00
110-0000-214025	NET OPEB LIABILITY		5,692.00
120-0000-117204	DEFERRED OUTFLOWS OF RESORUCES OPEB		34.00
120-0000-214025	NET OPEB LIABILITY		441.00
130-0000-117204	Deferred Outflows - OPEB		49.00
130-0000-214025	NET OPEB LIABILITY		619.00
990-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB		3,828.00
990-0000-214025	NET OPEB LIABILITY		49,048.00
Total		60,155.00	60,155.00

Adjusting Journal Entries JE # 14

To record GASB 75 adjustment #3 for governmental activities.

990-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB	7,264.00	
990-1000-50306	TMRS GASB YE		693.00
990-1100-50306	TMRS GASB YE		417.00
990-1400-50306	TMRS GASB YE		526.00
990-1500-50306	TMRS GASB YE		359.00
990-1800-50306	TMRS GASB YE		348.00
990-2200-50306	TMRS GASB YE		4,921.00
Total		7,264.00	7,264.00

Adjusting Journal Entries JE # 15

To record GASB 75 adjustment #3 for enterprise activities.

110-0000-117204	DEFERRED OUTFLOWS OF RESOURCES OPEB	843.00	
120-0000-117204	DEFERRED OUTFLOWS OF RESORUCES OPEB	65.00	
130-0000-117204	Deferred Outflows - OPEB	92.00	
110-8800-50306	TMRS GASB YE		574.00
110-8801-50306	TMRS GASB YE		185.00
110-8802-50306	TMRS GASB YE		84.00
120-9800-50306	TMRS GASB YE		65.00
130-1700-50306	TMRS GASB YE		92.00
Total		1,000.00	1,000.00

Adjusting Journal Entries JE # 16

To adjust client entry to transfer bonds payable from governmental activities to water/wastewater.

110-0000-41820	TRANSFER IN	2,871,577.00	
110-8800-59150	SPECIAL ITEMS		2,871,577.00
Total		2,871,577.00	2,871,577.00

Adjusting Journal Entries JE # 17

To reclass prior period object code.

100-0000-301006	Prior Period Adjustment	156,913.00	
100-0000-52901	PRIOR YEAR ADJUSTMENT		156,913.00
Total		156,913.00	156,913.00

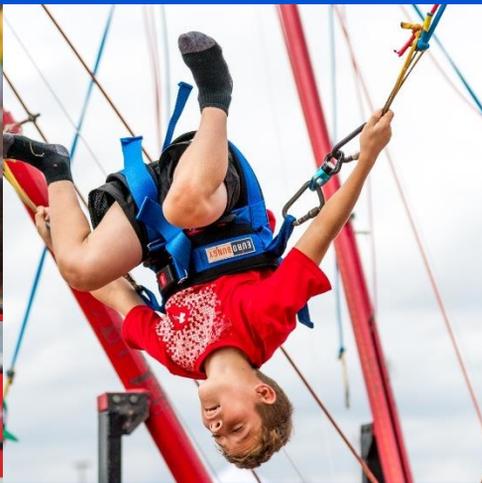
Adjusting Journal Entries JE # 18

To record GASB 68 entries for the Corinth EDC.

130-0000-117200	Deferred Outflows-Pension	10,910.00	
130-0000-117200	Deferred Outflows-Pension	3,561.00	
130-0000-117200	Deferred Outflows-Pension	12,023.00	
130-0000-117200	Deferred Outflows-Pension	11,992.00	
130-0000-117202	Deferred Inflows-Pension	2,737.00	
130-0000-117202	Deferred Inflows-Pension	498.00	
130-0000-117202	Deferred Inflows-Pension	4,484.00	
130-0000-117202	Deferred Inflows-Pension	7,738.00	
130-0000-215020	Net Pension Liability-GASB 68	27,202.00	
130-0000-301006	Prior Period Adjustment	64,360.00	
130-1700-50306	TMRS GASB YE	15,205.00	
130-0000-117200	Deferred Outflows-Pension		11,144.00
130-0000-117200	Deferred Outflows-Pension		889.00
130-0000-117200	Deferred Outflows-Pension		4,302.00
130-0000-117200	Deferred Outflows-Pension		7,738.00
130-0000-117202	Deferred Inflows-Pension		4,013.00
130-0000-117202	Deferred Inflows-Pension		1,756.00
130-0000-117202	Deferred Inflows-Pension		34.00
130-0000-117202	Deferred Inflows-Pension		6,944.00
130-0000-117202	Deferred Inflows-Pension		22,374.00
130-0000-215020	Net Pension Liability-GASB 68		85,051.00
130-1700-50306	TMRS GASB YE		4,473.00
130-1700-50306	TMRS GASB YE		11,992.00
Total		160,710.00	160,710.00
	Total Adjusting Journal Entries	21,588,524.00	21,588,524.00



City of Corinth, Texas



Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2018

CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended September 30, 2018



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, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
INTRODUCTORY SECTION		
Letter of Transmittal_____	1	
GFOA Certificate of Achievement_____	7	
Organizational Chart_____	8	
Elected and Appointed Officials_____	9	
FINANCIAL SECTION		
Independent Auditor’s Report_____	11	
Management’s Discussion and Analysis_____	15	
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Position_____	26	Exhibit A-1
Statement of Activities_____	28	Exhibit A-2
Fund Financial Statements:		
Balance Sheet – Governmental Funds_____	30	Exhibit A-3
Reconciliation to the Balance Sheet of Governmental Funds to Statement of Net Position_____	32	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds_____	34	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities_____	36	Exhibit A-6
Statement of Net Position – Proprietary Funds_____	38	Exhibit A-7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds_____	40	Exhibit A-8
Statement of Cash Flows – Enterprise Funds_____	42	Exhibit A-9
Notes to the Financial Statements_____	44	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule - General Fund_____	70	Exhibit B-1
Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System_____	71	Exhibit B-2
Schedule of Employer Contributions – Texas Municipal Retirement System_____	72	Exhibit B-3
Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits Plan_____	73	Exhibit B-4
Notes to Required Supplementary Information_____	74	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet – Nonmajor Governmental Funds_____	78	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds_____	79	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Special Revenue Funds_____	80	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds_____	84	Exhibit C-4

Budgetary Comparison Schedules:

Crime Control & Prevention Fund_____	88	Exhibit C-5
Street Maintenance Fund_____	89	Exhibit C-6
Hotel Motel Tax Fund_____	90	Exhibit C-7
Keep Corinth Beautiful Fund_____	91	Exhibit C-8
County Child Safety Fund_____	92	Exhibit C-9
Municipal Court Security Fund_____	93	Exhibit C-10
Municipal Court Technology Fund_____	94	Exhibit C-11
Police Confiscation Fund - State_____	95	Exhibit C-12
Parks Development Fund_____	96	Exhibit C-13
Community Park Improvement Fund_____	97	Exhibit C-14
Tree Mitigation Fund_____	98	Exhibit C-15
Roadway Impact Fee Fund_____	99	Exhibit C-16
Debt Service_____	100	Exhibit C-17

Capital Projects Funds:

Combining Balance Sheet – Nonmajor Capital Projects Funds_____	102	Exhibit C-18
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds_____	104	Exhibit C-19

STATISTICAL SECTION

Net Position by Component_____	108	Table D-1
Expenses, Program Revenues, and Net (Expense)/Revenue_____	110	Table D-2
General Revenues and Total Change in Net Position_____	112	Table D-3
Fund Balances of Governmental Funds_____	114	Table D-4
Changes in Fund Balances of Governmental Funds_____	116	Table D-5
Tax Revenues by Source, Governmental Funds_____	118	Table D-6
Assessed Values and Estimated Actual Value of Taxable Property_____	119	Table D-7
Direct and Overlapping Property Tax Rates_____	120	Table D-8
Principal Property Tax Payers_____	121	Table D-9
Property Tax Levies and Collections_____	122	Table D-10
Direct and Overlapping Sales Tax Rates_____	123	Table D-11
Taxable Sales By Category_____	124	Table D-12
Ratios of Outstanding Debt by Type_____	126	Table D-13
Ratios of General Bonded Debt Outstanding_____	127	Table D-14
Legal Debt Margin Information_____	128	Table D-15
Direct and Overlapping Governmental Activities Debt_____	130	Table D-16
Demographic and Economic Statistics_____	131	Table D-17
Principal Employers_____	132	Table D-18
Full-Time Equivalent City Government Employees by Function/Program_____	133	Table D-19
Operating Indicators by Function/Program_____	134	Table D-20
Capital Asset Statistics by Function/Program_____	135	Table D-21

INTRODUCTORY SECTION



March 21, 2019

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, 2018. 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 (formerly Davis Kinard & Co, PC), 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, 2018, 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, 2018, 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 2018 is 21,320. 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 2.9%. For the same period, Dallas County's unemployment rate was 3.4%, the overall state of Texas rate was 3.7% and the nation's rate, as a whole, was 3.7%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 10.58% for the 2018 tax year over the 2017 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased by \$67,378 or 5% over the prior year's receipts. For fiscal year 2018-19, 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.

MAJOR INITIATIVES

In April 2018, the City completed renovations to the new Public Safety Complex. Sitting on approximately 6.08 acres, the 32,000 square foot building was renovated into a Joint Public Safety Center for the Lake Cities Fire Administration and the Corinth Police Department. The site also includes the addition of an 11,820 square foot fire station. The Fire Department currently operates out of two fire stations that serves the communities of Corinth, Lake Dallas, Hickory Creek and Shady Shores. The new facilities are poised to meet the fire, rescue, emergency medical, and police services of our growing community.

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 #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. Existing sales tax authorizations for Crime Control & Prevention District, Economic Development Corporation and Street Maintenance would need to be partially reduced or eliminated to maintain the local sales tax ceiling of 2% as provided by state statutes.

The City developed a comprehensive strategic plan, "Embracing the Future, Corinth 2030" in 2018. The Strategic Plan 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 Citizens of Corinth expect and deserve.

In March 2018, the Council approved plans for renovation of the 4,300 square foot Public Works building to include a new roof, HVAC upgrades, flooring, ceilings, fixtures, elevation for exterior of the building, secondary exit for the second floor of the building, and renovation of the existing floorplans to better serve staffing needs. The project also includes the addition of an 1,800 square-foot storage facility for vehicles and equipment, and site improvements consisting of drainage and paving for the Fire Department's training facility adjacent to the Public Works Building. The total cost of project is estimated to be \$1,395,000 and will be funded from Certificates of Obligation issued in August 2017.

The City worked with the North Texas Council of Governments (NCTCOG) to conduct a flood plain survey along Lynchburg Creek. The study results are currently under review by FEMA. In the FY 2018-19 annual program of services, the City has reserved funds for a FEMA grant match to further provide flood mitigation to the properties along Lynchburg Creek.

Corinth received a 3-Star community rating in the STAR Communities Leadership Program. The STAR Community Rating System (STAR) is the nation's leading comprehensive framework and certification program

for evaluating local sustainability, encompassing economic, environmental, and social performance measures. This effort will assist the City in our effort to create a community strategic plan.

Corinth also 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. Corinth is one of the 75 STAR certified cities and counties that has now joined the family of LEED for Cities and Communities.

The City was one of thirteen cities recognized as a 2018 Certified Scenic City award recipient through the Scenic City Certification Program. The certification program recognizes cities for their demonstrated commitment to high-quality scenic standards for public roadways and public spaces. Corinth upgraded the existing certification status from bronze in 2014 to Silver in 2018.

The City was designated “SolSmart Gold” from the national SolSmart program for making it faster, easier, and more affordable for homes and businesses to go solar. The designation recognizes Corinth for taking bold steps to encourage solar energy growth and remove obstacles to solar development. For companies looking to expand, a SolSmart Gold designation is a signal that Corinth is “open for solar business”.

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 Public Works Department was awarded the prestigious American Public Works Association (APWA) Accreditation designation. The APWA Accreditation program recognizes public works agencies that go beyond the requirements of the management practices established nationally in the public works industry, as contained in the APWA Public Works Management Practices Manual. The City of Corinth Public Works Department became the 144th agency in North America to be awarded Accreditation and the 11th agency in the State of Texas.

Within the utility operations, the City adjusted utility rates to recover 60% of fixed costs in the base rate. Work continues with the installation of an AMI metering system. This will assist the City in our efforts to incorporate conservation strategies to reduce peak summer demand. The City also launched a Water Conservation Incentive Program to encourage residents to purchase water-saving household devices. Preliminary engineering design has begun for the construction of an elevated water storage facility, anticipated in 2019-20.

Infrastructure is inextricably linked to the economic, social and environmental advancement of a community. In 2018, 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.

Transportation projects that support a high quality of life for our community while protecting and enhancing our local environments continue to be a priority. Construction of Lake Sharon Boulevard extension to FM2499 is underway. Under preliminary planning for the Lake Sharon Boulevard/Dobbs Road alignment. Both projects are essential for long-term economic development efforts.

LONG TERM FINANCIAL PLAN

The FY 2017-18 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 2018-2022 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, 2018 the General Fund's unassigned fund balance is \$5,184,229, or 31% of annual budgeted expenditures. The unrestricted fund balance for the Water/Wastewater Fund is \$4,336,837 or 35% of annual budgeted expenditures and the unrestricted fund balance for the Storm Drainage Fund is \$722,993 or 100% of budgeted expenditures for the fiscal year ended September 30, 2018.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In June 2017, 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 183 days. On September 30, 2018, the annualized yield on investments was 1.38%, compared to 1.07% for the same period in 2017. Funds available for investment at September 30, 2018 were \$23.3 million, which is a decrease of \$4.9 million from 2017. The net decrease in portfolio balance is primarily due to the capital expenditures for the new Public Safety Facility, Fire House #3, and the Lake Sharon Road extension project.

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, 2017. This was the ninth 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, 2017. 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 (formerly Davis Kinard & Co, PC). 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.

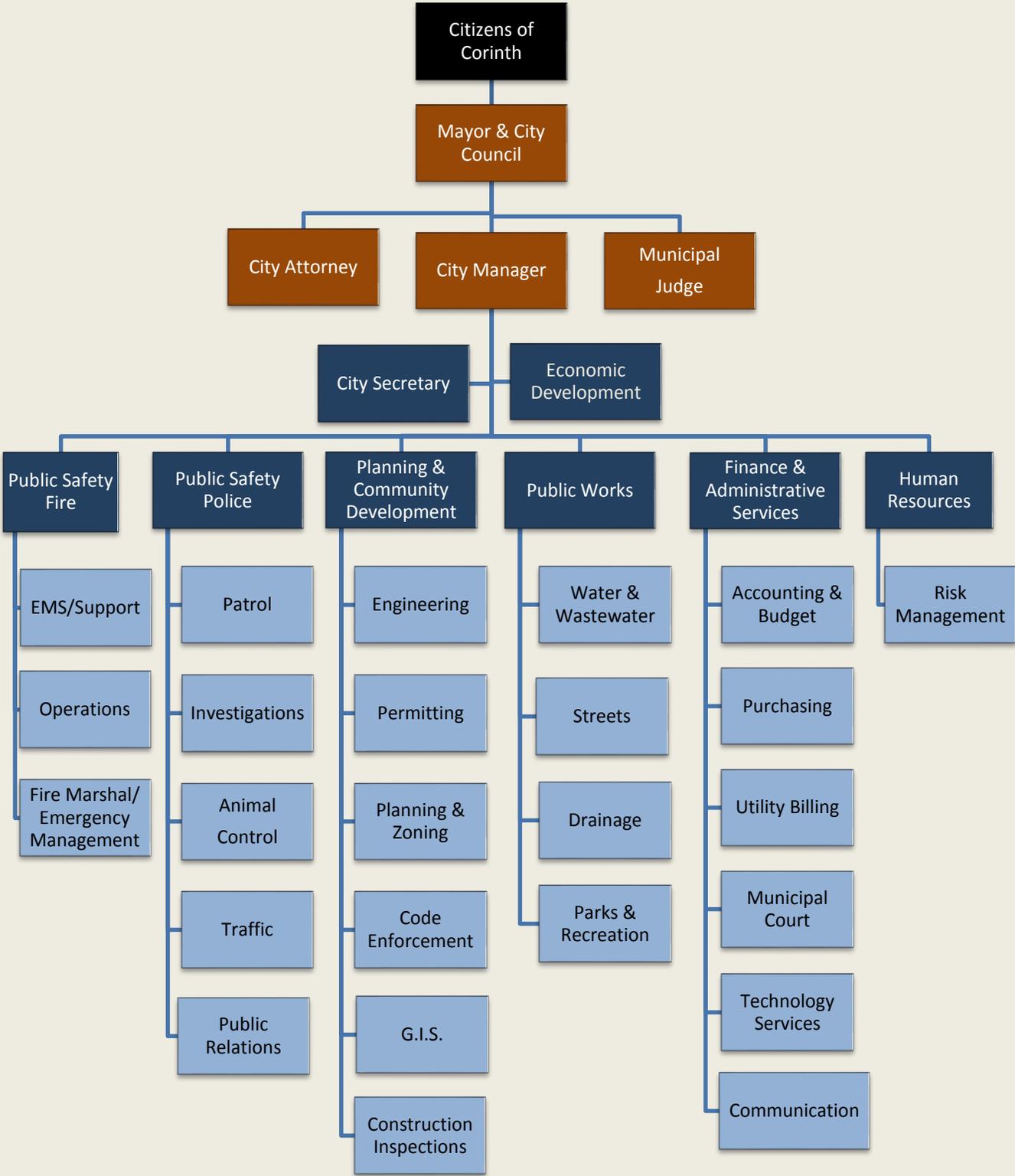
Respectfully Submitted,

Bob Hart
City Manager

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic
Services

ORGANIZATIONAL CHART

As of October 1, 2017



**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

Don Glockel
Council Place V

Appointed Officials:

Bob Hart, City Manager

Kim Pence, City Secretary

Jason Alexander, Director of Economic Development

Mike Alexander, Interim 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

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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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 4 and 11 to the financial statements, the City has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of October 1, 2017. Our opinions are not modified with respect to this matter.

Restatement of Prior Period Financial Statements

As discussed in Note 11 to the financial statements, certain errors in the 2017 financial statements were noted during the current year. Accordingly, amounts reported for beginning net position and fund balance have been restated in the 2018 financial statements to correct those errors. Our opinions are not modified with respect to this matter.

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 March 4, 2019 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
March 4, 2019

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**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

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, 2018. 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.

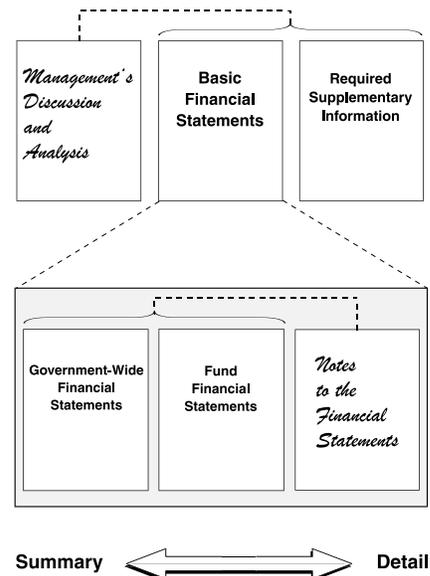
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$70,716,331.
- Total net position increased \$1,831,565 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,077,113, a decrease of \$8,088,633 in comparison with the prior year. This net decrease is due to the construction of capital projects. Of the combined ending balances, \$4,794,930 or 34% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the general fund was \$5,184,229 or 31% of total general fund expenditures.
- Long term liabilities decreased to \$43,250,588 during fiscal year 2018. The decrease reflects the principal portion of debt payments.

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:

Required Components of the City's Annual Financial Report



- 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.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

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 26 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, 2018**

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-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are considered to be major funds. Data from the 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 30 – 36 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 44 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 \$70,716,331 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$58,492,275 or 83%) 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 (\$4,126,156 or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$8,097,900 or 11%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$24,181,701 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 is able to report positive balances in the government-wide as a whole and the business-type activities.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

City of Corinth's Changes in Fund Balance. The City's governmental funds decreased fund balance by \$8,088,633. The decrease can be attributed to the use of funds in the 2016 and 2017 CO Funds for Capital Improvement Projects. 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 \$279,032 net increase 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.

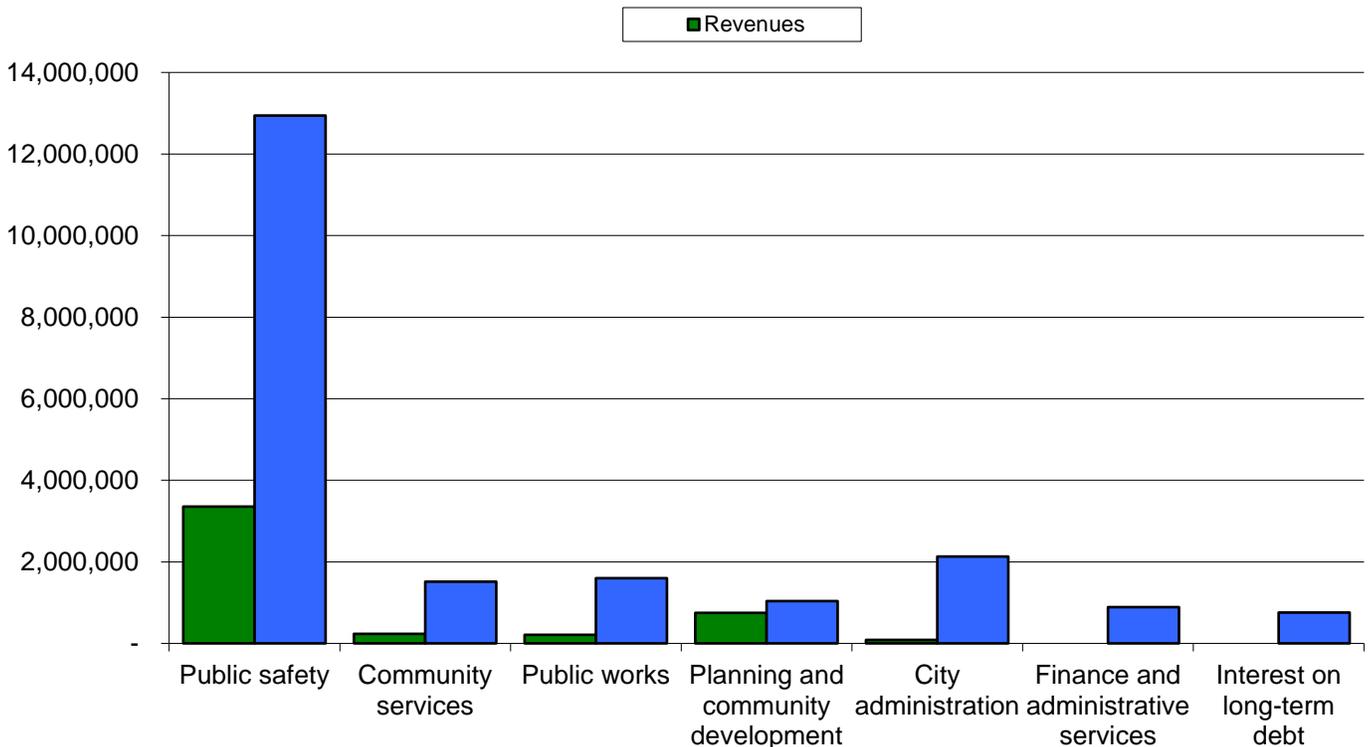
The following are the most significant factors in the reconciliation:

- 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.

Exhibit A-6 on page 36 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 98% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 2% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$10,587,532 or 51%, Charges for services accounted for \$4,626,596 or 22%, Sales tax received was \$2,370,316 or 11%, Franchise taxes provided \$1,120,653 or 5%, capital grants and contributions provided \$1,266,428 or 6% and operating grants and contributions provided \$277,286 or 1% for the governmental activities. The remaining 4% 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.

Figure 2: Program Revenues v. Expenses



**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and Other Assets	\$ 18,380,745	\$ 28,470,801	\$ 11,646,171	\$ 7,391,889	\$ 30,026,916	\$ 35,862,690
Capital assets	57,879,132	53,273,570	31,233,795	32,097,958	89,112,927	85,371,528
Total assets	76,259,877	81,744,371	42,879,966	39,489,847	119,139,843	121,234,218
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss from refunding	12,753	22,878	71,547	83,303	84,300	106,181
Deferred outflows - pension	1,172,137	2,173,391	158,098	286,162	1,330,235	2,459,553
Deferred outflows - OPEB	28,891	-	3,613	-	32,504	-
Total Deferred Outflows of Resources	1,213,781	2,196,269	233,258	369,465	1,447,039	2,565,734
LIABILITIES						
Long-term liabilities outstanding	31,765,567	38,247,084	11,485,021	10,035,416	43,250,588	48,282,500
Other liabilities	3,243,474	4,265,620	1,627,584	1,476,589	4,871,058	5,742,209
Total liabilities	35,009,041	42,512,704	13,112,605	11,512,005	48,121,646	54,024,709
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pension	1,556,429	473,645	192,476	62,618	1,748,905	536,263
Total Deferred Inflows of Resources	1,556,429	473,645	192,476	62,618	1,748,905	536,263
NET POSITION						
Net investment in capital assets	35,039,143	35,025,019	23,453,132	23,133,935	58,492,275	58,158,954
Restricted	2,830,975	2,600,794	1,295,181	1,127,099	4,126,156	3,727,893
Unrestricted	3,038,070	3,328,479	5,059,830	4,023,655	8,097,900	7,352,134
Total Net Position	\$ 40,908,188	\$ 40,954,292	\$ 29,808,143	\$ 28,284,689	\$ 70,716,331	\$ 69,238,981

Government-wide activities. As shown above, governmental activities decreased net position by \$46,104 and business-type activities increased net position by \$1,523,454. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

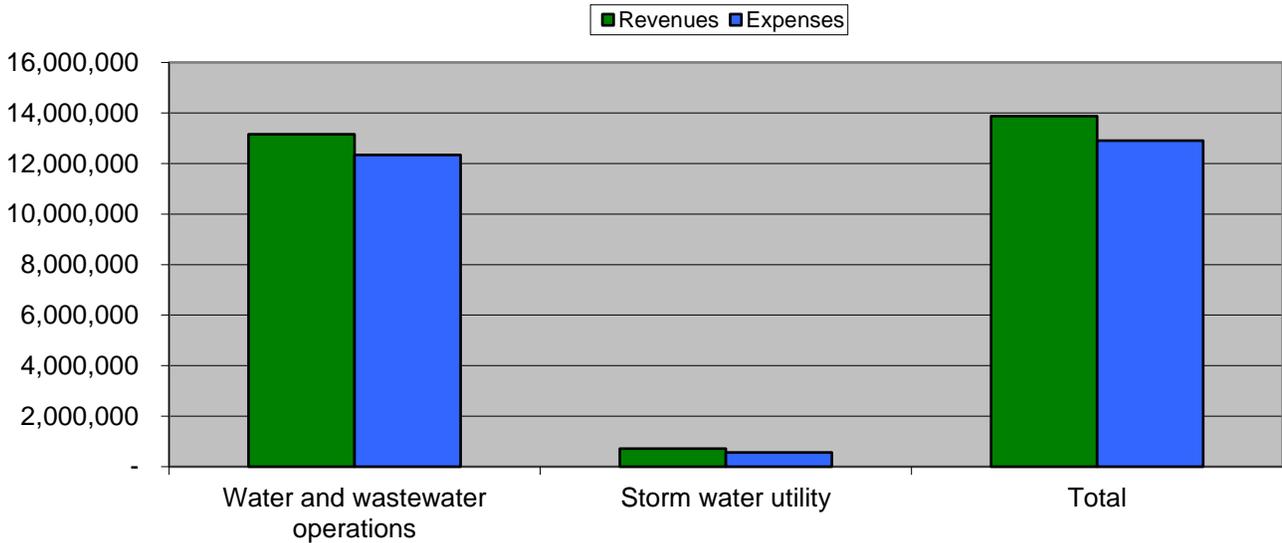
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 4,626,596	\$ 5,595,180	\$ 13,871,517	\$ 12,059,785	\$ 18,498,113	\$ 17,654,965
Operating grants and contributions	277,286	97,506	-	-	277,286	97,506
Capital grants and contributions	1,266,428	1,630,239	937,813	2,997,195	2,204,241	4,627,434
General revenues						
Property taxes	10,587,532	10,629,143	-	-	10,587,532	10,629,143
Sales taxes	2,370,316	2,253,805	-	-	2,370,316	2,253,805
Franchise taxes	1,120,653	1,073,789	-	-	1,120,653	1,073,789
Hotel taxes	61,181	77,673	-	-	61,181	77,673
Miscellaneous	57,042	228,971	6,748	7,600	63,790	236,571
Investment interest	251,014	204,231	94,664	43,692	345,678	247,923
Gain (loss) on sale of capital assets	94,205	3,497	42,141	1,196	136,346	4,693
Total Revenues	20,712,253	21,794,034	14,952,883	15,109,468	35,665,136	36,903,502
Expenses:						
Public safety	12,945,976	10,464,824	-	-	12,945,976	10,464,824
Community services	1,511,542	1,533,030	-	-	1,511,542	1,533,030
Public works	1,595,297	4,534,197	-	-	1,595,297	4,534,197
Planning and community development	1,034,510	857,360	-	-	1,034,510	857,360
City administration	2,128,443	1,940,255	-	-	2,128,443	1,940,255
Finance and administrative services	886,880	888,324	-	-	886,880	888,324
Interest on long-term debt	828,591	844,665	-	-	828,591	844,665
Water and wastewater	-	-	12,342,091	12,098,839	12,342,091	12,098,839
Storm drainage	-	-	560,241	517,412	560,241	517,412
Total Expenses	20,931,239	21,062,655	12,902,332	12,616,251	33,833,571	33,678,906
Increase (decrease) in net position before transfers, contributions and special items	(218,986)	731,379	2,050,551	2,493,217	1,831,565	3,224,596
Net transfers	498,018	678,980	(498,018)	(678,980)	-	-
Increase (decrease) in net position	279,032	1,410,359	1,552,533	1,814,237	1,831,565	3,224,596
Net position - beginning	40,954,292	39,543,933	28,284,689	26,470,452	69,238,981	66,014,385
Prior Period Adjustment	(325,136)	-	(29,079)	-	(354,215)	-
Net position - ending	\$ 40,908,188	\$ 40,954,292	\$ 29,808,143	\$ 28,284,689	\$ 70,716,331	\$ 69,238,981

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Business-type Activities. Business-type activities increased the City's net position by \$1,552,533. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$13,152,059 and \$719,458, respectively, in revenue. Charges for services account for 93% of the revenue. Contributions of assets arising from new property development within the City, totaled \$937,813 or 6% in revenue. Less than 1% of revenue is made up of investment interest and other miscellaneous revenue.

Total revenue from water and wastewater sales and services was \$13,152,059; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for \$12,342,091 of the total business-type expenses of \$12,902,332. The remaining \$560,241 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$719,458 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 \$14,077,113 a decrease of \$8,088,633 in comparison with the prior year. The net decrease in combined ending fund balance is due to the following: a net increase in the General Fund balance of \$154,112, a net decrease in the Debt Service Fund of \$91,487, a net increase of \$527,285 in other governmental funds, a net decrease of \$5,408,816 in the 2016 CO Fund and a net decrease of \$3,269,727 in the 2017 CO Fund.

Of the combined total governmental fund balances of \$14,077,113, \$5,184,229 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 \$299,194, \$2,611,761 and \$2,962,556, respectively. The fund balance that is designated as *committed*, \$3,156,896 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$17,981, and inventories, \$233,795.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

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 \$5,184,229 while total fund balance reached \$5,436,005. 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 33% of total General Fund expenditures, while total fund balance represents 34% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of \$204,148. Property Taxes, Franchise Fees, Development fees and permits, Police fees and permits, Donations and Miscellaneous Income were less than budget by \$7,506, \$7,574, \$40,900, \$6,292, \$11,750 and \$52,531, respectively. Sales Tax, Utility Fees, Traffic fines and forfeitures, Parks and recreation fees, Fire Services, Interest Income and Charges for Services were above budget by \$178,786, \$7,219, \$17,366, \$2,730, \$36,710, \$86,266, and \$1,624, respectively. The City budgeted for no growth in fiscal year 2018. While revenues were over budget by \$204,148, expenditures were under budget by \$813,843. The net effect at year end was a increase of \$154,112 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 \$299,194, all of which is restricted for the payment of debt service.

2016 CO Fund. This fund is used to track revenues and expenditures related to the 2016 CO Debt Issuance. Funds were used for acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments, constructing an elevated storage tank, facility renovations for City Hall and Fire House #2 as well as the Lake Sharon Road Extension.

2017 CO Fund. This fund is used to track revenues and expenditures related to the 2017 CO Debt Issuance. Funds were used for acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments, renovating a facility for the Public Works Department as well as 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, 2007 CO Streets Fund, and Public Safety Property Fund. 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 \$35,110 more than budgeted, interest earnings were more than budgeted by \$2,337 and expenditures were \$68,754 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$122,212.
- 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 \$41,304, interest earnings were more than budgeted by \$8,451 and expenditures were less than budget by \$357,502. These combined increased actual fund balance by \$336,395.

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 \$37,767,277 and deferred outflows of resources of \$206,670 exceeded liabilities of \$11,647,602 and deferred inflows of resources of \$175,808, reporting net position of \$26,150,537. The net non-operating revenues expenses were (\$145,457) which included investment interest, debt service interest, miscellaneous income, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was \$276,933 of interest expense. Unrestricted net position for the Water and Wastewater fund increased from \$3,029,211 in fiscal year 2017 to \$4,336,837 for fiscal year 2018.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Storm Water utility fund assets of \$5,112,689 and deferred outflows of \$26,588 exceeded liabilities of \$1,256,589 and deferred inflows of resources of \$16,668, leaving total net position of \$3,657,606. Total net position decreased \$93,271, unrestricted net position decreased from \$994,444 to \$722,993. The storm water utility reported operating income of \$203,923 in fiscal year 2018. Net non-operating revenues and expenses were (\$32,629) which includes \$11,987 in interest income, \$90 in miscellaneous income, and \$44,706 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2017-18, General Fund actual expenditures (including transfers) were \$16,959,529 compared to the final budget of \$17,773,372. The \$813,843 expenditure variance was due to reduced costs of \$422,055 for Public Safety, \$87,619 in Planning and Community Development, \$84,991 in Community Services, \$81,464 in City Administration, \$90,769 in Finance and Administrative Services, and \$46,945 in Public Works. Actual revenue (including transfers) was \$17,113,641 compared to the final budget of \$16,909,493. Of the \$204,148 revenue variance, approximately \$178,786 was for increased sales tax collection, and \$86,266 was due to increased interest income.

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, 2018, amounts to \$89,122,927 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,129,106	\$ 2,595,762	\$ 524,330	\$ 524,330	\$ 6,653,436	\$ 3,120,092
CIP	2,904,037	9,287,274	499,473	34,750	3,403,510	9,322,024
Buildings	14,436,732	4,100,547	91,051	97,617	14,527,783	4,198,164
Machinery and equipment	4,670,689	4,739,365	340,887	345,634	5,011,576	5,084,999
Infrastructure	29,738,568	32,550,622	29,778,054	31,095,626	59,516,622	63,646,248
Total capital assets	\$ 57,879,132	\$ 53,273,570	\$ 31,233,795	\$ 32,097,957	\$ 89,112,927	\$ 85,371,527

Additional information on the City's capital assets can be found in the notes to the financial statements on page 53.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$31,735,004 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 \$2,294,996. Total outstanding debt decreased by \$2,459,317 in fiscal year 2018 due to payment of debt principal (see Note 6).

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 6,663,408	\$ 7,809,874	\$ 6,801,595	\$ 7,885,126	\$ 13,465,003	\$ 15,695,000
Certificates of Obligation	15,470,001	18,335,001	2,800,000	-	18,270,001	18,335,001
Capital Lease Obligation	1,217,298	1,381,618	-	-	1,217,298	1,381,618
Total outstanding debt	\$ 23,350,707	\$ 27,526,493	\$ 9,601,595	\$ 7,885,126	\$ 32,952,302	\$ 35,411,619

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 57.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

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 43.40 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 10.58% for the 2018 tax year over the 2017 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2017-18 also increased by 5% 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 \$.53686 for fiscal year 2018. General operations and maintenance will receive \$.42791 of the total and the remaining \$.10895 will fund long-term debt of the City which includes the new Public Safety Facility, Fire House no. 3, and street improvements.

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.

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BASIC FINANCIAL STATEMENTS

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 4,510,104	\$ 3,358,708	\$ 7,868,812	\$ 298,872
Investments	9,928,003	6,384,886	16,312,889	3,516,285
Receivables (net of allowance)				
Accounts	3,690,862	1,780,262	5,471,124	162,492
Inventories	233,795	122,315	356,110	-
Prepaid items	17,981	-	17,981	-
Capital assets not being depreciated				
Land	6,129,106	524,330	6,653,436	-
Construction in progress	2,904,037	499,473	3,403,510	-
Capital assets (net of accumulated depreciation)				
Buildings	14,436,732	91,051	14,527,783	-
Machinery and equipment	4,670,689	340,887	5,011,576	-
Infrastructure	29,738,568	29,778,054	59,516,622	-
Total assets	<u>76,259,877</u>	<u>42,879,966</u>	<u>119,139,843</u>	<u>3,977,649</u>
Deferred Outflows of Resources				
Deferred loss from refunding	12,753	71,547	84,300	-
Deferred outflows - pension	1,172,137	158,098	1,330,235	14,413
Deferred outflows - OPEB	28,891	3,613	32,504	364
Total deferred outflows of resources	<u>1,213,781</u>	<u>233,258</u>	<u>1,447,039</u>	<u>14,777</u>
Liabilities				
Accounts payable	403,664	886,286	1,289,950	1,952
Accrued liabilities	368,236	58,486	426,722	4,468
Accrued interest payable	117,535	55,207	172,742	-
Municipal court bonds	7,790	-	7,790	-
Customer meter deposits	-	627,605	627,605	-
Other liabilities	2,077,627	-	2,077,627	-
Unearned revenues	268,622	-	268,622	-
Noncurrent liabilities				
Due within one year	1,805,016	1,166,504	2,971,520	8,236
Due in more than one year	29,960,551	10,318,517	40,279,068	61,405
Total liabilities	<u>35,009,041</u>	<u>13,112,605</u>	<u>48,121,646</u>	<u>76,061</u>

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

Deferred Inflows of Resources				
Deferred inflows - pension	<u>1,556,429</u>	<u>192,476</u>	<u>1,748,905</u>	<u>19,664</u>
Total deferred inflows of resources	<u>1,556,429</u>	<u>192,476</u>	<u>1,748,905</u>	<u>19,664</u>
Net Position				
Net investment in capital assets	35,039,143	23,453,132	58,492,275	-
Restricted for capital projects	-	1,295,181	1,295,181	-
Restricted for specific programs	2,611,761	-	2,611,761	-
Restricted for debt service	219,214	-	219,214	-
Restricted for economic development	-	-	-	3,896,701
Unrestricted	<u>3,038,070</u>	<u>5,059,830</u>	<u>8,097,900</u>	<u>-</u>
Total net position	<u>\$ 40,908,188</u>	<u>\$ 29,808,143</u>	<u>\$ 70,716,331</u>	<u>\$ 3,896,701</u>

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 12,945,976	\$ 3,351,543	\$ 10,709	\$ -
Community services	1,511,542	234,622	56,018	-
Public works	1,595,297	207,711	-	1,266,428
Planning and community development	1,034,510	749,678	-	-
City administration	2,128,443	83,042	210,559	-
Finance and administrative services	886,880	-	-	-
Interest on long-term debt	828,591	-	-	-
Total governmental activities	<u>20,931,239</u>	<u>4,626,596</u>	<u>277,286</u>	<u>1,266,428</u>
Business-type activities				
Water and sewer	12,342,091	13,152,059	-	827,903
Storm drainage	560,241	719,458	-	109,910
Total business-type activities	<u>12,902,332</u>	<u>13,871,517</u>	<u>-</u>	<u>937,813</u>
Total primary government	<u><u>33,833,571</u></u>	<u><u>18,498,113</u></u>	<u><u>277,286</u></u>	<u><u>2,204,241</u></u>
Component Unit				
Corinth Economic Development Corporation	<u>\$ 484,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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				
Prior period adjustments				
Beginning net position, as restated				
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
\$ (9,583,724)	\$ -	\$ (9,583,724)	
(1,220,902)	-	(1,220,902)	
(121,158)	-	(121,158)	
(284,832)	-	(284,832)	
(1,834,842)	-	(1,834,842)	
(886,880)	-	(886,880)	
(828,591)	-	(828,591)	
(14,760,929)	-	(14,760,929)	
-	1,637,871	1,637,871	
-	269,127	269,127	
-	1,906,998	1,906,998	
(14,760,929)	1,906,998	(12,853,931)	
			\$ (484,085)
10,587,532	-	10,587,532	-
2,370,316	-	2,370,316	796,002
1,120,653	-	1,120,653	-
61,181	-	61,181	-
251,014	94,664	345,678	48,458
57,042	6,748	63,790	-
94,205	42,141	136,346	-
498,018	(498,018)	-	-
15,039,961	(354,465)	14,685,496	844,460
279,032	1,552,533	1,831,565	360,375
40,954,292	28,284,689	69,238,981	3,603,623
(325,136)	(29,079)	(354,215)	(67,297)
40,629,156	28,255,610	68,884,766	3,536,326
<u>\$ 40,908,188</u>	<u>\$ 29,808,143</u>	<u>\$ 70,716,331</u>	<u>\$ 3,896,701</u>

	General	Debt Service	2016 CO Fund
Assets			
Cash and cash equivalents	\$ 248,612	\$ 7,209	\$ 175,617
Investments	4,900,198	291,914	1,200,000
Receivables (net of allowance)			
Property taxes	92,176	27,738	-
Sales taxes	299,301	-	-
Accounts	65,218	9,243	-
Interest	19,082	-	1,201
Warrants	1,981,077	-	-
Ambulance	299,571	-	-
Miscellaneous	409,366	-	-
Due from other governments	237,492	645	-
Inventories	233,795	-	-
Prepaid items	17,981	-	-
Total assets	\$ 8,803,869	\$ 336,749	\$ 1,376,818
Liabilities			
Accounts payable	\$ 218,412	\$ -	\$ 116,785
Accrued liabilities	362,806	-	-
Municipal court bonds	7,790	-	-
Other liabilities	1,377,596	-	-
Unearned revenue	261,122	-	-
Total liabilities	2,227,726	-	116,785
Deferred Inflows of Resources			
Unavailable revenue	1,140,138	37,555	-
Total deferred inflows of resources	1,140,138	37,555	-
Fund Balances			
Nonspendable	251,776	-	-
Restricted	-	299,194	1,260,033
Committed	-	-	-
Unassigned	5,184,229	-	-
Total fund balances	5,436,005	299,194	1,260,033
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,803,869	\$ 336,749	\$ 1,376,818

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

2017 CO Fund	Other Governmental Funds	Total Governmental Funds
\$ 819,115	\$ 3,259,551	\$ 4,510,104
921,630	2,614,261	9,928,003
-	-	119,914
-	140,375	439,676
9,706	-	84,167
1,078	6,893	28,254
-	-	1,981,077
-	-	299,571
-	90,700	500,066
-	-	238,137
-	-	233,795
-	-	17,981
<u>\$ 1,751,529</u>	<u>\$ 6,111,780</u>	<u>\$ 18,380,745</u>
\$ 49,006	\$ 19,461	\$ 403,664
-	5,430	368,236
-	-	7,790
-	700,031	2,077,627
-	7,500	268,622
<u>49,006</u>	<u>732,422</u>	<u>3,125,939</u>
-	-	1,177,693
-	-	1,177,693
-	-	251,776
1,702,523	2,611,761	5,873,511
-	3,156,896	3,156,896
-	(389,299)	4,794,930
<u>1,702,523</u>	<u>5,379,358</u>	<u>14,077,113</u>
<u>\$ 1,751,529</u>	<u>\$ 6,111,780</u>	<u>\$ 18,380,745</u>

Total Fund Balances - Governmental Funds	\$ 14,077,113
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.	57,879,132
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	(1,217,298)
Bonds payable	(24,598,000)
Accrued compensated absences	(959,865)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	12,753
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.	(117,535)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$4,708,773, a deferred inflow of resources of \$1,556,429 and a deferred outflow of resources of \$1,172,137. This results in a decrease in net position.	(5,093,065)
Included in liabilities is the recognition of the City's net OPEB liability in the amount of \$281,631 and a deferred outflow of resources of \$28,891. This results in a decrease in net position.	(252,740)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$124,486, net fines, fees and court costs receivable of \$687,605, net fees for ambulance receivables of \$299,571 and net receivables for other items of \$66,031 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.	1,177,693
Net Position of Governmental Activities	<u>\$ 40,908,188</u>

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

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	<u>General</u>	<u>Debt Service</u>	<u>2016 CO Fund</u>
Revenues			
Taxes			
Property	\$ 8,407,599	\$ 2,141,177	\$ -
Sales	1,609,767	-	-
Hotel occupancy tax	-	-	-
Franchise	1,120,653	-	-
Escrow and impact fees	-	-	-
Utility fees	24,719	-	-
Traffic fines and forfeitures	722,634	-	-
Development fees and permits	710,434	-	-
Police fees and permits	22,158	-	-
Parks and recreation fees	167,604	-	-
Fire services	2,748,660	-	-
Donations	-	-	-
Interest income	123,266	8,215	31,383
Grants	-	-	-
Miscellaneous income	61,502	422	-
Charges for services	564,514	-	-
Total revenues	16,283,510	2,149,814	31,383
Expenditures			
Current			
Public safety	9,965,972	-	-
Community services	1,366,918	-	-
Public works	751,837	-	-
Planning and community development	985,423	-	-
City administration	1,957,650	-	-
Finance and administrative services	893,640	-	-
Debt service			
Principal	-	1,211,465	-
Interest	-	1,022,312	-
Bond fees	-	10,440	-
Capital outlay	-	-	4,563,941
Total expenditures	15,921,440	2,244,217	4,563,941
Excess (Deficiency) of Revenues over (under) Expenditures	362,070	(94,403)	(4,532,558)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Transfers out	(1,038,089)	-	(1,376,258)
Transfers in	830,131	2,916	500,000
Total other financing sources (uses)	(207,958)	2,916	(876,258)
Net Change in Fund Balance	154,112	(91,487)	(5,408,816)
Fund Balance -			
October 1 (Beginning)	5,438,806	390,681	6,668,849
Prior period adjustment	(156,913)	-	-
Fund Balance -			
October 1 (Beginning), as restated	5,281,893	390,681	6,668,849
Fund Balance -			
September 30 (Ending)	\$ 5,436,005	\$ 299,194	\$ 1,260,033

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, 2018

2017 CO Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,548,776
-	760,549	2,370,316
-	61,181	61,181
-	-	1,120,653
-	207,711	207,711
-	-	24,719
-	36,363	758,997
-	-	710,434
-	28,020	50,178
-	9,935	177,539
-	11,989	2,760,649
1,266,428	276,034	1,542,462
28,773	59,377	251,014
-	1,576	1,576
10,531	278,942	351,397
-	-	564,514
<u>1,305,732</u>	<u>1,731,677</u>	<u>21,502,116</u>
-	654,062	10,620,034
-	61,467	1,428,385
-	135,054	886,891
-	54,681	1,040,104
-	157,190	2,114,840
-	-	893,640
-	164,320	1,375,785
-	41,957	1,064,269
-	-	10,440
3,174,329	227,030	7,965,300
<u>3,174,329</u>	<u>1,495,761</u>	<u>27,399,688</u>
(1,868,597)	235,916	(5,897,572)
-	182,498	182,498
(1,500,000)	(573,835)	(4,488,182)
98,870	682,706	2,114,623
<u>(1,401,130)</u>	<u>291,369</u>	<u>(2,191,061)</u>
(3,269,727)	527,285	(8,088,633)
4,972,250	4,852,073	22,322,659
-	-	(156,913)
<u>4,972,250</u>	<u>4,852,073</u>	<u>22,165,746</u>
<u>\$ 1,702,523</u>	<u>\$ 5,379,358</u>	<u>\$ 14,077,113</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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (8,088,633)
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.	8,936,833
The net book value of capital assets disposed reduces net position.	(88,293)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(4,242,978)
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.	
Bond principal repayments	1,211,465
Transfer of bonds payable and premium to water and sewer fund	2,871,577
Capital lease repayment	164,320
Amortization of premium	194,540
Amortization of deferred loss on bond refunding	<u>(10,125)</u>
	4,431,777
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.	72,702
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 an increase in net position.	61,703
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 \$953,787. 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 \$853,641.	100,146
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 \$7,264. 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 \$27,421.	(20,157)
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 a decrease in net position.	<u>(884,068)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 279,032</u></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
Assets			
Current assets			
Cash	\$ 3,203,153	\$ 155,555	\$ 3,358,708
Investments	5,736,255	648,631	6,384,886
Receivables (net of allowances for uncollectibles)			
Accounts	1,665,082	85,807	1,750,889
Interest	12,031	759	12,790
Miscellaneous	14,047	2,536	16,583
Inventories	108,780	13,535	122,315
Total current assets	<u>10,739,348</u>	<u>906,823</u>	<u>11,646,171</u>
Non-current assets			
Capital assets			
Land	512,330	12,000	524,330
Construction in progress	427,323	72,150	499,473
Buildings	252,345	-	252,345
Machinery and equipment	1,361,056	267,508	1,628,564
Infrastructure	43,669,571	6,030,007	49,699,578
Less accumulated depreciation	<u>(19,194,696)</u>	<u>(2,175,799)</u>	<u>(21,370,495)</u>
Total capital assets (net of accumulated depreciation)	<u>27,027,929</u>	<u>4,205,866</u>	<u>31,233,795</u>
Total assets	<u>37,767,277</u>	<u>5,112,689</u>	<u>42,879,966</u>
Deferred Outflows of Resources			
Deferred charge on refunding	62,883	8,664	71,547
Deferred outflows - pension	140,434	17,664	158,098
Deferred outflows - OPEB liability	3,353	260	3,613
Total deferred outflows of resources	<u>206,670</u>	<u>26,588</u>	<u>233,258</u>
Liabilities			
Current liabilities			
Accounts payable	875,279	11,007	886,286
Accrued liabilities	53,756	4,730	58,486
Accrued interest payable	47,631	7,576	55,207
Customer deposits	627,605	-	627,605
Current portion of compensated absences	23,958	-	23,958
Current portion of bonds	957,445	185,101	1,142,546
Total current liabilities	<u>2,585,674</u>	<u>208,414</u>	<u>2,794,088</u>

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

Non-current liabilities			
Compensated absences	79,955	824	80,779
Net pension liability	566,657	66,117	632,774
Net OPEB liability	32,681	2,531	35,212
General obligation bonds	8,382,635	1,187,117	9,569,752
Total noncurrent liabilities	<u>9,061,928</u>	<u>1,256,589</u>	<u>10,318,517</u>
Total liabilities	<u>11,647,602</u>	<u>1,465,003</u>	<u>13,112,605</u>
Deferred Inflows of Resources			
Deferred inflows - pension	175,808	16,668	192,476
Total deferred inflows of resources	<u>175,808</u>	<u>16,668</u>	<u>192,476</u>
Net Position			
Net investment in capital assets	20,610,820	2,842,312	23,453,132
Restricted for capital projects	1,202,880	92,301	1,295,181
Unrestricted	4,336,837	722,993	5,059,830
Total net position	<u>\$ 26,150,537</u>	<u>\$ 3,657,606</u>	<u>\$ 29,808,143</u>

City of Corinth, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds (Exhibit A-8)
Year Ended September 30, 2018

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 8,216,498	\$ -	\$ 8,216,498
Sewer disposal	3,496,873	-	3,496,873
Storm drainage fees	-	712,716	712,716
Garbage	822,889	-	822,889
Penalties and reconnect fees	184,617	-	184,617
Tap fees	310,331	-	310,331
Service fees	77,994	-	77,994
Inspections	42,857	6,742	49,599
Total Operating Revenues	<u>13,152,059</u>	<u>719,458</u>	<u>13,871,517</u>
Operating Expenses			
Wages and benefits	1,609,170	132,081	1,741,251
Professional services and contracts	912,478	54,133	966,611
Upper Trinity contract fees	6,734,975	-	6,734,975
Maintenance and operations	427,204	4,352	431,556
Supplies	52,393	5,320	57,713
Utilities and communication	194,978	5,594	200,572
Vehicles/equipment and fuel	74,114	9,283	83,397
Travel and training	21,053	1,006	22,059
Noncapitalized expenses	98,485	-	98,485
Depreciation	1,940,308	303,766	2,244,074
Total Operating Expenses	<u>12,065,158</u>	<u>515,535</u>	<u>12,580,693</u>
Operating Income	<u>1,086,901</u>	<u>203,923</u>	<u>1,290,824</u>
Nonoperating Revenues (Expenses)			
Interest income	82,677	11,987	94,664
Miscellaneous income (expense)	6,658	90	6,748
Gain (loss) on sale of capital assets	42,141	-	42,141
Interest expense	(276,933)	(44,706)	(321,639)
Total Non-operating Revenues (Expenses)	<u>(145,457)</u>	<u>(32,629)</u>	<u>(178,086)</u>
Income Before Contributions and Transfers	<u>941,444</u>	<u>171,294</u>	<u>1,112,738</u>
Contributions and Transfers			
Special assessment - water and sewer impact fees	556,609	-	556,609
Capital contributions	271,294	109,910	381,204
Transfers in	2,009,294	117,563	2,126,857
Transfers out	(2,132,837)	(492,038)	(2,624,875)
Total Contributions and Transfers	<u>704,360</u>	<u>(264,565)</u>	<u>439,795</u>
Change in Net Position	1,645,804	(93,271)	1,552,533
Net Position, Beginning	24,531,722	3,752,967	28,284,689
Prior period adjustments	(26,989)	(2,090)	(29,079)
Beginning net position, as restated	<u>24,504,733</u>	<u>3,750,877</u>	<u>28,255,610</u>
Net Position, Ending	<u>\$ 26,150,537</u>	<u>\$ 3,657,606</u>	<u>\$ 29,808,143</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	\$ 13,054,583	\$ 715,169	\$ 13,769,752
Payments to or on behalf of employees	(1,552,660)	(127,505)	(1,680,165)
Payments to Upper Trinity for contract fees	(6,734,975)	-	(6,734,975)
Payments to suppliers	(1,615,512)	(83,594)	(1,699,106)
Net Cash Provided by Operating Activities	3,151,436	504,070	3,655,506
Cash Flows from Noncapital Financing Activities			
Transfers out	(2,132,837)	(492,038)	(2,624,875)
Transfers in	2,009,294	117,563	2,126,857
Payments to/from other funds	-	-	-
Net Cash Used by Noncapital Financing Activities	(123,543)	(374,475)	(498,018)
Cash Flows from Capital and Related Financing Activities			
Transfer in- bond proceeds from governmental fund	2,871,577	-	2,871,577
Acquisition of capital assets	(874,702)	(162,974)	(1,037,676)
Principal paid on bonds	(895,869)	(187,213)	(1,083,082)
Interest paid on bonds	(369,783)	(64,628)	(434,411)
Proceeds from sale of assets	54,121	-	54,121
Special assessments- impact fees	556,609	-	556,609
Net Cash Provided (Used) by Capital and Related Financing Activities	1,341,953	(414,815)	927,138
Cash Flows from Investing Activities			
(Increase) decrease in short-term investments	(3,500,253)	152,658	(3,347,595)
Interest received	81,053	12,375	93,428
Net Cash (Used) Provided by Investing Activities	(3,419,200)	165,033	(3,254,167)
Net Change in Cash and Cash Equivalents	950,646	(120,187)	830,459
Cash and Cash Equivalents, Beginning	2,252,507	275,742	2,528,249
Cash and Cash Equivalents, Ending	\$ 3,203,153	\$ 155,555	\$ 3,358,708

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, 2018

	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	\$ 1,086,901	\$ 203,923	\$ 1,290,824
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	1,940,308	303,766	2,244,074
Miscellaneous income	-	90	90
(Increase) decrease in accounts receivable	(116,841)	(4,379)	(121,220)
(Increase) decrease in inventories	51,817	1,069	52,886
Increase (decrease) in accounts payable	113,376	8,690	122,066
Increase (decrease) in customer deposits	19,365	-	19,365
Increase (decrease) in accrued liabilities	56,510	(9,089)	47,421
Net Cash Provided by Operating Activities	<u>\$ 3,151,436</u>	<u>\$ 504,070</u>	<u>\$ 3,655,506</u>
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	\$ 271,294	\$ 109,910	\$ 381,204

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 entity 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 **2016 CO Fund** is used to account for the resources obtained from the issuance of the 2016 \$13,275,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2017 CO Fund** is used to account for the resources obtained from the issuance of the 2017 \$4,855,000 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.
- Seven 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 \$2,375,190 for General Fund, \$371,166 for Water and Sewer Fund and \$1,276 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. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two 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 for its deferred inflow related to pensions as described in Note 7.

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 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:

Building and building improvements	20-50 years
Water and Wastewater system infrastructure	30 years
Storm drainage system infrastructure	30 years
Public domain infrastructure	50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 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 liabilities 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, 2018, was \$.53686 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 \$233,795 and \$17,981 in nonspendable fund balance for inventory and prepaid items, respectively, at September 30, 2018.
- *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 \$299,194 as of September 30, 2018. Fund balance restricted for future capital projects totaled \$1,260,033 and \$1,702,523, respectively. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Special Revenue, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, and Tree Mitigation and totaled \$453,109, \$1,272,958, \$170,716, \$28,906, \$26,900, \$45,759, \$79,516, \$45,591, \$1,966, \$324,014, \$6,278 and \$156,048, respectively, as of September 30, 2018.
- *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 \$350,034 as of September 30, 2018. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, and Street Escrow and totaled \$1,792,425, \$210,232, \$559,426, \$90,047, and \$154,732, respectively, as of September 30, 2018.

- *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. The City had no assigned fund balance as of September 30, 2018.
- 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 expenditures. 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.

Implementation of GASB Statement No. 75

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, and requires governments calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expenses. The effect of the implementation of this standard on beginning net position is disclosed in Note 11 and the additional disclosures required by this standard are included in Note 8.

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.

Deficit fund equity

At September 30, 2018, a fund deficit of \$389,299 was reported for the Roadway Impact Fee Fund. It represents deferred/unearned impact fee revenue, net of related assets, which will be recognized as development of land progresses through April 1, 2025.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2018, 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, 2018, including classification by level, within the fair value hierarchy:

Primary Government

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions		
TexSTAR	\$ 2,257,656	N/A	AAAm	< 60 days	None		
				<u>Investment Maturity in Years</u>			
				<u>Less than</u>	<u>1 - 5</u>	<u>More than</u>	
				1 Year		5 Years	
<u>Other Investments</u>							
U.S. Government							
Backed Securities	\$ 13,769,910	Level 2	AA+	\$ 8,567,000	\$ 5,202,910	\$ -	
Money market	291,647	Level 1	N/A	291,647	-	-	
Total	<u>14,061,557</u>			<u>\$ 8,858,647</u>	<u>\$ 5,202,910</u>	<u>\$ -</u>	
Less reconciling items	(6,324)						
Total Investments	<u>\$ 16,312,889</u>						

CEDC

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions		
TexPool	\$ 421,872	N/A	AAAm	< 60 days	None		
				<u>Investment Maturity in Years</u>			
				<u>Less than</u>	<u>1 - 5</u>	<u>More than</u>	
				1 Year		5 Years	
<u>Other Investments</u>							
U.S. Government							
Backed Securities	\$ 3,097,090	Level 2	AA+	\$ 1,800,000	\$ 1,297,090	\$ -	
Less: reconciling items	(2,677)			<u>\$ 1,800,000</u>	<u>\$ 1,297,090</u>	<u>\$ -</u>	
Total Investments	<u>\$ 3,516,285</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, 2018, the City's investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor's.

<u>Investment</u>	<u>Maximum % of Portfolio</u>
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
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	\$ 2,595,762	\$ 3,533,344	\$ -	\$ -	\$ 6,129,106
Construction in progress	9,287,274	2,333,151	(8,716,388)	-	2,904,037
Total assets not being depreciated	<u>11,883,036</u>	<u>5,866,495</u>	<u>(8,716,388)</u>	<u>-</u>	<u>9,033,143</u>
Capital assets, being depreciated:					
Buildings	6,740,369	1,902,975	8,716,388	-	17,359,732
Machinery and equipment	11,082,178	1,022,952	-	1,044,912	11,060,218
Infrastructure	97,157,619	144,411	-	-	97,302,030
Total capital assets being depreciated	<u>114,980,166</u>	<u>3,070,338</u>	<u>8,716,388</u>	<u>1,044,912</u>	<u>125,721,980</u>
Less accumulated depreciation					
Buildings	2,639,822	283,178	-	-	2,923,000
Machinery and equipment	6,342,813	1,003,335	-	956,619	6,389,529
Infrastructure	64,606,997	2,956,465	-	-	67,563,462
Total accumulated depreciation	<u>73,589,632</u>	<u>4,242,978</u>	<u>-</u>	<u>956,619</u>	<u>76,875,991</u>
Total capital assets being depreciated, net	<u>41,390,534</u>	<u>(1,172,640)</u>	<u>8,716,388</u>	<u>88,293</u>	<u>48,845,989</u>
Governmental activities capital assets, net	<u>\$ 53,273,570</u>	<u>\$ 4,693,855</u>	<u>\$ -</u>	<u>\$ 88,293</u>	<u>\$ 57,879,132</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 524,330	\$ -	\$ -	\$ 524,330
Construction in progress	34,750	464,723	-	499,473
Total assets not being depreciated	<u>559,080</u>	<u>464,723</u>	<u>-</u>	<u>1,023,803</u>
Capital assets, being depreciated:				
Buildings	252,345	-	-	252,345
Machinery and equipment	1,661,688	89,368	230,382	1,520,674
Infrastructure	48,950,407	864,790	115,619	49,699,578
Total capital assets being depreciated	<u>50,864,440</u>	<u>954,158</u>	<u>346,001</u>	<u>51,472,597</u>
Less accumulated depreciation:				
Buildings	154,728	6,566	-	161,294
Machinery and equipment	1,316,054	94,115	230,382	1,179,787
Infrastructure	17,854,781	2,143,393	76,650	19,921,524
Total accumulated depreciation	<u>19,325,563</u>	<u>2,244,074</u>	<u>307,032</u>	<u>21,262,605</u>
Total capital assets being depreciated, net	<u>31,538,877</u>	<u>(1,289,916)</u>	<u>38,969</u>	<u>30,209,992</u>
Business activities capital assets net	<u>\$ 32,097,957</u>	<u>\$ (825,193)</u>	<u>\$ 38,969</u>	<u>\$ 31,233,795</u>

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

Governmental activities	
Public safety	\$ 912,544
Community services	143,994
Public works	2,958,634
Planning and community development	5,281
City administration	222,525
Total depreciation expense - Governmental activities	<u>\$ 4,242,978</u>
Business-type activities	
Water and sewer	\$ 1,940,308
Storm drainage	303,766
Total depreciation expense - Business-type activities	<u>\$ 2,244,074</u>

Interfund Transfers

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

Fund	Transfers In	Transfers Out	Purpose
General	\$ 830,131	\$ 1,038,089	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt service	2,916	-	Close out Fund
2016 CO	500,000	1,376,258	Capital Projects Reallocation
2017 CO	98,870	1,500,000	Capital Projects Reallocation
Nonmajor govt	682,706	573,835	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	2,009,294	2,132,837	Administrative Transfer, Capital Improvements
			Reallocation, Equipment Replacement
Storm Drainage	117,563	492,038	Administrative Transfer, Capital Improvements
			Reallocation, Vehicle and Equipment Replacement
Reported in the fund statements	<u>4,241,480</u>	<u>7,113,057</u>	
Transfer of bonds	2,871,577	-	Transfer of bonds payable and premium from governmental activities to Water and Sewer
	<u>\$ 7,113,057</u>	<u>\$ 7,113,057</u>	

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 and net pension 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 and Equipment Replacement Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2018:

	Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 18,335,001	\$ (2,800,000)	\$ (65,000)	\$ 15,470,001	\$ 90,731
General obligation bonds	7,809,873	-	(1,146,465)	6,663,408	1,204,797
Bond premiums/discounts (net)	2,730,708	(71,577)	(194,540)	2,464,591	194,540
Compensated absences	1,032,567	921,727	(994,429)	959,865	149,067
Capital lease obligation	1,381,618	-	(164,320)	1,217,298	165,881
Net pension liability	6,872,266	-	(2,163,493)	4,708,773	-
Net OPEB liability	232,583	49,048	-	281,631	-
Total governmental activities	<u>\$ 38,394,616</u>	<u>\$ (1,900,802)</u>	<u>\$ (4,728,247)</u>	<u>\$ 31,765,567</u>	<u>\$ 1,805,016</u>
Business-type activities					
Certificates of obligation	\$ -	\$ 2,800,000	\$ -	\$ 2,800,000	\$ 9,269
General obligation bonds	7,885,126	-	(1,083,531)	6,801,595	1,010,203
Bond premiums/discounts (net)	1,162,200	71,577	(123,074)	1,110,703	123,074
Compensated absences	84,887	131,286	(111,436)	104,737	23,958
Net pension liability	903,203	-	(270,429)	632,774	-
Net OPEB liability	29,079	6,133	-	35,212	-
Total business type activities	<u>10,064,495</u>	<u>3,008,996</u>	<u>(1,588,470)</u>	<u>11,485,021</u>	<u>1,166,504</u>
Primary government	<u>\$ 48,459,111</u>	<u>\$ 1,108,194</u>	<u>\$ (6,316,717)</u>	<u>\$ 43,250,588</u>	<u>\$ 2,971,520</u>
CEDC					
Compensated absences	\$ 8,551	\$ -	\$ (315)	\$ 8,236	\$ 8,236
Net pension liability	85,051	-	(27,202)	57,849	-
Net OPEB liability	2,937	619	-	3,556	-
CEDC	<u>\$ 96,539</u>	<u>\$ 619</u>	<u>\$ (27,517)</u>	<u>\$ 69,641</u>	<u>\$ 8,236</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 9/30/2018	Business Type Amount Outstanding 9/30/2018
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	\$ 140,000	\$ -
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	881,400	248,600
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	5,782,009	6,552,995
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	3,355,000	1,500,000
					<u>\$ 22,133,409</u>	<u>\$ 9,601,595</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2018 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2019	\$ 1,295,528	\$ 914,829	\$ 2,210,357
2020	1,531,162	864,807	2,395,969
2021	1,243,189	817,491	2,060,680
2022	1,232,984	764,649	1,997,633
2023	1,291,627	703,002	1,994,629
2024-2028	6,702,000	2,540,015	9,242,015
2029-2033	5,050,779	1,234,159	6,284,938
2034-2037	3,786,140	237,072	4,023,212
Total	<u>\$ 22,133,409</u>	<u>\$ 8,076,024</u>	<u>\$ 30,209,433</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2018 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2019	\$ 1,019,472	\$ 418,076	\$ 1,437,548
2020	843,838	376,373	1,220,211
2021	791,811	339,596	1,131,407
2022	757,016	302,339	1,059,355
2023	793,373	264,236	1,057,609
2024-2028	3,763,000	701,248	4,464,248
2029-2033	899,221	214,254	1,113,475
2034-2037	733,864	47,421	781,285
Total	<u>\$ 9,601,595</u>	<u>\$ 2,663,543</u>	<u>\$ 12,265,138</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, 2018:

Equipment	\$ 1,742,451
Less accumulated depreciation	<u>(459,989)</u>
Net value	<u>\$ 1,282,462</u>

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2018:

<u>Year Ending</u>	
2019	\$ 202,251
2020	202,251
2021	202,251
2022	202,251
2023	202,251
2024-2028	<u>365,263</u>
Total minimum lease payments	1,376,518
Less amount representing interest	<u>(159,220)</u>
Present value of minimum lease payments	<u><u>\$ 1,217,298</u></u>

Note 7 - Defined Benefit Pension Plan

Plan Description

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

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

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	110
Active employees	143
Total	327

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 15.39% and 15.8% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$1,489,711, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 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, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
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)
Balance at 12/31/2016	\$ 36,270,726	\$ 28,410,206	\$ 7,860,520
Changes for the year:			
Service cost	1,674,666		1,674,666
Interest	2,468,757		2,468,757
Changes of benefit terms	-		-
Difference between expected and actual experience	(628,235)		(628,235)
Changes of assumptions	-		-
Contributions - employer		1,412,999	(1,412,999)
Contributions - employee		642,690	(642,690)
Net investment income		3,942,063	(3,942,063)
Benefit payments, including refunds of employee co	(1,067,764)	(1,067,764)	-
Administrative expense		(20,406)	20,406
Other changes		(1,034)	1,034
Net changes	<u>2,447,424</u>	<u>4,908,548</u>	<u>(2,461,124)</u>
Balance at 12/31/2017	<u>\$ 38,718,150</u>	<u>\$ 33,318,754</u>	<u>\$ 5,399,396</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) 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)	\$ 12,287,827	\$ 5,399,396	\$ (109,490)

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$1,375,798.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 248,632	\$ 751,490
Changes in actual assumptions	-	117,198
Difference between projected and actual investment earnings	-	899,881
Contributions subsequent to the measurement date	1,096,016	-
Total	\$ 1,344,648	\$ 1,768,569

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 \$1,096,016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>September 30:</u>		
2019	\$	(228,686)
2020		(275,099)
2021		(523,815)
2022		(492,337)
Thereafter		-
	\$	(1,519,937)

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (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.

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

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	23
Active employees	143
Total	214

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:

	2018
Employer rate	0.11%
Employer contributions	\$ 10,372

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

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, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014.

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 3.31% was based on the 20-Year Municipal GO AA Index as of December 31, 2017.

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

At September 30, 2018, the City reported a total OPEB liability of \$320,399 measured at December 31, 2017. For the year ended September 30, 2018, the City recognized OPEB expense of \$33,032.

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

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

Changes in the total OPEB liability for the measurement year ended December 31, 2017 are as follows:

	Total OPEB Liability
Changes in Total OPEB Liability	
Balance at December 31, 2016	\$ 264,599
Changes for the year:	
Service cost	18,363
Interest on total OPEB liability	10,314
Changes of benefit terms	-
Effect of economic/demographic experience	
Effect of assumption changes or inputs	28,959
Benefit payments*	(1,836)
Balance as of December 31, 2017	\$ 320,399

*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 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current rate.

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City's total OPEB liability	\$ 396,035	\$ 320,399	\$ 262,870

At December 31, 2017, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actual assumptions	24,604	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	8,264	-
Total	\$ 32,868	\$ -

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, 2019 in the amount of \$8,264. 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		
<u>September 30:</u>		
2019	\$	4,355
2020		4,355
2021		4,355
2022		4,355
2023		4,355
Thereafter		2,829
	\$	24,604

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 \$15,669,082.

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.

Note 11 - Prior Period Adjustments

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Also, in prior years, the City did not allocate a portion of its net pension liability to its component unit, Corinth Economic Development Corporation (CEDC.) The City also discovered an error in accruing revenue in the general fund and in governmental activities in fiscal year 2017 that was for the fiscal year 2018. As a result, beginning net position was restated to adopt the provisions of GASB Statement No. 75 to report the beginning total OPEB liability, to allocate a portion of the net pension liability to CEDC, and to correct the accrual of revenue as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Corinth Economic Development Corporation</u>
Net position at September 30, 2017, as previously reported	\$ 40,954,292	\$ 28,284,689	\$ 3,603,623
Allocate net pension liability	85,051	-	(85,051)
Allocate deferred outflows - pension	(26,494)	-	26,494
Allocate deferred inflows - pension	5,803	-	(5,803)
Add total OPEB liability under GASB Statement No. 75 at October 1, 2017	(232,583)	(29,079)	(2,937)
Correct error in revenue reported in the prior year	(156,913)	-	-
Net position at October 1, 2017 as restated	<u>\$ 40,629,156</u>	<u>\$ 28,255,610</u>	<u>\$ 3,536,326</u>
	<u>General Fund</u>	<u>Water and Sewer Fund</u>	<u>Storm Drainage Fund</u>
Fund balance/Net position at September 30, 2017, as previously reported	\$ 5,438,806	\$ 24,531,722	\$ 3,752,967
Add total OPEB liability under GASB Statement No. 75 at October 1, 2017	-	(26,989)	(2,090)
Correct error in revenue reported in the prior year	(156,913)	-	-
Fund balance/Net position at October 1, 2017, as restated	<u>\$ 5,281,893</u>	<u>\$ 24,504,733</u>	<u>\$ 3,750,877</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Corinth, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 8,415,105	\$ 8,415,105	\$ 8,407,599	\$ (7,506)
Sales	1,430,981	1,430,981	1,609,767	178,786
Franchise	1,128,227	1,128,227	1,120,653	(7,574)
Utility fees	17,500	17,500	24,719	7,219
Traffic fines and forfeitures	705,268	705,268	722,634	17,366
Development fees and permits	751,334	751,334	710,434	(40,900)
Police fees and permits	28,450	28,450	22,158	(6,292)
Parks and recreation fees	164,874	164,874	167,604	2,730
Fire services	2,711,950	2,711,950	2,748,660	36,710
Donations	11,750	11,750	-	(11,750)
Interest income	37,000	37,000	123,266	86,266
Miscellaneous income	114,033	114,033	61,502	(52,531)
Charges for services	562,890	562,890	564,514	1,624
Total revenues	<u>16,079,362</u>	<u>16,079,362</u>	<u>16,283,510</u>	<u>204,148</u>
Expenditures				
Current				
Public safety	10,708,060	10,388,027	9,965,972	422,055
Community services	1,451,909	1,451,909	1,366,918	84,991
Public works	798,782	798,782	751,837	46,945
Planning and community development	1,073,042	1,073,042	985,423	87,619
City administration	2,187,829	2,039,114	1,957,650	81,464
Finance and administrative services	1,035,221	984,409	893,640	90,769
Total expenditures	<u>17,254,843</u>	<u>16,735,283</u>	<u>15,921,440</u>	<u>813,843</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,175,481)</u>	<u>(655,921)</u>	<u>362,070</u>	<u>1,017,991</u>
Other Financing Sources (Uses)				
Transfers out	(718,474)	(1,038,089)	(1,038,089)	-
Transfers in	830,131	830,131	830,131	-
Total Financing Sources (Uses)	<u>111,657</u>	<u>(207,958)</u>	<u>(207,958)</u>	<u>-</u>
Net Change in Fund Balance	(1,063,824)	(863,879)	154,112	1,017,991
Fund Balance -				
October 1 (Beginning), as restated	<u>5,281,893</u>	<u>5,281,893</u>	<u>5,281,893</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 4,218,069</u>	<u>\$ 4,418,014</u>	<u>\$ 5,436,005</u>	<u>\$ 1,017,991</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, 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	\$ 1,674,666	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
Interest on total pension liability	2,468,757	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(628,235)	409,560	(356,486)	(293,384)
Change of assumptions	-	-	(252,429)	-
Benefit payments/refunds of contributions	(1,067,764)	(897,171)	(783,303)	(854,227)
Net change in total pension liability	<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>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>\$ 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	\$ 1,412,999	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
Contributions - Employee	642,690	650,021	648,976	604,376
Net investment income	3,942,063	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(1,067,764)	(897,171)	(783,303)	(854,227)
Administrative expenses	(20,406)	(19,521)	(21,823)	(13,183)
Other	(1,034)	(1,052)	(1,078)	(1,084)
Net change in fiduciary net position	<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>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>\$ 33,318,754</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>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	86.05%	78.33%	77.79%	79.63%
Pensionable covered payroll	\$ 9,181,285	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
Net pension liability as a percentage of covered payroll	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, 2018

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%

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, 2018

	Year Ended December 31, 2017
Total OPEB Liability	
Service cost	\$ 18,363
Interest on total OPEB liability	10,314
Changes of benefit terms	-
Differences between expected and actual experience	-
Change of assumptions	28,959
Benefit payments/refunds of contributions	<u>(1,836)</u>
Net change in total OPEB liability	55,800
Total OPEB liability, beginning	<u>264,599</u>
Total OPEB liability, ending (a)	<u><u>\$ 320,399</u></u>
Pensionable covered payroll	\$ 9,181,285
Net pension liability as a percentage of covered payroll	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	26 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 in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms 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%
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	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.

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, 2018.
- 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.
- Police Confiscation (Federal) Fund was created by Federal Equitable Sharing Agreement 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.

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.
- Public Property Finance Fund is used to account for Lease Proceeds per Lease agreement.
- 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.

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
September 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 2,204,027	\$ 1,055,524	\$ 3,259,551
Investments	851,396	1,762,865	2,614,261
Receivables (net of allowance)			
Sales taxes	140,375	-	140,375
Interest	3,183	3,710	6,893
Miscellaneous	90,700	-	90,700
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,289,681</u>	<u>\$ 2,822,099</u>	<u>\$ 6,111,780</u>
Liabilities			
Accounts payable	\$ 4,224	\$ 15,237	\$ 19,461
Accrued liabilities	5,430	-	5,430
Other liabilities	700,031	-	700,031
Unearned revenue	7,500	-	7,500
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>717,185</u>	<u>15,237</u>	<u>732,422</u>
Fund Balances			
Restricted	2,611,761	-	2,611,761
Committed	350,034	2,806,862	3,156,896
Unassigned	(389,299)	-	(389,299)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,572,496</u>	<u>2,806,862</u>	<u>5,379,358</u>
	<u> </u>	<u> </u>	<u> </u>
Tot resources and fund balances	<u>\$ 3,289,681</u>	<u>\$ 2,822,099</u>	<u>\$ 6,111,780</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, 2018

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Sales	\$ 760,549	\$ -	\$ 760,549
Hotel occupancy tax	61,181	-	61,181
Escrow and impact fees	207,711	-	207,711
Traffic fines and forfeitures	36,363	-	36,363
Police fees and permits	28,020	-	28,020
Parks and recreation fees	9,935	-	9,935
Donations	70,151	205,883	276,034
Interest income	29,358	30,019	59,377
Grants	1,576	-	1,576
Miscellaneous income	278,942	-	278,942
Fire services	-	11,989	11,989
Total revenues	<u>1,483,786</u>	<u>247,891</u>	<u>1,731,677</u>
Expenditures			
Current			
Public safety	298,064	355,998	654,062
Community services	55,054	6,413	61,467
Public works	28,158	106,896	135,054
Planning and community development	-	54,681	54,681
City administration	70,790	86,400	157,190
Debt service			
Principal	-	164,320	164,320
Interest	-	41,957	41,957
Capital outlay	227,030	-	227,030
Total expenditures	<u>679,096</u>	<u>816,665</u>	<u>1,495,761</u>
Excess (Deficiency) of Revenues over (under) Expenditures	804,690	(568,774)	235,916
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	182,498	182,498
Transfers out	(357,413)	(216,422)	(573,835)
Transfers in	-	682,706	682,706
Total Other Financing Sources (Uses)	<u>(357,413)</u>	<u>648,782</u>	<u>291,369</u>
Net Change in Fund Balance	447,277	80,008	527,285
Fund Balance - October 1 (Beginning)	<u>2,125,219</u>	<u>2,726,854</u>	<u>4,852,073</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,572,496</u>	<u>\$ 2,806,862</u>	<u>\$ 5,379,358</u>

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Assets			
Cash and cash equivalents	\$ 392,319	\$ 343,774	\$ 166,236
Investments	-	851,396	-
Receivables (net of allowance)			
Sales taxes	65,549	74,826	-
Interest	-	3,183	-
Miscellaneous	-	-	4,880
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 457,868</u>	<u>\$ 1,273,179</u>	<u>\$ 171,116</u>
Liabilities			
Accounts payable	\$ -	\$ 221	\$ 400
Accrued liabilities	4,759	-	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,759</u>	<u>221</u>	<u>400</u>
Fund Balances			
Restricted	453,109	1,272,958	170,716
Committed	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>453,109</u>	<u>1,272,958</u>	<u>170,716</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 457,868</u>	<u>\$ 1,273,179</u>	<u>\$ 171,116</u>

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ 29,877	\$ 1,219	\$ 346,017	\$ 79,516	\$ 45,591
-	-	-	-	-
-	-	-	-	-
-	26,746	59,074	-	-
<u>\$ 29,877</u>	<u>\$ 27,965</u>	<u>\$ 405,091</u>	<u>\$ 79,516</u>	<u>\$ 45,591</u>
971	\$ 394	1,798	\$ -	\$ -
-	671	-	-	-
-	-	-	-	-
-	-	7,500	-	-
<u>971</u>	<u>1,065</u>	<u>9,298</u>	<u>-</u>	<u>-</u>
28,906	26,900	45,759	79,516	45,591
-	-	350,034	-	-
-	-	-	-	-
<u>28,906</u>	<u>26,900</u>	<u>395,793</u>	<u>79,516</u>	<u>45,591</u>
<u>\$ 29,877</u>	<u>\$ 27,965</u>	<u>\$ 405,091</u>	<u>\$ 79,516</u>	<u>\$ 45,591</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	\$ 11,278	\$ 324,014	\$ 6,278
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,278</u>	<u>\$ 324,014</u>	<u>\$ 6,278</u>
Liabilities			
Accounts payable	\$ 440	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	8,872	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>9,312</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	1,966	324,014	6,278
Committed	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,966</u>	<u>324,014</u>	<u>6,278</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 11,278</u>	<u>\$ 324,014</u>	<u>\$ 6,278</u>

Tree Mitigation	Roadway Impact Fee	Total Nonmajor Special Revenue Funds
\$ 156,048	\$ 301,860	\$ 2,204,027
-	-	851,396
-	-	140,375
-	-	3,183
-	-	90,700
<u>\$ 156,048</u>	<u>\$ 301,860</u>	<u>\$ 3,289,681</u>
\$ -	\$ -	\$ 4,224
-	-	5,430
-	691,159	700,031
-	-	7,500
<u>-</u>	<u>691,159</u>	<u>717,185</u>
156,048	-	2,611,761
-	-	350,034
-	(389,299)	(389,299)
<u>156,048</u>	<u>(389,299)</u>	<u>2,572,496</u>
<u>\$ 156,048</u>	<u>\$ 301,860</u>	<u>\$ 3,289,681</u>

(concluded)

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>
Revenues			
Taxes			
Sales	\$ 362,534	\$ 398,015	\$ -
Hotel occupancy tax	-	-	61,181
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	3,337	11,951	1,582
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>365,871</u>	<u>409,966</u>	<u>62,763</u>
Expenditures			
Current			
Public safety	243,659	-	-
Community services	-	-	-
Public works	-	28,158	-
City administration	-	-	67,461
Capital outlay	-	-	-
Total expenditures	<u>243,659</u>	<u>28,158</u>	<u>67,461</u>
Excess (Deficiency) of Revenues over (under) Expenditures	122,212	381,808	(4,698)
Other Financing Sources (Uses)			
Transfers out	-	(45,413)	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(45,413)</u>	<u>-</u>
Net Change in Fund Balance	122,212	336,395	(4,698)
Fund Balance - October 1 (Beginning)	<u>330,897</u>	<u>936,563</u>	<u>175,414</u>
Fund Balance - September 30 (Ending)	<u>\$ 453,109</u>	<u>\$ 1,272,958</u>	<u>\$ 170,716</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, 2018

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	2,484	14,537	19,342
-	28,020	-	-	-
-	-	-	-	-
5,000	-	15,151	-	-
285	71	4,294	693	470
-	-	1,576	-	-
-	-	264,090	-	-
<u>5,285</u>	<u>28,091</u>	<u>287,595</u>	<u>15,230</u>	<u>19,812</u>
-	23,490	16,107	-	-
-	-	7,430	5,439	6,760
-	-	-	-	-
3,329	-	-	-	-
-	-	227,030	-	-
<u>3,329</u>	<u>23,490</u>	<u>250,567</u>	<u>5,439</u>	<u>6,760</u>
1,956	4,601	37,028	9,791	13,052
-	-	-	-	(12,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>
1,956	4,601	37,028	9,791	1,052
<u>26,950</u>	<u>22,299</u>	<u>358,765</u>	<u>69,725</u>	<u>44,539</u>
<u>\$ 28,906</u>	<u>\$ 26,900</u>	<u>\$ 395,793</u>	<u>\$ 79,516</u>	<u>\$ 45,591</u>

(continued on the following page)

	<u>Police Confiscation- State</u>	<u>Parks Development</u>	<u>Community Park Improvement</u>
Revenues			
Taxes			
Sales	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	9,935
Donations	-	50,000	-
Interest income	139	3,017	258
Grants	-	-	-
Miscellaneous income	14,852	-	-
Total revenues	<u>14,991</u>	<u>53,017</u>	<u>10,193</u>
Expenditures			
Current			
Public safety	14,808	-	-
Community services	-	8,571	26,854
Public works	-	-	-
City administration	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>14,808</u>	<u>8,571</u>	<u>26,854</u>
Excess (Deficiency) of Revenues over Expenditures	183	44,446	(16,661)
Other Financing Sources (Uses)			
Transfers out	-	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	183	44,446	(16,661)
Fund Balance - October 1 (Beginning)	<u>1,783</u>	<u>279,568</u>	<u>22,939</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,966</u>	<u>\$ 324,014</u>	<u>\$ 6,278</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, 2018

<u>Tree Mitigation</u>	<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 760,549
-	-	61,181
-	207,711	207,711
-	-	36,363
-	-	28,020
-	-	9,935
-	-	70,151
1,423	1,838	29,358
-	-	1,576
-	-	278,942
<u>1,423</u>	<u>209,549</u>	<u>1,483,786</u>
-	-	298,064
-	-	55,054
-	-	28,158
-	-	70,790
-	-	227,030
<u>-</u>	<u>-</u>	<u>679,096</u>
1,423	209,549	804,690
-	(300,000)	(357,413)
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(300,000)</u>	<u>(357,413)</u>
1,423	(90,451)	447,277
<u>154,625</u>	<u>(298,848)</u>	<u>2,125,219</u>
<u>\$ 156,048</u>	<u>\$ (389,299)</u>	<u>\$ 2,572,496</u>

(concluded)

City of Corinth, Texas
 Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 327,424	\$ 327,424	\$ 362,534	\$ 35,110
Interest income	1,000	1,000	3,337	2,337
Total revenues	<u>328,424</u>	<u>328,424</u>	<u>365,871</u>	<u>37,447</u>
Expenditures				
Current				
Public safety	312,413	312,413	243,659	68,754
Total expenditures	<u>312,413</u>	<u>312,413</u>	<u>243,659</u>	<u>68,754</u>
Net Change in Fund Balance	16,011	16,011	122,212	106,201
Fund Balance -				
October 1 (Beginning)	<u>330,897</u>	<u>330,897</u>	<u>330,897</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 346,908</u>	<u>\$ 346,908</u>	<u>\$ 453,109</u>	<u>\$ 106,201</u>

(concluded)

City of Corinth, Texas
Street Maintenance Fund Budgetary Comparison Schedule (Exhibit C-6)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 356,711	\$ 356,711	\$ 398,015	\$ 41,304
Interest income	3,500	3,500	11,951	8,451
Total revenues	<u>360,211</u>	<u>360,211</u>	<u>409,966</u>	<u>49,755</u>
Expenditures				
Current				
Public works	<u>385,660</u>	<u>385,660</u>	<u>28,158</u>	<u>357,502</u>
Total expenditures	<u>385,660</u>	<u>385,660</u>	<u>28,158</u>	<u>357,502</u>
Excess (Deficiency) of Revenues over Expenditures	(25,449)	(25,449)	381,808	407,257
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(45,413)</u>	<u>(45,413)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(45,413)</u>	<u>(45,413)</u>
Net Change in Fund Balance	(25,449)	(25,449)	336,395	361,844
Fund Balance - October 1 (Beginning)	<u>936,563</u>	<u>936,563</u>	<u>936,563</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 911,114</u>	<u>\$ 911,114</u>	<u>\$ 1,272,958</u>	<u>\$ 361,844</u>

(concluded)

City of Corinth, Texas
Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-7)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	\$ 75,000	\$ 75,000	\$ 61,181	\$ (13,819)
Interest income	-	-	1,582	1,582
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>62,763</u>	<u>(12,237)</u>
Expenditures				
Current				
City administration	103,532	103,532	67,461	36,071
Total expenditures	<u>103,532</u>	<u>103,532</u>	<u>67,461</u>	<u>36,071</u>
Net Change in Fund Balance	(28,532)	(28,532)	(4,698)	23,834
Fund Balance -				
October 1 (Beginning)	<u>175,414</u>	<u>175,414</u>	<u>175,414</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 146,882</u>	<u>\$ 146,882</u>	<u>\$ 170,716</u>	<u>\$ 23,834</u>

(concluded)

City of Corinth, Texas
 Keep Corinth Beautiful Budgetary Comparison Schedule (Exhibit C-8)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Interest income	-	-	285	285
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,285</u>	<u>285</u>
Expenditures				
Current				
City administration	5,000	5,000	3,329	1,671
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,329</u>	<u>1,671</u>
Net Change in Fund Balance	-	-	1,956	1,956
Fund Balance -				
October 1 (Beginning)	<u>26,950</u>	<u>26,950</u>	<u>26,950</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 26,950</u>	<u>\$ 26,950</u>	<u>\$ 28,906</u>	<u>\$ 1,956</u>

(concluded)

City of Corinth, Texas
County Child Safety Fund Comparison Schedule (Exhibit C-9)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Police fees and permits	\$ 26,956	\$ 26,956	\$ 28,020	\$ 1,064
Interest income	-	-	71	71
Total revenues	<u>26,956</u>	<u>26,956</u>	<u>28,091</u>	<u>1,135</u>
Expenditures				
Current				
Public safety	<u>26,956</u>	<u>26,956</u>	<u>23,490</u>	<u>3,466</u>
Total expenditures	<u>26,956</u>	<u>26,956</u>	<u>23,490</u>	<u>3,466</u>
Net Change in Fund Balance	-	-	4,601	4,601
Fund Balance -				
October 1 (Beginning)	<u>22,299</u>	<u>22,299</u>	<u>22,299</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 22,299</u>	<u>\$ 22,299</u>	<u>\$ 26,900</u>	<u>\$ 4,601</u>

(concluded)

City of Corinth, Texas
Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-10)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 12,800	\$ 12,800	\$ 14,537	\$ 1,737
Interest income	-	-	693	693
Total revenues	<u>12,800</u>	<u>12,800</u>	<u>15,230</u>	<u>2,430</u>
Expenditures				
Current				
Community services	<u>7,500</u>	<u>7,500</u>	<u>5,439</u>	<u>2,061</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>5,439</u>	<u>2,061</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,300</u>	<u>5,300</u>	<u>9,791</u>	<u>4,491</u>
Net Change in Fund Balance	5,300	5,300	9,791	4,491
Fund Balance - October 1 (Beginning)	<u>69,725</u>	<u>69,725</u>	<u>69,725</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 75,025</u>	<u>\$ 75,025</u>	<u>\$ 79,516</u>	<u>\$ 4,491</u>

(concluded)

City of Corinth, Texas
Municipal Court Technology Fund Comparison Schedule (Exhibit C-11)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 17,000	\$ 17,000	\$ 19,342	\$ 2,342
Interest income	-	-	470	470
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>19,812</u>	<u>2,812</u>
Expenditures				
Current				
Community services	<u>19,530</u>	<u>30,442</u>	<u>6,760</u>	<u>23,682</u>
Total expenditures	<u>19,530</u>	<u>30,442</u>	<u>6,760</u>	<u>23,682</u>
Excess (Deficiency) of Revenues over Expenditures	(2,530)	(13,442)	13,052	26,494
Other Financing Sources (Uses)				
Transfers out	<u>(5,708)</u>	<u>(17,708)</u>	<u>(12,000)</u>	<u>5,708</u>
Total Other Financing Sources (Uses)	<u>(5,708)</u>	<u>(17,708)</u>	<u>(12,000)</u>	<u>5,708</u>
Net Change in Fund Balance	(8,238)	(31,150)	1,052	32,202
Fund Balance - October 1 (Beginning)	<u>44,539</u>	<u>44,539</u>	<u>44,539</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 36,301</u>	<u>\$ 13,389</u>	<u>\$ 45,591</u>	<u>\$ 32,202</u>

(concluded)

City of Corinth, Texas
 Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-12)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 139	\$ 139
Miscellaneous income	-	20,000	14,852	(5,148)
Total revenues	<u>-</u>	<u>20,000</u>	<u>14,991</u>	<u>(5,009)</u>
Expenditures				
Current				
Public safety	-	20,000	14,808	5,192
Total expenditures	<u>-</u>	<u>20,000</u>	<u>14,808</u>	<u>5,192</u>
Net Change in Fund Balance	-	-	183	183
Fund Balance -				
October 1 (Beginning)	<u>1,783</u>	<u>1,783</u>	<u>1,783</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 1,783</u>	<u>\$ 1,783</u>	<u>\$ 1,966</u>	<u>\$ 183</u>

(concluded)

City of Corinth, Texas
Parks Development Fund Budgetary Comparison Schedule (Exhibit C-13)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Interest income	-	-	3,017	3,017
Miscellaneous income	-	-	-	-
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>53,017</u>	<u>3,017</u>
Expenditures				
Current				
Community services	<u>40,000</u>	<u>40,000</u>	<u>8,571</u>	<u>31,429</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>8,571</u>	<u>31,429</u>
Net Change in Fund Balance	10,000	10,000	44,446	34,446
Fund Balance -				
October 1 (Beginning)	<u>279,568</u>	<u>279,568</u>	<u>279,568</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 289,568</u>	<u>\$ 289,568</u>	<u>\$ 324,014</u>	<u>\$ 34,446</u>

(concluded)

City of Corinth, Texas
Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-14)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks and recreation fees	\$ 10,970	\$ 10,970	\$ 9,935	\$ (1,035)
Interest income	-	-	258	258
Total revenues	<u>10,970</u>	<u>10,970</u>	<u>10,193</u>	<u>(777)</u>
Expenditures				
Current				
Community services	<u>34,000</u>	<u>34,000</u>	<u>26,854</u>	<u>7,146</u>
Total expenditures	<u>34,000</u>	<u>34,000</u>	<u>26,854</u>	<u>7,146</u>
Net Change in Fund Balance	(23,030)	(23,030)	(16,661)	6,369
Fund Balance -				
October 1 (Beginning)	<u>22,939</u>	<u>22,939</u>	<u>22,939</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ (91)</u>	<u>\$ (91)</u>	<u>\$ 6,278</u>	<u>\$ 6,369</u>

(concluded)

City of Corinth, Texas
 Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-15)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 1,423	\$ 1,423
Total revenues	<u>-</u>	<u>-</u>	<u>1,423</u>	<u>1,423</u>
Expenditures				
Current				
Community services	5,000	5,000	-	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(5,000)	(5,000)	1,423	6,423
Fund Balance -				
October 1 (Beginning)	<u>154,625</u>	<u>154,625</u>	<u>154,625</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 149,625</u>	<u>\$ 149,625</u>	<u>\$ 156,048</u>	<u>\$ 6,423</u>

(concluded)

City of Corinth, Texas
 Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-16)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ 207,711	\$ 207,711
Interest income	-	-	1,838	1,838
Total revenues	<u>-</u>	<u>-</u>	<u>209,549</u>	<u>209,549</u>
Expenditures				
Capital outlay	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(300,000)	-	209,549	209,549
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	(300,000)	(300,000)	(90,451)	209,549
Fund Balance - October 1 (Beginning)	<u>(298,848)</u>	<u>(298,848)</u>	<u>(298,848)</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ (598,848)</u>	<u>\$ (598,848)</u>	<u>\$ (389,299)</u>	<u>\$ 209,549</u>

(concluded)

City of Corinth, Texas
Debt Service Fund Budgetary Comparison Schedule (Exhibit C-17)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 2,127,417	\$ 2,127,417	\$ 2,141,177	\$ 13,760
Interest Income	-	-	8,215	8,215
Miscellaneous Income	-	-	422	422
Total revenues	<u>2,127,417</u>	<u>2,127,417</u>	<u>2,149,814</u>	<u>22,397</u>
Expenditures				
Debt Service:				
Principal	1,211,465	1,211,465	1,211,465	-
Interest	1,078,087	1,077,647	1,022,312	55,335
Bond issuance costs	10,000	10,440	10,440	-
Total expenditures	<u>2,299,552</u>	<u>2,299,552</u>	<u>2,244,217</u>	<u>55,335</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(172,135)</u>	<u>(172,135)</u>	<u>(94,403)</u>	<u>77,732</u>
Other Financing Sources (Uses)				
Transfers in	-	-	2,916	2,916
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,916</u>	<u>2,916</u>
Net Change in Fund Balance	(172,135)	(172,135)	(91,487)	80,648
Fund Balance - October 1 (Beginning)	<u>390,681</u>	<u>390,681</u>	<u>390,681</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 218,546</u>	<u>\$ 218,546</u>	<u>\$ 299,194</u>	<u>\$ 80,648</u>

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	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle and Equipment Replacement</u>
Assets			
Cash and cash equivalents	\$ 363,219	\$ 210,232	\$ 237,294
Investments	1,432,865	-	330,000
Receivables (net of allowance)			
Interest	2,553	-	1,157
Miscellaneous	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,798,637</u>	<u>\$ 210,232</u>	<u>\$ 568,451</u>
Liabilities			
Accounts payable	\$ 6,212	-	\$ 9,025
Total liabilities	<u>6,212</u>	<u>-</u>	<u>9,025</u>
Fund Balances			
Restricted	-	-	-
Committed	1,792,425	210,232	559,426
Total fund balances	<u>1,792,425</u>	<u>210,232</u>	<u>559,426</u>
Total Liabilities and Fund Balances	<u>\$ 1,798,637</u>	<u>\$ 210,232</u>	<u>\$ 568,451</u>

City of Corinth, Texas
 Combining Balance Sheet – Nonmajor Capital Projects Funds (Exhibit C-18)
 Year Ended September 30, 2018

Tech Equipment Replacement	Street Escrow	2007 CO Streets	Public Property Finance	Total Nonmajor Capital Projects Funds
\$ 90,047	\$ 154,732	\$ -	\$ -	\$ 1,055,524
-	-	-	-	1,762,865
-	-	-	-	3,710
-	-	-	-	-
<u>\$ 90,047</u>	<u>\$ 154,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,822,099</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,237</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,237</u>
-	-	-	-	-
90,047	154,732	-	-	2,806,862
<u>90,047</u>	<u>154,732</u>	<u>-</u>	<u>-</u>	<u>2,806,862</u>
<u>\$ 90,047</u>	<u>\$ 154,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,822,099</u>

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement
Revenues			
Donations	\$ 205,000	\$ -	\$ -
Interest income	21,152	1,491	4,411
Fire services	-	-	11,989
Total revenues	<u>226,152</u>	<u>1,491</u>	<u>16,400</u>
Expenditures			
Current			
Public safety	9,750	82,232	24,150
Community services	-	6,413	-
Public works	17,330	691	-
Planning and community development	45,186	9,495	-
City administration	250	7,750	-
Debt service			
Principal	-	-	164,320
Interest	-	-	41,957
Total expenditures	<u>72,516</u>	<u>106,581</u>	<u>230,427</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>153,636</u>	<u>(105,090)</u>	<u>(214,027)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	176,452	5,354
Transfers out	(200,000)	-	-
Transfers in	60,125	23,295	461,126
Total Other Financing Sources (Uses)	<u>(139,875)</u>	<u>199,747</u>	<u>466,480</u>
Net Change in Fund Balance	13,761	94,657	252,453
Fund Balance - October 1 (Beginning)	<u>1,778,664</u>	<u>115,575</u>	<u>306,973</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,792,425</u>	<u>\$ 210,232</u>	<u>\$ 559,426</u>

City of Corinth, Texas
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)
 Year Ended September 30, 2018

Tech Equipment Replacement	Street Escrow	2007 CO Streets	Public Property Finance	Total Nonmajor Capital Projects Funds
\$ 883	\$ -	\$ -	\$ -	\$ 205,883
1,063	1,411	-	491	30,019
-	-	-	-	11,989
<u>1,946</u>	<u>1,411</u>	<u>-</u>	<u>491</u>	<u>247,891</u>
-	-	-	239,866	355,998
-	-	-	-	6,413
-	-	88,875	-	106,896
-	-	-	-	54,681
78,400	-	-	-	86,400
-	-	-	-	164,320
-	-	-	-	41,957
<u>78,400</u>	<u>-</u>	<u>88,875</u>	<u>239,866</u>	<u>816,665</u>
<u>(76,454)</u>	<u>1,411</u>	<u>(88,875)</u>	<u>(239,375)</u>	<u>(568,774)</u>
692	-	-	-	182,498
-	-	(2,916)	(13,506)	(216,422)
138,160	-	-	-	682,706
<u>138,852</u>	<u>-</u>	<u>(2,916)</u>	<u>(13,506)</u>	<u>648,782</u>
62,398	1,411	(91,791)	(252,881)	80,008
27,649	153,321	91,791	252,881	2,726,854
<u>\$ 90,047</u>	<u>\$ 154,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,806,862</u>

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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	2009	2010	2011	2012
Net Investment in Capital Assets	\$ 41,050,434	\$ 39,858,647	\$ 41,537,428	\$ 38,965,723
Restricted	795,115	6,713,859	2,400,976	2,614,336
Unrestricted	8,395,075	2,683,382	6,854,904	6,708,569
Total Governmental Activities Net Position	\$ 50,240,624	\$ 49,255,888	\$ 50,793,308	\$ 48,288,628
Business-type Activities				
Net Investment in Capital Assets	\$ 15,881,901	\$ 17,746,701	\$ 19,490,897	\$ 21,783,319
Restricted	-	-	-	-
Unrestricted	5,638,822	5,883,737	5,858,618	6,216,578
Total Business-Type Activities Net Position	\$ 21,520,723	\$ 23,630,438	\$ 25,349,515	\$ 27,999,897
Primary Government				
Net Investment in Capital Assets	\$ 56,932,335	\$ 57,605,348	\$ 61,028,325	\$ 60,749,042
Restricted	795,115	6,713,859	2,400,976	2,614,336
Unrestricted	14,033,897	8,567,119	12,713,522	12,925,147
Total Primary Government Net Position	\$ 71,761,347	\$ 72,886,326	\$ 76,142,823	\$ 76,288,525

Note:
Governmental Activities:
2007 through 2009 restated for correction of basis in streets.
2009 restated for reclassification of fund.
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

Business-type Activities:
2009 restated for miscellaneous revenue and debt expenses.
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

TABLE D-1

2013	2014	2015	2016	2017	2018
\$ 37,401,599	\$ 36,991,003	\$ 37,162,807	\$ 35,967,465	\$ 35,025,019	\$ 35,039,143
3,776,495	4,078,719	1,066,371	1,759,359	2,600,794	2,830,975
5,660,613	4,522,015	1,767,508	1,817,109	3,328,479	3,038,070
\$ 46,838,707	\$ 45,591,737	\$ 39,996,686	\$ 39,543,933	\$ 40,954,292	\$ 40,908,188
\$ 21,661,416	\$ 21,552,151	\$ 21,568,651	\$ 21,537,921	\$ 21,633,740	\$ 23,453,132
-	-	645,963	647,502	1,127,099	1,295,181
6,897,008	6,250,406	4,856,975	4,285,029	5,523,850	5,059,830
\$ 28,558,424	\$ 27,802,557	\$ 27,071,589	\$ 26,470,452	\$ 28,284,689	\$ 29,808,143
\$ 59,063,015	\$ 58,543,154	\$ 58,731,458	\$ 57,505,386	\$ 56,658,759	\$ 58,492,275
3,776,495	4,078,719	1,712,334	2,406,861	3,727,893	4,126,156
12,557,621	10,772,421	6,624,483	6,102,138	8,852,329	8,097,900
\$ 75,397,131	\$ 73,394,294	\$ 67,068,275	\$ 66,014,385	\$ 69,238,981	\$ 70,716,331

CITY OF CORINTH, TEXAS

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

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Expenses	2009	2010	2011	2012
Governmental Activities:				
Public Safety	\$ 7,956,599	\$ 7,716,433	\$ 7,454,086	\$ 7,769,391
Community Services	2,452,756	1,979,094	1,713,873	1,729,610
Public Works	1,784,753	4,152,860	4,268,961	4,829,902
Planning & Development	877,117	875,457	709,683	730,829
City Administration	1,340,171	1,876,455	1,663,492	1,607,926
Financial Services	686,977	688,069	634,749	655,335
Interest on Long-Term Debt	969,752	920,663	809,445	821,597
Total Governmental Activities Expenses	16,068,125	18,209,031	17,254,289	18,144,590
Business-Type Activities:				
Water & Wastewater	10,356,404	10,261,683	9,981,826	10,198,636
Storm Water Utility	510,190	527,768	449,894	520,098
Total Business-Type Activities Expenses	10,866,594	10,789,451	10,431,720	10,718,734
Total Primary Government Expenses	\$ 26,934,719	\$ 28,998,482	\$ 27,686,009	\$ 28,863,324
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	\$ 3,028,462	\$ 2,858,365	\$ 3,218,248	\$ 3,036,630
Community Services	178,695	197,322	305,958	318,297
Public Works	-	-	340,413	72,087
Planning & Development	297,861	298,676	564,447	364,980
City Administration	-	-	-	-
Finance Services	1,024,019	1,180,425	177,273	88,599
Operating Grants & Contributions	107,572	166,836	152,477	101,458
Capital Grants & Contributions	171,306	1,243,666	858,404	944,835
Total Governmental Activities Program	4,807,915	5,945,290	5,617,220	4,926,886
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	10,306,400	11,094,103	12,221,335	11,715,891
Storm Water Utility	552,871	587,074	552,916	655,400
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	649,055	1,255,490	1,303,744	581,490
Total Business-Type Activities Program	11,508,326	12,936,667	14,077,995	12,952,781
Total Primary Government Program	\$ 16,316,241	\$ 18,881,957	\$ 19,695,215	\$ 17,879,667
Net (Expense)/Revenue				
Governmental Activities	\$ (11,260,210)	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)
Business-Type Activities	641,732	2,147,216	3,646,275	2,234,047
Total Primary Government Net Expense	\$ (10,618,478)	\$ (10,116,525)	\$ (7,990,794)	\$ (10,983,657)

Note:

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

TABLE D-2

	2013	2014	2015	2016	2017	2018
\$	8,188,441	\$ 8,558,062	\$ 8,937,222	\$ 9,331,392	\$ 10,464,824	\$ 12,945,976
	1,740,402	1,735,618	1,855,018	1,734,299	1,533,030	1,511,542
	4,726,964	4,655,417	4,661,909	4,471,115	4,534,197	1,595,297
	731,234	715,554	860,549	1,013,413	857,360	1,034,510
	1,631,852	1,854,669	1,873,459	2,032,778	1,940,255	2,128,443
	662,238	665,351	746,482	878,384	888,324	886,880
	743,848	702,883	613,346	747,838	844,665	828,591
	18,424,979	18,887,554	19,547,985	20,209,219	21,062,655	20,931,239
	10,429,711	10,645,670	11,107,570	12,157,058	12,098,839	12,342,091
	515,487	571,624	540,217	525,740	517,412	560,241
	10,945,198	11,217,294	11,647,787	12,682,798	12,616,251	12,902,332
\$	29,370,177	\$ 30,104,848	\$ 31,195,772	\$ 32,892,017	\$ 33,678,906	\$ 33,833,571
\$	3,316,940	\$ 3,595,280	\$ 3,516,328	\$ 3,960,494	\$ 3,934,109	\$ 3,351,543
	312,490	377,982	230,940	206,560	210,498	234,622
	25,895	111,242	209,723	59,205	156,559	207,711
	342,817	488,706	647,336	540,906	1,200,712	749,678
	-	94,979	92,142	105,401	93,302	83,042
	-	-	-	-	-	-
	144,879	284,954	299,613	189,114	97,506	277,286
	551,016	-	380,748	332,872	1,630,239	1,266,428
	4,694,037	4,953,143	5,376,830	5,394,552	7,322,925	6,170,310
	11,582,827	10,648,512	10,991,068	11,047,722	11,332,588	13,152,059
	667,215	680,128	692,943	703,783	727,197	719,458
	-	-	-	-	-	-
	192,927	176,068	607,013	1,448,393	2,997,195	937,813
	12,442,969	11,504,708	12,291,024	13,199,898	15,056,980	14,809,330
\$	17,137,006	\$ 16,457,851	\$ 17,667,854	\$ 18,594,450	\$ 22,379,905	\$ 20,979,640
\$	(13,730,942)	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)
	1,497,771	287,414	643,237	517,100	2,440,729	1,906,998
\$	(12,233,171)	\$ (13,646,997)	\$ (13,527,918)	\$ (14,297,567)	\$ (11,299,001)	\$ (12,853,931)

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	2009	2010	2011	2012
Governmental Activities	\$ (11,260,210)	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)
Business-Type Activities	641,732	2,147,216	3,646,275	2,234,047
Total Primary Government Net Expense	(10,618,478)	(10,116,525)	(7,990,794)	(10,983,657)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes

Property Taxes	8,288,285	8,117,648	8,236,635	8,292,788
Sales Taxes	1,017,734	1,463,459	1,591,901	1,689,889
Franchise Taxes	1,456,065	919,700	1,083,786	1,065,097
Hotel Occupancy Taxes	-	-	-	-

Miscellaneous	95,154	20,050	34,555	143,809
Investment Earnings	318,460	207,718	98,471	63,010
Gain (Loss) on sale of Capital Assets	-	-	-	-
Special Item Outflow	-	-	(700,000)	(134,385)
Transfers	360,418	550,426	2,734,363	(269,093)

Total Governmental Activities	11,536,116	11,279,001	13,079,711	10,851,115
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Business-Type Activities:

Miscellaneous	53,980	355,428	31,858	11,738
Investment Earnings	295,606	157,497	75,308	59,488
Gain (Loss) on sale of Capital Assets	-	-	-	-
Special Item Outflow	-	-	700,000	134,385
Transfers	(360,418)	(550,426)	(2,734,363)	269,093

Total Business-Type Activities	(10,832)	(37,501)	(1,927,197)	474,704
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Total Primary Government	\$ 11,525,284	\$ 11,241,500	\$ 11,152,514	\$ 11,325,819
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Change in Net Position

Governmental Activities	275,906	(984,740)	1,442,642	(2,366,589)
Business-Type Activities	630,900	2,109,715	1,719,078	2,708,751
Total Primary Government	\$ 906,806	\$ 1,124,975	\$ 3,161,720	\$ 342,162

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

	2013	2014	2015	2016	2017	2018
\$	(13,730,942)	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)
	1,497,771	287,414	643,237	517,100	2,440,729	1,906,998
	(12,233,171)	(13,646,997)	(13,527,918)	(14,297,567)	(11,299,001)	(12,853,931)
	8,501,824	8,674,195	9,291,409	9,663,535	10,629,143	10,587,532
	1,728,567	1,822,924	1,889,020	2,023,059	2,253,805	2,370,316
	967,846	1,039,646	1,074,217	1,068,910	1,073,789	1,120,653
	-	-	67,833	79,007	77,673	61,181
	38,121	13,925	45,685	237,674	204,231	251,014
	49,427	53,968	55,043	87,433	228,971	57,042
	-	-	14,712	43,222	3,497	94,205
	8,556	-	-	-	-	-
	986,679	1,082,783	778,956	1,159,074	678,980	498,018
	12,281,020	12,687,441	13,216,875	14,361,914	15,150,089	15,039,961
	5,145	10,216	(391)	4,741	7,600	94,664
	42,290	29,280	18,423	26,328	43,692	6,748
	-	-	5,333	9,768	1,196	42,141
	-	-	-	-	-	-
	(986,679)	(1,082,783)	(778,956)	(1,159,074)	(678,980)	(498,018)
	(939,244)	(1,043,287)	(755,591)	(1,118,237)	(626,492)	(354,465)
\$	11,341,776	\$ 11,644,154	\$ 12,461,284	\$ 13,243,677	\$ 14,523,597	\$ 14,685,496
	(1,449,922)	(1,246,970)	(954,280)	(452,753)	1,410,359	279,032
	558,527	(755,873)	(112,354)	(601,137)	1,814,237	1,552,533
\$	(891,395)	\$ (2,002,843)	\$ (1,066,634)	\$ (1,053,890)	\$ 3,224,596	\$ 1,831,565

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

General Fund	2009	2010	2011	2012
Reserved	\$ 103,982	\$ 143,025	\$ -	\$ -
Non-Spendable	-	-	216,714	207,875
Unreserved	4,337,600	3,730,485	-	-
Unassigned	-	-	4,552,509	5,246,829
Total General Fund	\$ 4,441,582	\$ 3,873,510	\$ 4,769,223	\$ 5,454,704

All Other Governmental Funds

Reserved	\$ 2,660,627	\$ 4,666,027	\$ -	\$ -
Restricted	-	-	4,427,759	2,304,546
Committed	-	-	1,170,771	1,885,185
Unreserved, Reported In:				
Special Revenue Funds	1,862,162	1,879,248	-	-
Capital Projects Funds	7,670,458	2,054,708	-	-
Unassigned			(268,858)	(351,404)
Total all other Governmental Funds	\$ 12,193,247	\$ 8,599,983	\$ 5,329,672	\$ 3,838,327

Note:
GASB 54 was implemented in 2011.

TABLE D-4

	2013	2014	2015	2016	2017	2018
\$	-	-	-	-	-	-
	211,465	222,652	244,486	439,146	195,750	251,776
	-	-	-	-	-	-
	3,950,657	3,587,445	3,482,449	3,295,962	5,243,056	5,184,229
\$	4,162,122	3,810,097	3,726,935	3,735,108	5,438,806	5,436,005
\$	-	-	-	-	-	-
	2,199,692	1,143,608	1,155,506	13,370,197	14,479,349	5,873,511
	3,286,748	4,067,270	2,946,280	2,623,387	2,703,352	3,156,896
	-	-	-	-	-	-
	-	-	-	-	-	-
	(441,149)	(579,436)	(480,444)	(442,236)	(298,848)	(389,299)
\$	5,045,291	4,631,442	3,621,342	15,551,348	16,883,853	8,641,108

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Revenues	2009	2010	2011	2012
Taxes	\$ 10,771,375	\$ 10,530,117	\$ 10,911,621	\$ 11,048,433
Licenses, Fees and Permits	283,232	304,009	1,091,761	661,689
Fines & Penalties	700,857	652,755	634,141	577,101
Charges for Services	3,256,122	3,529,997	2,547,590	2,531,739
Investment Earnings	318,461	207,717	98,470	63,010
Donations	-	713,564	1,012,607	947,567
Special Assessments	114,719	110,972	-	-
Intergovernmental	97,101	269,142	-	-
Other Revenues	99,494	63,697	160,522	205,271
Total Revenues	15,641,361	16,381,970	16,456,712	16,034,810
Expenditures				
Public Safety	7,740,539	8,241,429	8,073,621	7,520,802
Fire	-	-	-	-
Community Services	2,309,808	1,825,414	1,752,265	1,794,276
Public Works	929,424	876,510	1,640,574	1,222,644
Planning & Development	855,155	872,953	699,586	751,109
City Administration	1,498,948	1,659,476	1,454,431	1,444,883
Finance Services	685,409	672,763	614,157	641,484
General Government	973,949	-	-	-
Capital Outlay	-	6,098,235	5,122,041	890,602
Debt Service				
Principal	1,494,683	1,480,700	1,456,375	1,534,125
Interest	910,577	870,581	847,405	813,965
Paying Agent Fees	9,366	-	-	-
Bond Issuance Costs	1,107	27,827	-	-
Total Expenditures	17,408,965	22,625,888	21,660,455	16,613,890
Other Financing Sources (Uses)				
Bonds Issued	-	1,500,000	-	-
Payments to Escrow Agent	-	-	-	-
Bond Premium/Discount	-	-	-	-
Capital Lease	5,434	-	-	-
Sale of Capital Assets	-	-	-	42,309
Transfers In/Out	360,418	550,426	2,734,363	(269,093)
Total Other Financing Sources (Uses)	365,852	2,050,426	2,734,363	(226,784)
Net Change in Fund Balances	\$ (1,401,752)	\$ (4,193,492)	\$ (2,469,380)	\$ (805,864)

Debt service as a percentage of noncapital expenditures

15.20% 15.16% 15.51% 15.68%

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

TABLE D-5

	2013	2014	2015	2016	2017	2018
\$	11,210,497	\$ 11,538,485	\$ 12,329,258	\$ 12,807,008	\$ 14,034,768	\$ 14,100,926
	285,165	903,407	1,050,172	797,332	1,557,520	1,170,581
	974,231	723,174	682,284	712,852	619,747	758,997
	2,534,668	2,826,329	3,132,880	3,159,963	3,063,911	3,325,163
	49,427	53,967	55,043	87,433	204,231	251,014
	571,827	89,514	96,633	186,220	94,185	1,542,462
	-	-	-	-	-	-
	-	-	-	-	-	-
	190,849	82,083	123,070	292,949	324,855	352,973
	15,816,664	16,216,959	17,469,340	18,043,757	19,899,217	21,502,116
	8,393,476	9,422,471	9,167,774	9,702,983	9,234,496	10,620,034
	-	-	-	-	-	-
	2,113,911	2,405,814	1,765,661	1,507,526	1,353,153	1,428,385
	878,847	1,483,829	2,600,403	1,721,981	1,086,857	886,891
	727,249	718,253	871,281	981,151	874,835	1,040,104
	1,591,760	1,636,334	1,766,937	2,173,809	1,777,956	2,114,840
	655,646	652,321	732,037	862,114	862,354	893,640
	-	-	-	-	-	-
	27,648	-	-	3,727,303	4,958,837	7,965,300
	1,743,686	1,892,482	1,836,489	1,806,587	1,542,615	1,375,785
	756,738	694,004	627,358	784,585	1,109,103	1,064,269
	-	-	-	-	-	-
	-	-	-	-	232,870	10,440
	16,888,961	18,905,508	19,367,940	23,268,039	23,033,076	27,399,688
	-	-	-	17,116,713	13,017,245	-
	-	-	-	(1,179,213)	(7,542,236)	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	839,890	26,382	65,887	16,073	182,498
	986,679	1,082,783	778,956	1,159,074	678,980	(2,373,559)
	986,679	1,922,673	805,338	17,162,461	6,170,062	(2,191,061)
\$	(85,618)	\$ (765,876)	\$ (1,093,262)	\$ 11,938,179	\$ 3,036,203	\$ (8,088,633)
	18.23%	16.04%	15.03%	15.45%	17.73%	8.9%

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
2009	8,297,576	1,456,065	1,017,734	10,771,375
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
Percent Change 2009-2018	27.13%	66.99%	10.11%	30.91%

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
2009	1,187,265,640	190,126,178	16,522,699	1,360,869,119	0.57698	1,393,914,517	97.629%
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	200,107,034	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.088%

Source: Denton Central Appraisal District.

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
2009	0.43852	0.13846	0.57698	1.49000	1.65000	0.31000	0.24980
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

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS

TABLE D-9

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	2018			2009		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Boulevard 2010 LLC	26,178,509	1	1.34%			
Denton County Electric Coop	22,309,376	2	1.14%	13,703,387	2	0.98%
Oncor Electric Delivery Co	13,757,630	3	0.70%	12,591,150	1	0.90%
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%	7,482,980	4	0.54%
HEB Grocery Company LP	8,261,218	7	0.42%			
Utter, Bill	8,093,666	8	0.41%	5,220,167	8	0.37%
Anixter, Inc.	7,582,667	9	0.39%			
Kensington Square LP PS	7,497,667	10	0.38%	6,787,200	6	0.49%
Utter Properties LLC				7,084,072	5	0.51%
Corinth Autumn Oaks, LP				4,415,366	10	0.32%
HD Supply Utilities LTD #3430				4,915,664	9	0.35%
North Texas Nissan Realty, Inc				5,447,884	7	0.39%
Corinth Investor Holdings LLC				7,847,237	3	0.56%
Total	\$ 127,937,439		6.55%	\$75,495,107		5.41%

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
2009	8,213,110	8,155,554	99.30%	56,447	8,212,001	99.99%
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%	98,210	8,220,188	99.97%
2012	8,300,538	8,207,634	98.88%	90,305	8,297,939	99.97%
2013	8,453,267	8,425,528	99.67%	24,399	8,449,927	99.96%
2014	8,663,332	8,630,897	99.63%	22,326	8,653,223	99.88%
2015	9,187,621	9,160,871	99.71%	9,768	9,170,639	99.82%
2016	9,594,646	9,568,054	99.72%	8,167	9,576,221	99.81%
2017	10,467,690	10,432,195	99.66%	3,953	10,436,148	99.70%
2018	10,503,022	10,472,993	99.71%	-	10,472,993	99.71%

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
2009	1.00%	0.25%	0.50%	0.25%
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%

Source: City of Corinth Finance department

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

	2009	2010	2011	2012
Construction	1,292,850	311,261	942,329	2,146,600
Manufacturing	2,753,171	923,369	738,294	484,720
Utilities	84,365,709	90,520,993	90,939,863	82,316,673
Wholesale Trade	2,603,344	3,213,997	4,319,250	2,532,277
Retail Trade	19,620,574	20,762,549	22,852,835	26,103,441
Services	4,527,386	4,879,098	5,710,772	6,865,632
Other	18,906,284	19,772,152	21,602,742	23,290,303
Total	134,069,318	140,383,419	147,106,085	143,739,646
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note:

Sales tax for 2018 reports first two quarters only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

TABLE D-12

2013	2014	2015	2016	2017	2018
2,781,669	2,318,987	4,309,632	4,700,702	3,994,986	2,089,398
442,231	626,667	481,999	753,527	614,605	456,463
92,911,304	109,928,880	110,581,672	104,636,898	115,420,823	59,574,743
3,100,915	3,088,654	7,617,017	7,302,049	10,649,928	4,035,360
26,504,414	27,888,328	29,287,734	30,504,049	33,210,828	16,342,574
6,730,599	7,243,623	7,228,816	7,686,622	7,466,146	4,210,238
24,190,424	24,648,881	25,034,737	25,575,315	27,498,369	16,008,710
156,661,556	175,744,020	184,541,607	181,159,162	198,855,685	102,717,486
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	
2009	10,978,150	8,473,000	19,451,150	1.43%	983	23,314	
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	

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					
2009	2,176,850	13,327,000	15,503,850		23,314	35,001,628	1,769	4.78%
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	1,549	3.86%

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
2009	13,155,000	21,800,000	34,955,000	2.51%	1,766
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

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2009	2010	2011	2012
Debt Limit	\$ 142,209,231	\$ 138,701,335	\$ 139,050,693	\$ 139,178,661
Total Net Debt Applicable to Limit	<u>34,200,916</u>	<u>30,682,714</u>	<u>28,552,904</u>	<u>28,999,184</u>
Legal Debt Margin	<u>\$ 108,008,315</u>	<u>\$ 108,018,621</u>	<u>\$ 110,497,789</u>	<u>\$ 110,179,477</u>
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	24.05%	22.12%	20.53%	20.84%

Source: City of Corinth Finance department

TABLE D-15

2013	2014	2015	2016	2017	2018
\$ 139,721,850	\$ 143,078,278	\$ 165,239,578	\$ 163,852,059	\$ 179,938,315	\$ 195,265,479
26,529,182	24,636,963	22,180,581	32,782,746	33,639,319	31,435,810
\$ 113,192,668	\$ 118,441,315	\$ 143,058,997	\$ 131,069,313	\$ 146,298,996	\$ 163,829,669
18.99%	17.22%	13.42%	20.01%	18.69%	16.10%

Assessed Value	\$ 1,952,654,794
Debt Limit (10% of Assessed Value)	195,265,479
Debt Applicable to Limit:	
Total Debt Outstanding	31,735,004
Less: Amount Set Aside for Repayment of Debt	<u>299,194</u>
Total Net Debt applicable to Limit	<u>31,435,810</u>
Legal Debt Margin	<u><u>\$ 163,829,669</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.	\$ 612,630,000	2.16%	\$ 13,232,808
Denton ISD	1,167,039,104	6.42%	\$ 74,923,910
Lake Dallas ISD	77,342,787	44.45%	\$ 34,378,869
Subtotal, Overlapping Debt			122,535,587
City Direct Debt (2)			<u>25,815,298</u>
Total Direct and Overlapping Debt			<u>\$ 148,350,885</u>
Total Direct and Overlapping Debt % of AV			7.14%
Total Direct and Overlapping Debt per Capita			\$ 7,293

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population [1]	19,788	19,935	20,177	20,424	20,597	20,824	20,957	21,078	21,269	21,320
Median Household Income [2]	95,696	96,653	99,127	101,176	104,211	106,877	109,543	112,169	114,412	117,180
Per Capita Personal Income	36,987	37,097	37,135	35,388	36,450	37,411	38,372	39,357	40,144	40,683
Median Age	32	32	33	36	36	36	36	36	36	36
Education Level [3]										
School Enrollment	N/A	3,465	3,338	3,533	3,398	3,490	3,582	3,408	3,514	3,547
High school graduate or higher	96%	96%	96%	96%	97%	97%	97%	97%	96%	96%
Bachelor's degree or higher	40%	42%	42%	43%	40%	42%	42%	40%	40%	40%
Unemployment [4]	7.10%	7.10%	6.60%	5.70%	5.30%	4.40%	4.40%	3.80%	3.10%	2.90%

[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

	2018			2009		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
CoServ	500	1	7.05%	325	2	7.49%
North Central Texas College	340	2	4.79%	205	3	4.73%
Lake Dallas ISD	210	3	2.96%			
Denton ISD	173	4	2.44%			
City of Corinth	160	5	2.26%	160	4	3.69%
Bill Utter Ford	150	6	2.12%	110	7	2.54%
Denton Area Teachers Credit Union	116	7	1.64%			
Oakmont Country Club	108	8	1.52%			
Albertsons	100	9	1.41%	108	6	2.49%
Gunn Nissan	76	10	1.07%			
Labinal				713	1	16.44%
Grande Communications				100	5	2.31%
Harley Davidson				50	8	1.15%
Total	1,933		27.26%	1,771		40.84%

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
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	1.00	-	-	-	-	-	-
Police	31.00	28.00	28.00	28.00	31.00	32.00	33.00	34.00	35.00	35.00
Animal Control	1.50	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	41.00	40.00	40.00	41.00	41.00	41.00	44.00	53.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
Community Development	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00
Planning	5.00	4.00	4.00	3.00	4.00	5.00	5.00	5.00	5.00	6.00
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Municipal Court	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00
Parks & Recreation	18.30	17.80	17.80	17.50	17.50	16.00	16.00	14.00	9.00	11.00
Finance	7.00	6.50	6.50	6.50	6.50	7.50	7.50	7.50	7.50	6.50
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Information Services	2.00	2.50	2.50	3.00	3.00	4.00	4.00	5.00	5.00	5.00
Water/Wastewater Fund										
Water/Wastewater	23.00	21.00	21.00	21.00	21.00	21.00	22.00	22.00	19.00	19.00
Engineering	-	-	-	-	-	-	-	-	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	2.00	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	3.00	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
Court Security Fund	-	-	-	-	-	-	0.50	0.50	-	-
Total	164.80	158.64	158.64	156.84	159.00	162.50	163.00	163.00	162.00	174.00

Code Enforcement was combined with Community Development starting in 2009.

Source: City of Corinth Adopted Budget.

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

TABLE D-20

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
New Single Family Home Building Permits	20	25	32	18	18	23	47	53	63	75
New Commercial Building Permits	2	2	2	2	-	4	5	7	13	4
Police										
Physical Arrests	531	516	410	349	316	304	329	426	513	458
Parking Violations	41	20	38	14	3	7	22	-	-	-
Traffic Violations	5,978	6,046	5,544	5,787	7,021	7,436	7,196	6,013	6,573	7,158
Fire										
Emergency Responses	2,198	2,422	2,600	2,655	2,889	3,164	3,372	3,475	3,237	3,246
Structure Fires Extinguished	55	56	66	49	36	21	18	37	26	34
Inspections	313	376	395	180	621	434	204	403	403	490
Other Public Works										
Street Resurfacing (miles)	<1	2.5	2.7	1.5	<1	<1	<1	<1	<1	<1
Potholes Repaired	1,110	637	1,160	2,948	120	77	244	126	96	226
Parks and Recreation										
Classes offered (hours)	1,424	894	454	273	286	437	310	72	68	60
Participants	7,162	4,420	4,105	1,936	2,225	3,822	6,609	320	224	208
Special events (hours)	963	1,351	4,484	1,054	2,381	3,432	2,699	3,530	3,378	3,773
Class Participants	22,065	31,409	39,567	8,312	4,714	5,185	2,394	3,375	3,209	3,315
Association Participants	83,010	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	7,095	5,327	4,243	7,610	8,088	4,862	2,510	-	-	-
Water										
New Connections	15	35	50	18	19	26	56	44	105	125
Water Main Breaks	26	9	8	3	13	9	8	6	5	7
Average Daily Consumption (millions of gallons billed)	2.60	2.24	3.77	4.24	3.66	3.16	3.54	2.56	2.51	2.69
Peak Demand (millions of gallons pumped)	6.24	6.36	7.99	7.32	6.08	6.01	6.71	6.84	5.79	7.81
Wastewater										
New Connections	16	35	43	18	19	23	51	35	92	116
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.05	1.20	1.02	1.10	1.08	1.06	1.19	1.40	1.24	1.27
City of Denton (estimate)	0.84	0.92	0.30	1.78	0.25	0.29	0.20	0.25	0.78	0.26

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	2	3
Other Public Works										
Streets (miles) [1]	110.00	110.50	110.50	88.99	88.99	88.99	88.99	88.99	92.37	92.43
Highways (miles) [2]	3.10	3.10	3.10	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	2	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	8	9	9	9	9	9
Soccer/Football Fields	6	6	6	6	8	8	8	8	8	8
Recreation Centers [4]	2	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	6,719	6,766	6,780	6,809	6,810	6,831	6,977	7,016	7,113	7,203
Water Mains (miles)	105.47	106.14	108.06	110.40	110.63	111.77	112.70	113.48	115	118
Fire Hydrants	774	785	787	810	822	826	836	855	883	896
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	6.00	6.00	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	6,452	6,433	6,512	6,537	6,536	6,573	6,705	6,736	6,818	6,903
Sanitary Sewers (miles)	96.21	96.38	97.64	97.88	98.33	98.09	98.30	98.99	102.19	102.34
Storm Sewers (miles)	33.46	35.30	36.85	38.37	38.73	38.71	39.80	40.59	41.49	41.66
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: 02/21/2019

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 2018-2019 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 individual 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

First Quarter Investment Report

CITY OF CORINTH
QUARTERLY INVESTMENT REPORT
For Quarter Ending December 2018

Security Type	% of Mkt to Book	Par Value	Book Value	Market Value
U. S. Federal Agency-Coupon	99.59%	\$ 5,427,910	\$ 5,413,571	\$ 5,391,464
U.S. Federal Agency -Callable	99.59%	5,900,000	5,894,149	5,869,967
Managed Pools	100.00%	4,621,153	4,621,153	4,621,153
Money Market	100.00%	293,151	293,151	293,151
Bank Cash	100.00%	10,385,563	10,385,563	10,385,563
	<u>99.83%</u>	<u>\$ 26,627,777</u>	<u>\$ 26,607,586</u>	<u>\$ 26,561,298</u>

PORTFOLIO SUMMARY REPORT

Ending Par Value as of 9/31/2018	\$ 23,387,085
Ending Book Value as of 9/31/2018	\$ 23,384,213
Ending Market Value as of 9/31/2018	\$ 23,286,721
WAM at Ending Date (Days)	183
Ending Par Value as of 12/31/2018	\$ 26,627,777
Ending Book Value as of 12/31/2018	\$ 26,607,586
Ending Market Value as of 12/31/2018	\$ 26,561,298
WAM at Ending Date (Days)	151
Change to Market Value ⁽¹⁾	\$ 3,274,577

⁽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 2018

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 9/31/2018	\$	12,694,000
Ending Market Value as of 9/31/2018	\$	12,640,309
WAM at Beginning Date (Days)		164
Ending Book Value as of 12/31/2018	\$	15,389,158
Ending Market Value as of 12/31/2018	\$	15,363,822
Unrealized Gain/(Loss)	\$	(25,336)
Change to Market Value	\$	2,723,513 ⁽¹⁾
WAM at Ending Date (Days)		167
WAM Policy Benchmark ≤		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 9/31/2018	\$	291,914
Ending Market Value as of 9/31/2018	\$	291,914
WAM at Beginning Date (Days)		1
Ending Book Value as of 12/31/2018	\$	293,151
Ending Market Value as of 12/31/2018	\$	293,151
Unrealized Gain/(Loss)	\$	-
Change to Market Value	\$	1,237 ⁽²⁾
WAM at Ending Date (Days)		1
WAM Policy Benchmark ≤		365

⁽²⁾ There is no significant Change to Market Value. The bank cash account balance for the Debt Service fund is \$2,283,780. These funds are not invested because they will be used to pay the City's debt service payment in February.

Investment Strategies Compliance Report
For Quarter Ending December 2018

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 9/31/2018	\$	8,648,992
Ending Market Value as of 9/31/2018	\$	8,606,576
WAM at Beginning Date (Days)		255
Ending Book Value as of 12/31/2018	\$	9,664,114
Ending Market Value as of 12/31/2018	\$	9,643,401
Unrealized Gain/(Loss)	\$	(20,714)
Change to Market Value (1)	\$	1,036,825
WAM at Ending Date (Days)		130
WAM Policy Benchmark \leq		365

(1) The net increase in the Change to Market Value is due to the budget transfer of operating funds for capital projects. As part of the adopted budget, \$400,000 was transferred from the Water Impact Fee Fund to the bond fund for construction of the elevated storage tank. Operating funds were also transferred for the Lynchburg Creek Watershed Project grant match to the capital project fund, \$600,000 was transferred from General Fund and \$400,000 was transferred from the Drainage Fund.

SPECIAL REVENUE FUNDS

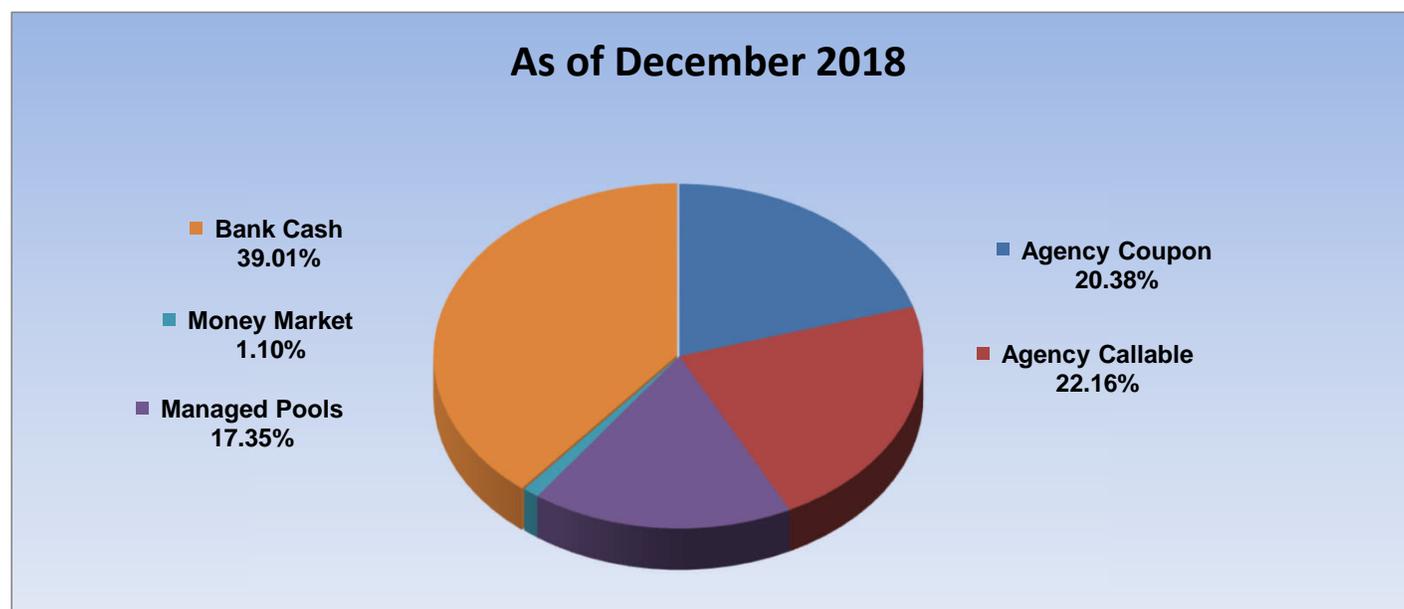
Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility 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 9/31/2018	\$	1,683,988
Ending Market Value as of 9/31/2018	\$	1,683,838
WAM at Beginning Date (Days)		159
Ending Book Value as of 12/31/2018	\$	1,261,163
Ending Market Value as of 12/31/2018	\$	1,260,924
Unrealized Gain/(Loss)	\$	(239)
Change to Market Value (2)	\$	(422,914)
WAM at Ending Date (Days)		152
WAM Policy Benchmark \leq		270

(2) The net decrease in the Change to Market Value is due to the budgeted transfer of \$400,000 from the Water Impact Fee Fund to the bond funds for construction of the elevated storage tank.

For Quarter Ending December 2018
Portfolio Summary By Market Sector

Market Sector	Oct-18	Nov-18	Dec-18
U.S. Federal Agency -Coupon	\$ 7,169,910	\$ 6,022,910	5,427,910
U.S. Federal Agency-Callable	6,400,000	6,400,000	5,900,000
Managed Pools	2,110,013	2,614,056	4,621,153
Money Market	292,162	292,902	293,151
Bank Cash	7,194,558	7,731,617	10,385,563
Total Par Value:	\$ 23,166,643	\$ 23,061,485	\$ 26,627,777



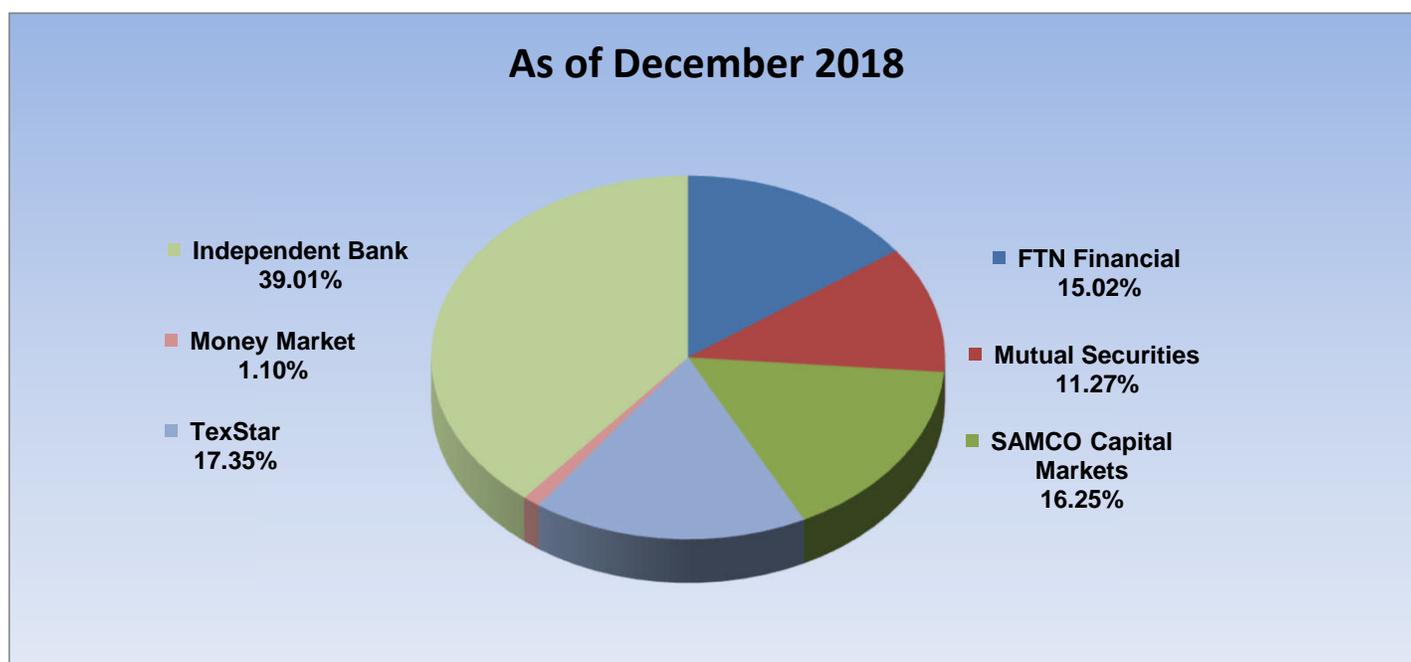
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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-18	Nov-18	Dec-18
Average Yield to Maturity		1.454%	1.442%	1.560%
≥ Policy Benchmark-(Six Month T-Bill)		2.445%	2.514%	2.529%
Callable Securities ≤	30.00%	27.63%	27.75%	22.16%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	58.57%	53.86%	42.54%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	50.00%	9.11%	11.34%	17.35%
Money Market	50.00%	1.26%	1.27%	1.10%
Cash	100.00%	31.06%	33.53%	39.01%

Note: The callable securities are below the benchmark for the quarter. The portfolio's Average Yield to Maturity is below the policy benchmark for this quarter. Liquidity is at 57%.

For Quarter Ending December 2018
Portfolio Summary By Broker/Dealer

	Oct-18	Nov-18	Dec-18
Broker/Dealer			
FTN Financial	\$ 3,900,000	\$ 3,900,000	\$ 4,000,000
Mutual Securities	4,000,000	3,000,000	3,000,000
SAMCO Capital Markets	5,669,910	5,522,910	4,327,910
Total Broker/Dealer	\$ 13,569,910	\$ 12,422,910	\$ 11,327,910
Managed Pools/ Depository Bank			
TexStar	\$ 2,110,013	\$ 2,614,056	\$ 4,621,153
Money Market	292,162	292,902	293,151
Independent Bank	7,194,558	7,731,617	10,385,563
Total Managed Pools/Depository Bank	\$ 9,596,733	\$ 10,638,575	\$ 15,299,867
Total Par Value:	\$ 23,166,643	\$ 23,061,485	\$ 26,627,777

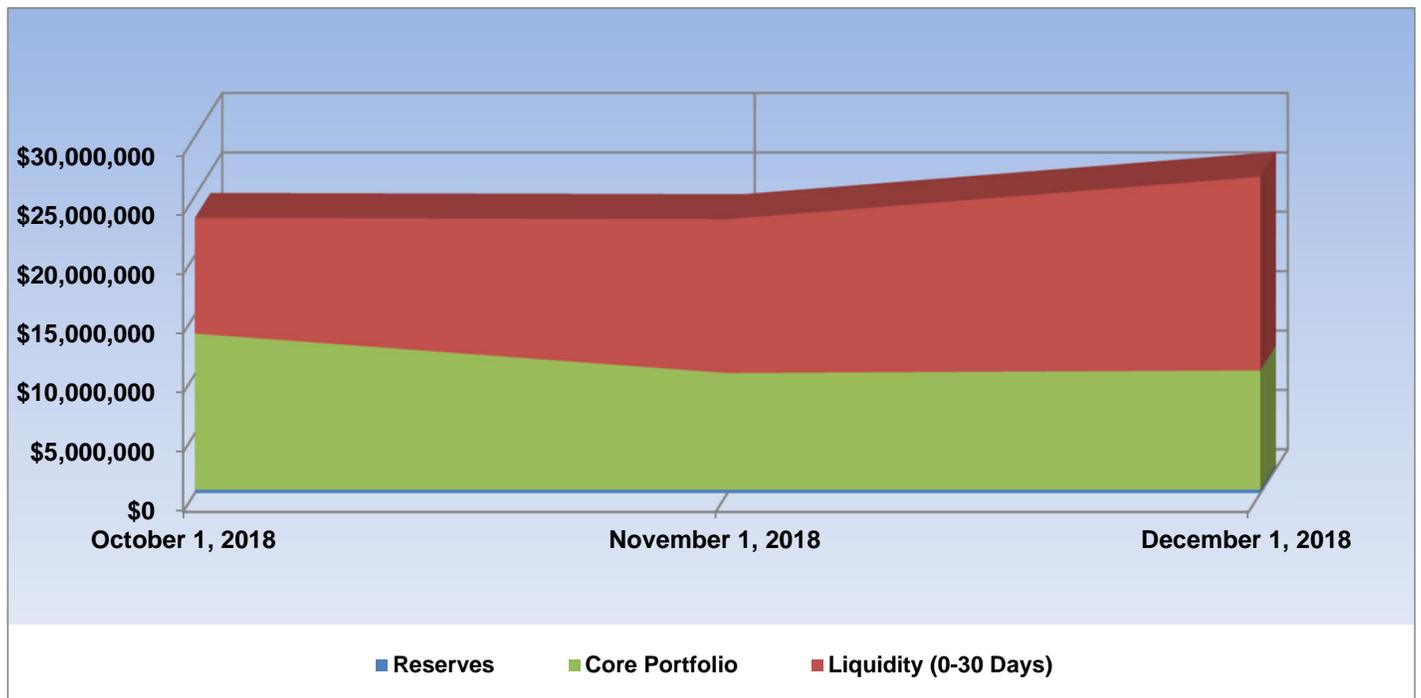


To guard against default possibilities, and to promote diversification of bidders, business with any one issuer, or investment broker, is limited to forty (40%) percent of the total portfolio at any point in time. As shown in the table below, the portfolio adhered to this provision throughout the quarter.

Performance Indicators	Policy Benchmark	Oct-18	Nov-18	Dec-18
Highest Broker Percent ≤	40.00%	24.47%	23.95%	16.25%

For Quarter Ending December 2018
Portfolio Summary By Maturity

Maturity Time Frame	Oct-18	Nov-18	Dec-18
0-30 Days	\$ 9,743,733	\$ 12,958,575	\$ 16,299,867
31-90 Days	2,320,000	4,150,000	3,150,000
91-180 Days	4,150,000	-	-
181-270 Days	-	250,000	750,000
271-360 Days	750,000	500,000	-
361-450 Days	1,000,000	2,500,000	3,000,000
451-540 Days	3,202,910	702,910	202,910
541 & Over	2,000,000	2,000,000	3,225,000
	\$ 23,166,643	\$ 23,061,485	\$ 26,627,777



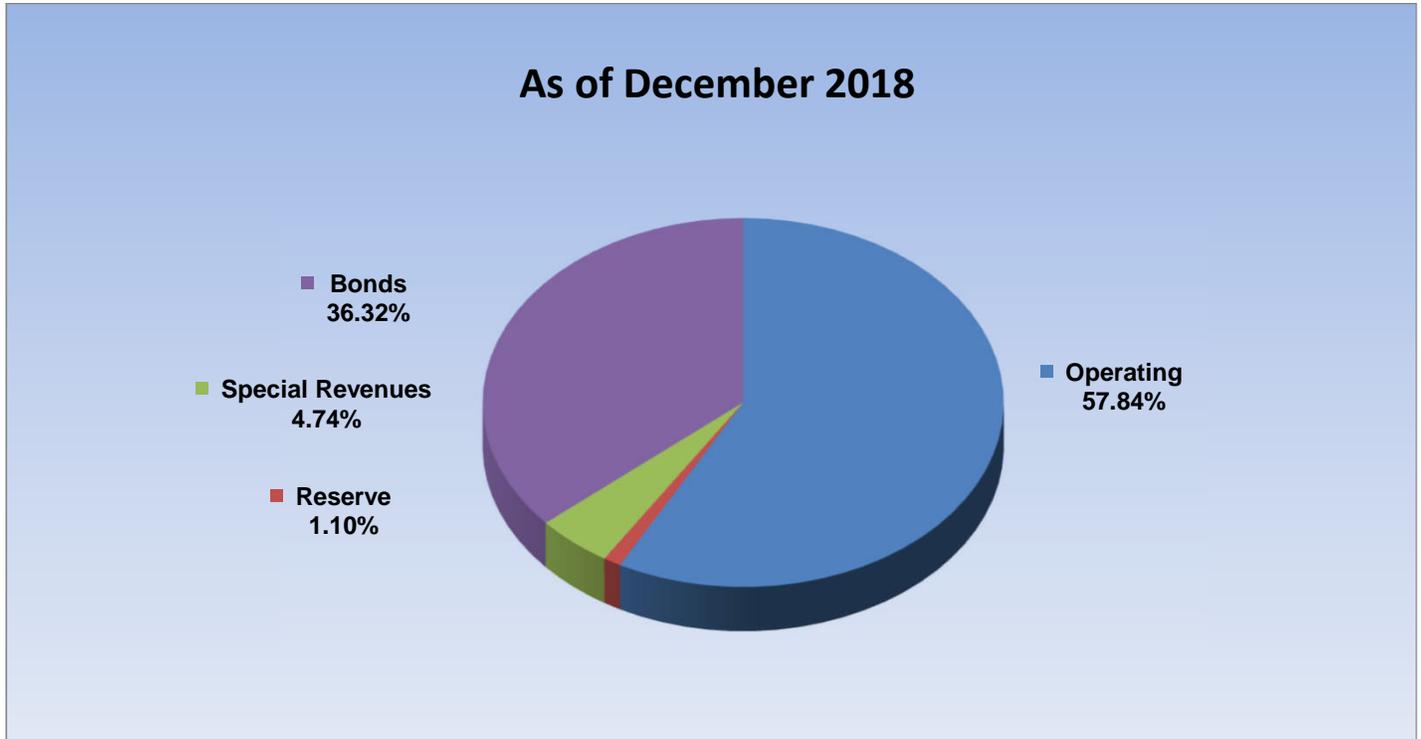
The risk of market price volatility is minimized through maturity diversification. The maturities on our investments are staggered over a series of three-month increments to provide cash flow based on the anticipated needs of the City. Liquidity is achieved by matching investment maturities with forecasted 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-18	Nov-18	Dec-18
Weighted Avg. Maturity ≤	365 Days	181	146	151
Maturities ≤ 30 days ≥	5.00%	42.06%	56.19%	61.21%

Note: The portfolio is below the benchmark for Weighted Average Maturity (WAM) and liquidity is 61% .

For Quarter Ending December 2018
Portfolio Summary By Fund Type

Fund Type	Oct-18	Nov-18	Dec-18
Operating	\$ 11,160,025	\$ 10,744,737	\$ 15,403,417
Debt Service Reserve	292,162	292,902	293,151
Special Revenues	1,357,741	1,372,185	1,261,034
Bond / Capital Projects	10,356,716	10,651,661	9,670,175
	\$ 23,166,643	\$ 23,061,485	\$ 26,627,777



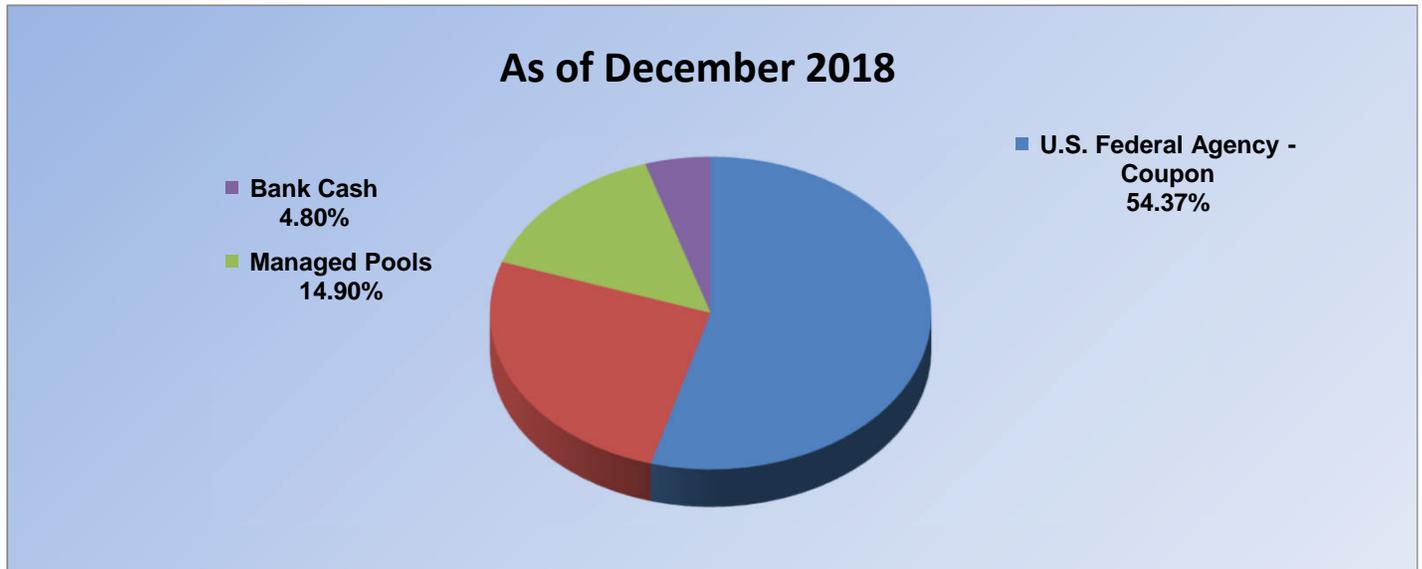
As shown in the graph above, the investments in the portfolio are distributed by fund type. Preservation and safety of principal of these investments is the most important strategy. All investments shall be high quality securities with no perceived default risk. Market fluctuations will occur; however,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

Performance Indicators	Policy Benchmark	Oct-18	Nov-18	Dec-18
WAM by Fund ≤				
Operating	270 Days	226	178	167
Debt Service Reserve	365 Days	1	1	1
Special Revenues	270 Days	25	13	152
Bond /Capital Projects	365 Days	157	136	130

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

For Quarter Ending December 2018
Corinth Economic Development Corporation
Portfolio Summary

Market Sector	Oct-18	Nov-18	Dec-18
U.S. Federal Agency -Coupon	\$ 3,097,090	\$ 2,597,090	\$ 2,097,090
U.S. Federal Agency -Callable	-	-	1,000,000
Managed Pools	422,640	573,542	574,656
Bank Cash	373,161	299,684	185,267
Total Par Value:	\$ 3,892,891	\$ 3,470,316	\$ 3,857,013



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-18	Nov-18	Dec-18
Average Yield to Maturity		1.491%	17.420%	2.239%
≥ Policy Benchmark-(Six Month T-Bill)		2.445%	2.514%	2.529%
Callable Securities ≤	30.00%	0.00%	0.00%	25.93%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	79.55%	74.83%	80.30%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	100.00%	10.86%	16.53%	14.90%
Money Market	100.00%	0.00%	0.00%	0.00%
Cash	100.00%	9.59%	8.64%	4.80%
Weighted Avg. Maturity ≤	270 Days	121	240	205
Maturities ≤ 30 days ≥	5.00%	20.44%	25.16%	19.70%

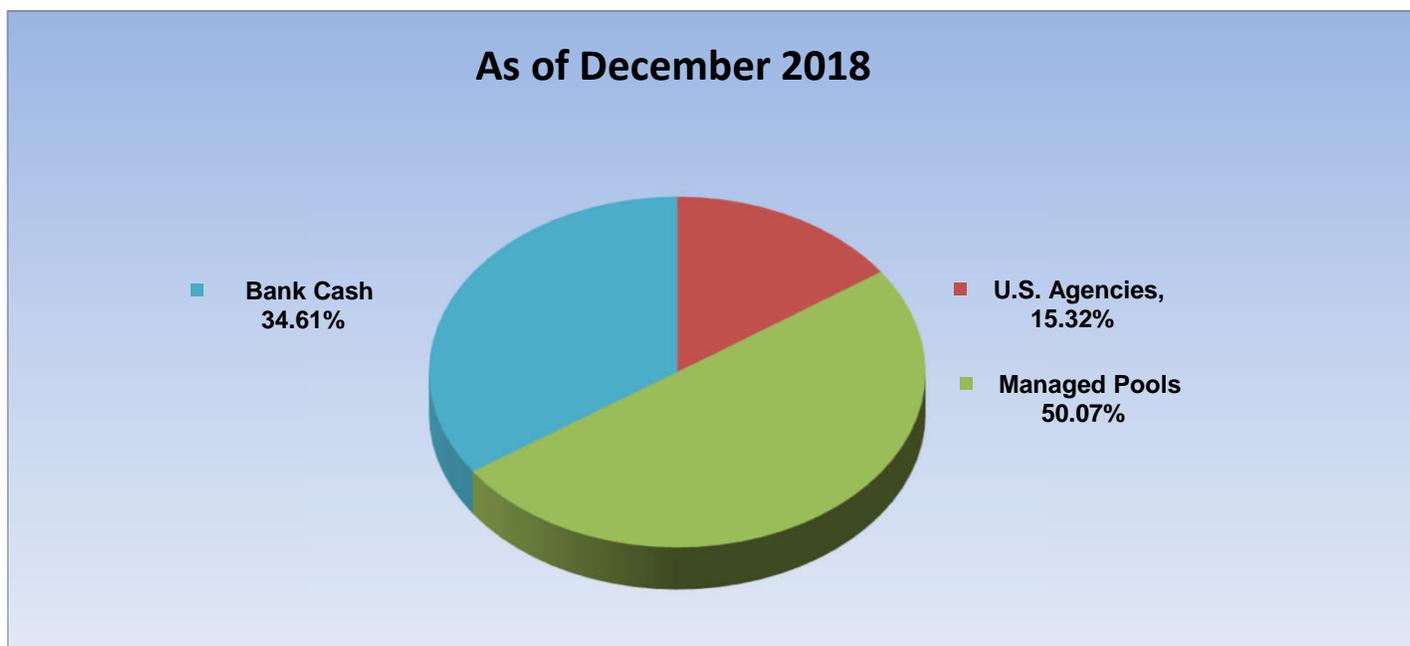
Note: The liquidity is 20%. The portfolio's Average Yield to Maturity is slightly below the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is slightly above the benchmark for the quarter.

For Quarter Ending December 2018

Street Maintenance Sales Tax

Portfolio Summary

Market Sector	Oct-18	Nov-18	Dec-18
U.S. Federal Agency -Callable	\$ 700,000	\$ -	\$ -
U.S. Federal Agency -Coupon	-	200,000	200,000
Managed Pools	151,787	652,784	653,778
Bank Cash	377,841	415,698	451,916
Total Par Value:	\$ 1,229,628	\$ 1,268,483	\$ 1,305,694



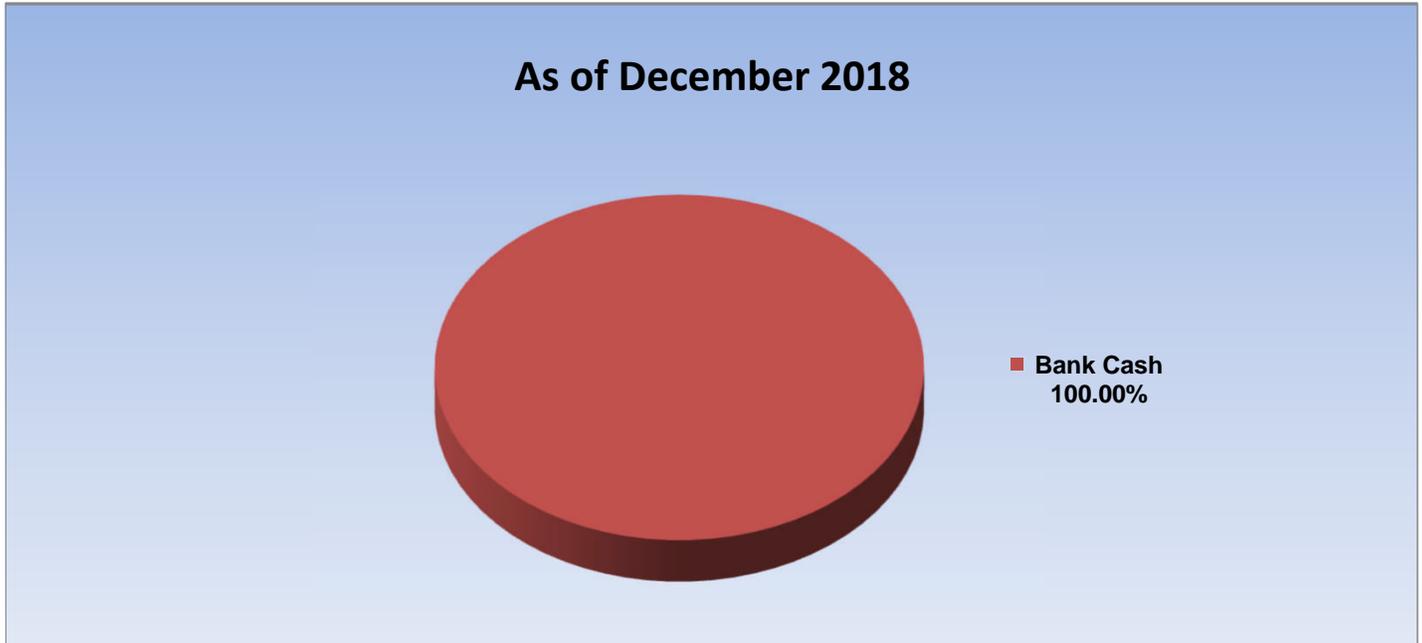
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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-18	Nov-18	Dec-18
Average Yield to Maturity		1.315%	1.677%	1.703%
≥ Policy Benchmark-(Six Month T-Bill)		2.445%	2.514%	2.529%
Callable Securities ≤	30.00%	56.93%	0.00%	0.00%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	56.93%	15.76%	15.32%
Managed Pools	100.00%	12.34%	51.47%	50.07%
Money Market	100.00%	0.00%	0.00%	0.00%
Bank Cash	100.00%	30.73%	32.77%	34.61%
Weighted Avg. Maturity ≤	270 Days	38	22	116

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 2018
Corinth Crime Control & Prevention District
Portfolio Summary

Market Sector	Oct-18	Nov-18	Dec-18
U.S. Federal Agency -Coupon	\$ -	\$ -	\$ -
Bank Cash	406,585	413,258	419,871
Total Par Value:	\$ 406,585	\$ 413,258	\$ 419,871



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-18	Nov-18	Dec-18
Average Yield to Maturity		1.000%	1.000%	1.000%
≥ Policy Benchmark-(Six Month T-Bill)		2.445%	2.514%	2.529%
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.



**City of Corinth portfolio
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2018 - December 31, 2018**

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: Pooled Cash									
10012	NTHSTR	00	10/01/2017	10,764.47	7,919,114.07	3,494,903.11	5,584,157.38	-2,089,254.27	5,829,859.80
SYS10012	5,829,859.80	1.000	/ /	0.00	7,919,114.07	3,494,903.11	5,584,157.38	-2,089,254.27	5,829,859.80
Sub Totals For: Fund: Pooled Cash				10,764.47	7,919,114.07	3,494,903.11	5,584,157.38	-2,089,254.27	5,829,859.80
				0.00	7,919,114.07	3,494,903.11	5,584,157.38	-2,089,254.27	5,829,859.80
Fund: Pooled Cash- Crime C									
10323	NTHSTR	00A	10/01/2017	1,018.43	391,476.93	28,394.32	0.00	28,394.32	419,871.25
SYS10322	419,871.25	1.000	/ /	0.00	391,476.93	28,394.32	0.00	28,394.32	419,871.25
Sub Totals For: Fund: Pooled Cash- Crime C				1,018.43	391,476.93	28,394.32	0.00	28,394.32	419,871.25
				0.00	391,476.93	28,394.32	0.00	28,394.32	419,871.25
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2017	86.31	303,201.44	69,959.45	187,893.66	-117,934.21	185,267.23
SYS10021	185,267.23	1.000	/ /	0.00	303,201.44	69,959.45	187,893.66	-117,934.21	185,267.23
Sub Totals For: Fund: Pooled Cash-Eco Dev				86.31	303,201.44	69,959.45	187,893.66	-117,934.21	185,267.23
				0.00	303,201.44	69,959.45	187,893.66	-117,934.21	185,267.23
Fund: Pooled Cash - Street									
10401	NTHSTR	00C	10/01/2017	958.29	343,456.48	108,459.55	0.00	108,459.55	451,916.03
SYS10042	451,916.03	1.000	/ /	0.00	343,456.48	108,459.55	0.00	108,459.55	451,916.03
Sub Totals For: Fund: Pooled Cash - Street				958.29	343,456.48	108,459.55	0.00	108,459.55	451,916.03
				0.00	343,456.48	108,459.55	0.00	108,459.55	451,916.03

Fund: Capital Project Ban

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10630	NTHSTR	00D	10/01/2018	10,327.33	0.00	8,298,353.06	651,822.86	3,644,669.35	3,644,669.35
SYS10630	3,644,669.35	1.000	/ /	0.00	0.00	8,298,353.06	651,822.86	3,644,669.35	3,644,669.35
Sub Totals For: Fund: Capital Project Ban				10,327.33	0.00	8,298,353.06	651,822.86	3,644,669.35	3,644,669.35
				0.00	0.00	8,298,353.06	651,822.86	3,644,669.35	3,644,669.35
Fund: Special Revenue Bank									
10631	NTHSTR	00E	10/01/2018	2,175.70	0.00	1,768,774.86	0.00	911,034.12	911,034.12
SYS10631	911,034.12	1.000	/ /	0.00	0.00	1,768,774.86	0.00	911,034.12	911,034.12
Sub Totals For: Fund: Special Revenue Bank				2,175.70	0.00	1,768,774.86	0.00	911,034.12	911,034.12
				0.00	0.00	1,768,774.86	0.00	911,034.12	911,034.12
Fund: General Fund									
10607	FFCB	100	02/28/2018	3,105.00	598,536.58	0.00	0.00	162.01	598,698.59
3133EH5G4	600,000.00	2.181	01/04/2021	0.00	587,700.00	0.00	0.00	6,420.00	594,120.00
10140	TXSTAR	100	10/01/2017	6,369.52	505,875.27	1,675,017.66	0.00	1,675,017.66	2,180,892.93
SYS10140	2,180,892.93	2.306	/ /	5,017.66	0.00	1,675,017.66	0.00	0.00	0.00
10327	NTHSTR	100	10/01/2017	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
10574	FNMA	100	03/20/2017	250.10	146,995.32	0.00	147,000.00	-146,995.32	0.00
3136G2H91	0.00	0.000	11/20/2018	918.75	146,794.20	0.00	147,000.00	-146,794.20	0.00
10556	FNMA	100	08/05/2016	378.96	150,085.89	0.00	150,000.00	-150,085.89	0.00
3136G16Y0	0.00	0.000	12/26/2018	802.50	149,580.00	0.00	150,000.00	-149,580.00	0.00
10599	FAMC	100	01/17/2018	3,277.78	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3132X0E72	0.00	0.000	01/17/2020	7,388.89	991,400.00	0.00	1,000,000.00	-991,400.00	0.00
10601	FHLB	100	01/29/2018	5,050.00	999,223.25	0.00	0.00	146.25	999,369.50
3130ADFP2	1,000,000.00	2.080	01/29/2020	0.00	990,000.00	0.00	0.00	2,900.00	992,900.00

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10600	FHLB	100	01/30/2018	3,768.46	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3130ADDH2	1,000,000.00	2.062	01/30/2020	5,000.00	997,400.00	0.00	0.00	-100.00	997,300.00
10596	FHLB	100	11/29/2017	2,437.50	499,482.08	0.00	0.00	60.22	499,542.30
3130ACTL8	500,000.00	1.999	11/25/2020	4,875.00	490,100.00	0.00	0.00	1,950.00	492,050.00
10633	FFCB	100	12/20/2018	338.93	0.00	707,737.75	0.00	712,363.64	712,363.64
3133EFXB8	725,000.00	2.700	01/28/2021	0.00	0.00	707,737.75	0.00	713,860.38	713,860.38
10635	FHLMC	100	12/28/2018	75.75	0.00	300,000.00	0.00	300,000.00	300,000.00
3134GSK79	300,000.00	3.030	06/28/2021	0.00	0.00	300,000.00	0.00	300,210.00	300,210.00
Sub Totals For: Fund: General Fund				25,052.00	4,900,198.39	2,682,755.41	1,297,000.00	1,390,668.57	6,290,866.96
				24,002.80	4,352,974.20	2,682,755.41	1,297,000.00	-262,533.82	4,090,440.38
Fund: Utility Fund									
10615	FHLB	110	06/30/2018	1,062.56	400,243.11	0.00	400,000.00	-400,243.11	0.00
3130AAHG6	0.00	0.000	12/14/2018	2,387.11	399,512.89	0.00	400,000.00	-399,512.89	0.00
10612	FFCB	110	05/31/2018	932.64	340,000.00	0.00	340,000.00	-340,000.00	0.00
3133EGW35	0.00	0.000	12/20/2018	2,125.00	339,184.00	0.00	340,000.00	-339,184.00	0.00
10557	FNMA	110	08/05/2016	682.12	270,154.60	0.00	270,000.00	-270,154.60	0.00
3136G16Y0	0.00	0.000	12/26/2018	1,444.50	269,244.00	0.00	270,000.00	-269,244.00	0.00
10624	FFCB	110	09/30/2018	1,625.00	501,065.28	0.00	0.00	0.00	501,065.28
3133EG5Q4	500,000.00	1.297	02/01/2019	0.00	499,015.28	0.00	0.00	1,650.00	500,665.28
10018	TXPOOL	110	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10018	0.00	5.271	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10023	FEDER	110	10/01/2017	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	10/01/2017	9,469.57	1,179,683.85	1,008,062.25	0.00	1,008,062.25	2,187,746.10
SYS10211	2,187,746.10	2.306	/ /	8,062.25	1,179,683.85	1,008,062.25	0.00	1,008,062.25	2,187,746.10

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10358	NTHSTR	110	10/01/2017	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				13,771.89	2,691,146.84	1,008,062.25	1,010,000.00	-2,335.46	2,688,811.38
				14,018.86	2,686,640.02	1,008,062.25	1,010,000.00	1,771.36	2,688,411.38
Fund: Drainage Fund									
10558	FNMA	120	08/05/2016	378.96	150,085.89	0.00	150,000.00	-150,085.89	0.00
3136G16Y0	0.00	0.000	12/26/2018	802.50	149,580.00	0.00	150,000.00	-149,580.00	0.00
10610	FNMA	120	04/01/2018	793.75	249,587.18	0.00	0.00	115.38	249,702.56
3136G2XJ1	250,000.00	1.456	08/23/2019	0.00	246,825.00	0.00	0.00	975.00	247,800.00
10302	TXSTAR	120	10/01/2017	839.31	248,957.79	959.94	170,000.00	-169,040.06	79,917.73
SYS10302	79,917.73	2.306	/ /	959.94	248,957.79	959.94	170,000.00	-169,040.06	79,917.73
10332	NTHSTR	120	10/01/2017	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				2,012.02	648,630.86	959.94	320,000.00	-319,010.57	329,620.29
				1,762.44	645,362.79	959.94	320,000.00	-317,645.06	327,717.73
Fund: Economic Development									
10616	FHLB	130	06/30/2018	1,184.03	1,002,215.28	0.00	1,000,000.00	-1,002,215.28	0.00
3130ACR89	0.00	0.000	11/02/2018	4,659.72	1,001,515.28	0.00	1,000,000.00	-1,001,515.28	0.00
10632	FAMC	130	11/30/2018	1,722.22	0.00	1,000,000.00	0.00	1,007,388.89	1,007,388.89
3132X0E72	1,000,000.00	1.999	01/17/2020	0.00	0.00	1,000,000.00	0.00	1,001,188.89	1,001,188.89
10606	FHLMC	130	02/28/2018	2,062.50	497,500.00	0.00	0.00	431.04	497,931.04
3134G35V8	500,000.00	2.003	03/13/2020	0.00	491,750.00	0.00	0.00	2,250.00	494,000.00
10636	FHLMC	130	12/28/2018	126.25	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GSK79	500,000.00	3.030	06/28/2021	0.00	0.00	500,000.00	0.00	500,350.00	500,350.00

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10007	TXPOOL	130	10/01/2017	3,090.46	421,872.10	152,784.09	0.00	152,784.09	574,656.19
SYS10007	574,656.19	2.287	/ /	2,784.09	421,872.10	152,784.09	0.00	152,784.09	574,656.19
10379	NTHSTR	130	10/01/2017	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
10595	FHLB	130	11/06/2017	729.17	500,009.72	0.00	500,000.00	-500,009.72	0.00
3130ACRE6	0.00	0.000	11/06/2018	3,750.00	499,650.00	0.00	500,000.00	-499,650.00	0.00
10583	FHLB	130	08/15/2017	1,038.19	499,879.25	0.00	500,000.00	-499,879.25	0.00
313381EC5	0.00	0.000	12/06/2018	2,875.00	499,150.00	0.00	500,000.00	-499,150.00	0.00
10578	FFCB	130	04/17/2017	990.00	300,000.00	0.00	0.00	0.00	300,000.00
3133EHFK4	300,000.00	1.320	04/17/2019	1,980.00	297,930.00	0.00	0.00	1,170.00	299,100.00
10609	FFCB	130	03/27/2018	1,763.97	297,023.65	0.00	0.00	11.14	297,034.79
3133EJHL6	297,090.00	2.390	03/27/2020	0.00	295,129.21	0.00	0.00	920.98	296,050.19
10634	FHLMC	130	12/28/2018	126.25	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GSK79	500,000.00	3.030	06/28/2021	0.00	0.00	500,000.00	0.00	500,350.00	500,350.00
Sub Totals For: Fund: Economic Development				12,833.04	3,518,500.00	2,152,784.09	2,000,000.00	158,510.91	3,677,010.91
				16,048.81	3,506,996.59	2,152,784.09	2,000,000.00	158,698.68	3,665,695.27
Fund: Street Maintenance S									
10617	FHLB	132	06/30/2018	894.44	500,413.96	0.00	500,000.00	-500,413.96	0.00
313382CU5	0.00	0.000	11/27/2018	2,347.92	499,727.08	0.00	500,000.00	-499,727.08	0.00
10579	FFCB	132	04/17/2017	660.00	200,000.00	0.00	0.00	0.00	200,000.00
3133EHFK4	200,000.00	1.320	04/17/2019	1,320.00	198,620.00	0.00	0.00	780.00	199,400.00
10155	TXSTAR	132	10/01/2017	3,250.18	151,509.25	502,268.43	0.00	502,268.43	653,777.68
SYS10155	653,777.68	2.306	/ /	2,268.43	0.00	502,268.43	0.00	0.00	0.00
10331	NTHSTR	132	10/01/2017	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

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
Sub Totals For: Fund: Street Maintenance S				4,804.62	851,923.21	502,268.43	500,000.00	1,854.47	853,777.68
				5,936.35	698,347.08	502,268.43	500,000.00	-498,947.08	199,400.00
Fund: General Fund Capital									
10613	FFCB	193	05/31/2018	905.21	330,000.00	0.00	330,000.00	-330,000.00	0.00
3133EGW35	0.00	0.000	12/20/2018	2,062.50	329,208.00	0.00	330,000.00	-329,208.00	0.00
10626	FFCB	193	09/30/2018	515.63	150,103.13	0.00	0.00	0.00	150,103.13
3133EHYJ6	150,000.00	1.374	09/12/2019	0.00	148,213.13	0.00	0.00	615.00	148,828.13
10608	FFCB	193	03/27/2018	1,204.78	202,864.69	0.00	0.00	7.60	202,872.29
3133EJHL6	202,910.00	2.390	03/27/2020	0.00	201,570.79	0.00	0.00	629.03	202,199.82
10464	NTHSTR	193	10/01/2017	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
10559	FHLMC	193	08/25/2016	1,250.00	500,000.00	0.00	0.00	0.00	500,000.00
3134G96J1	500,000.00	1.000	02/25/2019	0.00	497,100.00	0.00	0.00	1,650.00	498,750.00
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	1.644	01/27/2020	0.00	246,225.00	0.00	0.00	275.00	246,500.00
Sub Totals For: Fund: General Fund Capital				4,906.87	1,432,967.82	0.00	330,000.00	-329,992.40	1,102,975.42
				2,062.50	1,422,316.92	0.00	330,000.00	-326,038.97	1,096,277.95
Fund: Water/Wastewater Cap									
10621	FFCB	194	08/31/2018	1,600.00	501,011.94	0.00	0.00	18.75	501,030.69
3133EG2S3	500,000.00	1.292	01/03/2019	0.00	499,481.11	0.00	0.00	1,550.00	501,031.11
10627	FFCB	194	09/30/2018	515.63	150,103.13	0.00	0.00	0.00	150,103.13
3133EHYJ6	150,000.00	1.374	09/12/2019	0.00	148,213.13	0.00	0.00	615.00	148,828.13
10465	NTHSTR	194	10/01/2017	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

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
Sub Totals For: Fund: Water/Wastewater Cap				2,115.63	651,115.07	0.00	0.00	18.75	651,133.82
				0.00	647,694.24	0.00	0.00	2,165.00	649,859.24
Fund: General Debt Service									
10017	TXSTAR	200	10/01/2017	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	10/01/2017	737.72	291,913.80	1,236.87	0.00	1,236.87	293,150.67
SYS10328	293,150.67	1.000	/ /	736.87	291,913.80	1,236.87	0.00	1,236.87	293,150.67
Sub Totals For: Fund: General Debt Service				737.72	291,913.80	1,236.87	0.00	1,236.87	293,150.67
				736.87	291,913.80	1,236.87	0.00	1,236.87	293,150.67
Fund: GF Vehicle & Equip									
10462	NTHSTR	300	10/01/2017	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									
10614	FFCB	301	05/31/2018	905.21	330,000.00	0.00	330,000.00	-330,000.00	0.00
3133EGW35	0.00	0.000	12/20/2018	2,062.50	329,208.00	0.00	330,000.00	-329,208.00	0.00
10510	NTHSTR	301	10/01/2017	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				905.21	330,000.00	0.00	330,000.00	-330,000.00	0.00
				2,062.50	329,208.00	0.00	330,000.00	-329,208.00	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	1.649	01/27/2020	0.00	246,225.00	0.00	0.00	275.00	246,500.00

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10463	NTHSTR	310	10/01/2017	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	246,225.00	0.00	0.00	275.00	246,500.00
Fund: Utility Meter Replac									
10511	NTHSTR	311	10/01/2017	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	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10013	0.00	0.209	/ /	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									
10611	FHLB	611	04/20/2018	929.74	350,009.17	0.00	350,000.00	-350,009.17	0.00
3130AAHG6	0.00	0.000	12/14/2018	2,292.50	349,370.00	0.00	350,000.00	-349,370.00	0.00
10625	FNMA	611	09/30/2018	450.00	150,061.45	0.00	0.00	67.38	150,128.83
3136G3AG0	150,000.00	1.379	02/26/2019	0.00	149,315.00	0.00	0.00	435.00	149,750.00
10637	FHLMC	611	12/28/2018	50.50	0.00	200,000.00	0.00	200,000.00	200,000.00
3134GSK79	200,000.00	3.030	06/28/2021	0.00	0.00	200,000.00	0.00	200,140.00	200,140.00
10315	TXSTAR	611	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10315	0.00	0.209	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Wastewater Impact Fe				1,430.24	500,070.62	200,000.00	350,000.00	-149,941.79	350,128.83
				2,292.50	498,685.00	200,000.00	350,000.00	-148,795.00	349,890.00

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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: Roadway Impact Fees									
10301	TXSTAR	630	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10301	0.00	0.209	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Roadway 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: Street Escrow									
10019	TXPOOL	699	10/01/2017	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	10/01/2017	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	10/01/2017	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	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10138	0.00	0.132	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10330	NTHSTR	703	10/01/2017	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									
10065	TXPOOL	704	10/01/2017	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

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10139	TXSTAR	704	10/01/2017	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	10/01/2017	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	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10370	0.00	0.510	/ /	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									
10560	FHLMC	706	08/25/2016	2,500.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134G96J1	1,000,000.00	1.000	02/25/2019	0.00	994,200.00	0.00	0.00	3,300.00	997,500.00
10628	FFCB	706	09/30/2018	687.50	200,137.50	0.00	0.00	0.00	200,137.50
3133EHYJ6	200,000.00	1.374	09/12/2019	0.00	197,617.50	0.00	0.00	820.00	198,437.50
10549	TXSTAR	706	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10549	0.00	1.351	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: 2016 CO General Capi				3,187.50	1,200,137.50	0.00	0.00	0.00	1,200,137.50
				0.00	1,191,817.50	0.00	0.00	4,120.00	1,195,937.50
Fund: 2017 CO General Capi									
10622	FHLB	709	08/31/2018	781.25	250,381.94	0.00	0.00	0.00	250,381.94
3130AAMC9	250,000.00	1.248	01/17/2019	0.00	249,656.94	0.00	0.00	600.00	250,256.94
10618	FHLB	709	07/31/2018	1,264.05	500,000.00	0.00	0.00	0.00	500,000.00
3130A8YM9	500,000.00	1.007	02/28/2019	0.00	497,200.00	0.00	0.00	1,650.00	498,850.00

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10586	TXSTAR	709	10/01/2017	975.76	171,630.08	965.96	0.00	965.96	172,596.04
SYS10586	172,596.04	2.306	/ /	965.96	171,630.08	965.96	0.00	965.96	172,596.04
Sub Totals For: Fund: 2017 CO General Capi				3,021.06	922,012.02	965.96	0.00	965.96	922,977.98
				965.96	918,487.02	965.96	0.00	3,215.96	921,702.98
Fund: Water 2007 CO									
10066	TXPOOL	800	10/01/2017	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	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10135	0.00	0.103	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10333	NTHSTR	800	10/01/2017	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									
10067	TXPOOL	801	10/01/2017	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	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10136	0.00	0.031	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10334	NTHSTR	801	10/01/2017	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	10/01/2017	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

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
10137	TXSTAR	802	10/01/2017	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	10/01/2017	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									
10619	FHLB	803	07/31/2018	632.02	250,000.00	0.00	0.00	0.00	250,000.00
3130A8YM9	250,000.00	1.007	02/28/2019	0.00	248,600.00	0.00	0.00	825.00	249,425.00
10598	FHLMC	803	01/10/2018	2,062.50	497,500.00	0.00	0.00	431.03	497,931.03
3134G35V8	500,000.00	2.003	03/13/2020	0.00	491,750.00	0.00	0.00	2,250.00	494,000.00
10629	FHLMC	803	10/19/2018	1,850.00	0.00	491,305.00	0.00	494,774.94	494,774.94
3134GBXV9	500,000.00	2.884	07/13/2020	0.00	0.00	491,305.00	0.00	495,766.67	495,766.67
10602	FFCB	803	01/16/2018	2,070.00	399,024.39	0.00	0.00	108.00	399,132.39
3133EH5G4	400,000.00	2.182	01/04/2021	0.00	391,800.00	0.00	0.00	4,280.00	396,080.00
Sub Totals For: Fund: 2016 CO WATER				6,614.52	1,146,524.39	491,305.00	0.00	495,313.97	1,641,838.36
				0.00	1,132,150.00	491,305.00	0.00	503,121.67	1,635,271.67
Fund: 2017 CO WATER PROJEC									
10620	FHLB	804	07/31/2018	632.02	250,000.00	0.00	0.00	0.00	250,000.00
3130A8YM9	250,000.00	1.007	02/28/2019	0.00	248,600.00	0.00	0.00	825.00	249,425.00
Sub Totals For: Fund: 2017 CO WATER PROJEC				632.02	250,000.00	0.00	0.00	0.00	250,000.00
				0.00	248,600.00	0.00	0.00	825.00	249,425.00
Fund: 2017 CO WASTEWATER									
10623	FHLB	805	08/31/2018	781.25	250,381.94	0.00	0.00	0.00	250,381.94
3130AAMC9	250,000.00	1.248	01/17/2019	0.00	249,656.94	0.00	0.00	600.00	250,256.94

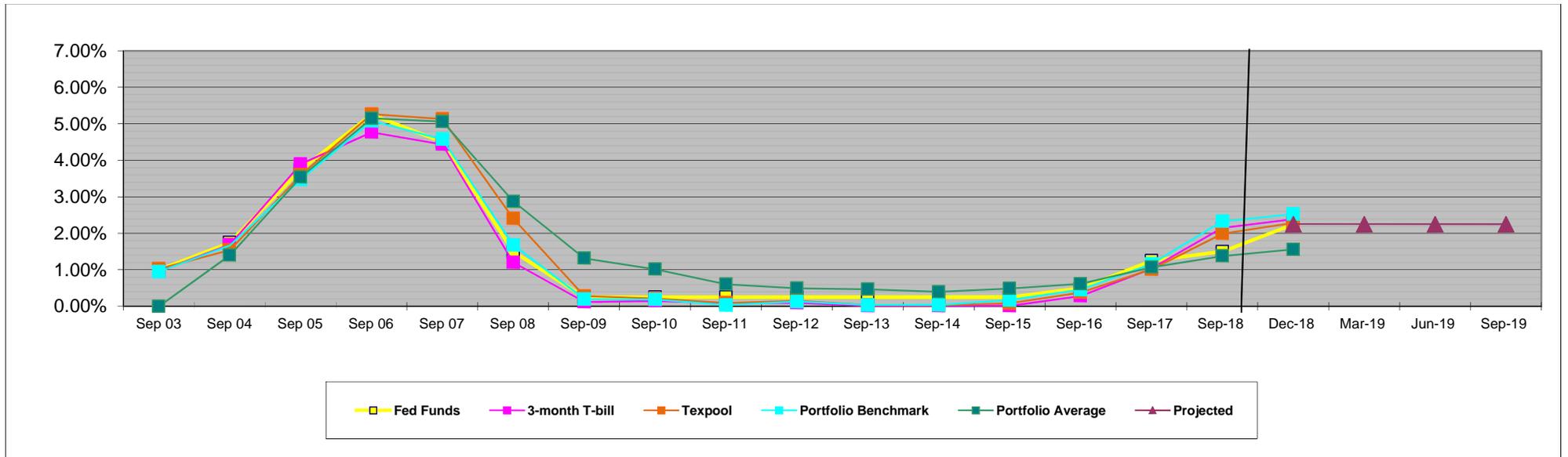
City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2018 - December 31, 2018

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
Sub Totals For: Fund: 2017 CO WASTEWATER				781.25	250,381.94	0.00	0.00	0.00	250,381.94
				0.00	249,656.94	0.00	0.00	600.00	250,256.94
Report Grand Totals:				109,167.37	28,792,771.38	20,809,182.30	12,560,873.90	3,402,658.14	32,195,429.52
				69,889.59	28,024,324.02	20,809,182.30	12,560,873.90	1,278,230.47	29,302,554.49

ECONOMIC SUMMARY

Interest Rate History

Market Sector	Sep 03	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	Fiscal Year 2018-19			
																	Dec-18	Mar-19	Jun-19	Sep-19
Fed Funds	1.00%	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%	2.25%			
3-month T-bill	0.96%	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%	2.39%			
Texpool	1.03%	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%	2.29%			
Portfolio Benchmark	0.95%	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%	2.53%			
Portfolio Average	n/a	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%	1.56%			



The Fed Fund target rate as of December 2018 is a range of 2.25% to 2.50%.

The median fed funds forecast for Q1 2019 is 2.25%. The FOMC is projecting two more rate increases for 2019, one in June and the second in December 2019.

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

PORTFOLIO INTEREST ANALYSIS
Fiscal Year 2017-2018

	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	2.445%	1.454%	\$ 23,166,643	\$ 31,797	2.445%	1.491%	\$ 3,892,891	\$ 4,793	2.445%	1.315%	\$ 1,229,628	\$ 1,310	2.445%	1.000%	406,585	\$ 333
Nov	2.514%	1.442%	23,061,485	27,585	2.514%	1.742%	3,470,613	3,269	2.514%	1.677%	1,268,483	1,714	2.514%	1.000%	413,258	334
Dec	2.529%	1.560%	26,627,777	28,756	2.529%	2.239%	3,857,013	4,865	2.529%	1.703%	1,305,694	1,834	2.529%	1.000%	419,871	351
Avg	2.496%	1.485%	\$ 24,285,302	\$ 29,380	2.496%	1.824%	\$ 3,740,173	\$ 4,309	2.496%	1.565%	\$ 1,267,935	\$ 1,620	2.496%	1.000%	\$ 413,238	\$ 339

