



**** PUBLIC NOTICE ****

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

**Wednesday, February 21, 2018, 3:00 P.M.
City Hall, First Floor
Conference Room - Suite 102
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, 2017 Regular Session. (Lee Ann Bunselmeyer)

BUSINESS AGENDA

2. Consider and act on the September 2017 Monthly Financials. (Jamaine Walker)
3. Accept, hold a discussion and provide staff direction on the Annual External Audit and the Comprehensive Annual Financial Report. (Jamaine Walker)
4. Discuss the Fiscal Year 2016-2017 Trial Balance Comparison. (Jamaine Walker)
5. Consider and act on the Fiscal Year 2017-2018 First Quarter Investment Report. (Lee Ann Bunselmeyer)

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 _____, 2018 at ____ on the bulletin board at Corinth City Hall.

Jamaine Walker, Director of Finance
City of Corinth, Texas

Finance Audit Committee Regular Session

Meeting Date: 02/21/2018
Title: December 13, 2017 Regular Session Minutes
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 minutes from the December 13, 2017 Regular Session. (Lee Ann Bunselmeyer)

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the December 13, 2017 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, 2017 Regular Session minutes.

Attachments

December Minutes

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

On this the 13th day of December 2017 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 3:00 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:

Councilmember Joe Harrison

Councilmembers Absent:

Councilmember Lowell Johnson

Citizen Members Present:

Dick Baker

Citizen Members absent:

Mike Taylor

Staff Committee Members Present:

Bob Hart, City Manager

Lee Ann Bunselmeyer, Director of Finance & Administrative Services

Staff Members Present:

Chris Rodriguez, Financial Services Manager

Jamaine Walker, Comptroller

Kevin Randolph, Auditor with Eide Bailly

CALL TO ORDER

Councilmember Harrison called the meeting to order at 3:00 pm

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Chairman, a Board Member, or a citizen desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

- 1) Consider and act on minutes from the August 16, 2017 Regular Session.
- 2) Review and approve the Investment Policy for City of Corinth for FY 2017-2018.
- 3) Review and approve the Investment Policy for the Economic Development Corporation for FY 2017-2018.
- 4) Review and approve the Investment Policy for the Crime Control & Prevention District for FY 2017-2018.

MOTION made by City Manager Hart to approve the Consent Agenda as presented.

Seconded by Councilmember Harrison.

AYES: Harrison, Hart

NOES: None

MOTION CARRIED

BUSINESS AGENDA

5) Discuss and Provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR).

No Action Taken.

6) Discuss and approve the Fiscal Year 2016-2017 Annual Investment Report.

MOTION made by Councilmember Harrison to approve the FY 2016-2017 Annual Investment Report.
Seconded by City Manager Hart.

AYES: Harrison, Hart

NOES: None

MOTION CARRIED

7) Review and approve the Authorized Broker/Dealer List.

MOTION made by Councilmember Harrison to approve the Authorized Broker/Dealer List.
Seconded by City Manager Hart.

AYES: Harrison, Hart

NOES: None

MOTION CARRIED

8) Discuss the Fiscal Year 2016-2017 Summary of Rebutable Arbitrage.

No Action Taken.

ADJOURN THE REGULAR MEETING

Councilmember Harrison adjourned the Regular Meeting at 3:36 pm.

Finance Audit Committee Regular Session

Meeting Date: 02/21/2018
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 2017 Monthly Financials. (Jamaine Walker)

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. September monthly financials are delayed due to the year-end audit process. These financials are distributed once the audit is complete and the Comprehensive Annual Financial Report (CAFR) is final.

RECOMMENDATION

Staff recommends the acceptance of the monthly financial report.

Attachments

September 2017 Financials



City of Corinth
Monthly Financial Report
For the Period Ended September 30, 2017

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 2017 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) 498-3280.

Section 1

City of Corinth
Monthly Financial Report
September 2017

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 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 7,970,907	\$ 15,839	\$ 7,945,800	\$ (25,107)	99.7%	\$ 7,237,081
Delinquent Tax, Penalties & Interest	59,500	61,744	146,589	87,089	246.4%	37,579
Sales Tax	1,363,603	434,176	1,529,340	165,737	112.2%	1,374,704
Franchise Fees	1,089,738	259,504	1,073,788	(15,950)	98.5%	1,068,911
Utility Fees	12,500	560	31,416	18,916	251.3%	29,761
Traffic Fines & Forfeitures	708,888	55,778	594,119	(114,769)	83.8%	682,805
Development Fees & Permits	465,634	77,488	1,147,711	682,077	246.5%	488,865
Police Fees & Permits	25,500	2,631	26,166	666	102.6%	29,834
Recreation Program Revenue	156,151	5,731	158,463	2,312	101.5%	147,343
Fire Services	2,781,748	468,453	2,741,558	(40,190)	98.6%	2,588,686
Investment Income	30,200	5,294	65,390	35,190	216.5%	40,124
Miscellaneous	74,200	10,221	54,348	(19,852)	73.2%	33,202
Charges for Services	1,201,611	-	1,157,888	(43,723)	96.4%	1,247,533
Transfer In	101,673	-	101,673	-	100.0%	79,995
TOTAL ACTUAL RESOURCES	16,041,853	1,397,418	16,774,250	732,397	104.6%	15,086,425
Use of Fund Balance	-	-	-	-	0.0%	
TOTAL RESOURCES	\$ 16,041,853	\$ 1,397,418	\$ 16,774,250	\$ 732,397	104.6%	\$ 15,086,425
EXPENDITURES						
Wages & Benefits	11,383,701	1,329,526	10,994,826	(388,875)	96.6%	10,871,013
Professional Fees	1,270,632	223,771	1,085,896	(184,736)	85.5%	1,404,867
Maintenance & Operations	634,860	93,804	600,625	(34,235)	94.6%	558,210
Supplies	415,941	84,316	393,916	(22,025)	94.7%	376,875
Utilities & Communications	703,688	85,923	671,181	(32,507)	95.4%	609,756
Vehicles/Equipment & Fuel	366,277	63,035	360,602	(5,675)	98.5%	343,599
Training	100,682	14,163	95,618	(5,064)	95.0%	86,662
Capital Outlay	143,743	41,241	139,145	(4,598)	96.8%	254,271
Charges for Services	204,096	-	204,096	-	100.0%	156,381
Transfer Out	528,774	13,016	528,774	-	100.0%	416,623
TOTAL EXPENDITURES	15,752,394	1,948,796	15,074,679	(677,715)	95.7%	15,078,256
EXCESS/(DEFICIT)	\$ 289,459	\$ (551,378)	\$ 1,699,571	\$ 1,410,112		\$ 8,169

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 2017 revenues are remitted to the City in November 2017. 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.</p>	<p>Transfer Out includes \$247,755 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$30,000 to the General Capital Improvement Fund for the Lake Cities/Little Elm Joint Training Field, \$76,494 to the General Capital Improvement Fund for the Planning & Development Software, \$39,335 to the Tech Replacement Fund for the future purchases of computers, \$17,771 to the Municipal Court Security Fund for a part-time bailiff and \$60,000 to the General Fund Vehicle & Equipment Replacement Fund for the future purchases of vehicles and equipment.</p> <p>Budget includes an amendment for 3 additional firefighters in the amount of \$172,313. Approved by City Council on October 20, 2016, Ordinance #16-10-20-36.</p> <p>Budget includes an amendment for the compensation plan in the amount of \$166,225. Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.</p>



City of Corinth

Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Water Charges	\$ 6,147,169	\$ 641,629	\$ 5,632,605	\$ (514,564)	91.6%	\$ 5,550,352
Wastewater Disposal Charges	4,349,734	367,989	4,335,178	(14,556)	99.7%	4,308,134
Garbage Revenue	728,000	61,799	741,055	13,055	101.8%	735,646
Garbage Sales Tax Revenue	58,740	5,001	59,823	1,083	101.8%	59,377
Water Tap Fees	70,000	14,840	162,201	92,201	231.7%	61,711
Wastewater Tap Fees	50,000	15,730	114,906	64,906	229.8%	49,940
Service/Reconnect & Inspection Fees	53,000	2,670	85,054	32,054	160.5%	71,731
Penalties & Late Charges	160,000	4,317	131,139	(28,861)	82.0%	142,718
Investment Interest	6,300	2,075	14,632	8,332	232.3%	7,363
Credit Card Processing Fees	63,269	5,317	69,402	6,133	109.7%	66,238
Miscellaneous	7,500	125	9,085	1,585	121.1%	6,616
Charges for Services	240,924	-	240,924	-	100.0%	191,569
Transfer In	-	-	-	-	0.0%	375,705
TOTAL ACTUAL RESOURCES	11,934,636	1,121,491	11,596,004	(338,632)	97.2%	11,627,099
Use of Fund Balance	67,668	-	-	(67,668)	0.0%	-
TOTAL RESOURCES	\$ 12,002,304	\$ 1,121,491	\$ 11,596,004	\$ (406,300)	96.6%	\$ 11,627,099
EXPENDITURES						
Wages & Benefits	1,708,138	154,444	1,641,920	(66,218)	96.1%	1,546,454
Professional Fees	2,276,169	236,359	2,272,809	(3,360)	99.9%	2,119,044
Maintenance & Operations	344,204	18,473	306,725	(37,479)	89.1%	384,255
Supplies	67,654	22,484	65,824	(1,830)	97.3%	74,691
Utilities & Communication	5,347,882	497,684	5,289,145	(58,737)	98.9%	5,372,011
Vehicles/Equipment & Fuel	87,558	12,982	87,112	(446)	99.5%	104,960
Training	16,871	669	15,165	(1,706)	89.9%	10,416
Capital Outlay	90,711	4,144	55,849	(34,862)	61.6%	66,623
Debt Service	1,114,970	79,483	1,113,643	(1,327)	99.9%	393,043
Charges for Services	680,676	-	680,676	-	100.0%	710,627
Transfer Out	267,471	-	267,471	-	100.0%	133,494
TOTAL EXPENDITURES	12,002,304	1,026,721	11,796,340	(205,964)	98.3%	10,915,619
EXCESS/(DEFICIT)	\$ -	\$ 94,770	\$ (200,335)	\$ (200,335)		\$ 711,481

KEY TRENDS

Resources	Expenditures
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.	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.
Water and Wastewater Disposal Charges: The FY 2016-17 budget incorporates the third year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.	Debt Service payments are processed in February and August.
	Capital Outlay includes \$50,000 for the Utility Rate Study and \$15,000 to update the Engineering Design Manual.
	Transfer Out includes \$50,000 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, \$50,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$7,798 to the Tech Replacement Fund for the future purchases of computers and \$58,000 to the General Capital Improvement Fund for the Engineering component of the Planning & Development Software.
	Budget includes amendment for the compensation plan in the amount of \$9,668. Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.



City of Corinth

Storm Water Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Storm Water Utility Fee	\$ 685,000	\$ 58,889	\$ 745,108	\$ 60,108	108.8%	\$ 695,050
Investment Interest	1,100	922	6,400	5,300	581.8%	2,720
Miscellaneous	-	-	26,222	26,222	0.0%	8,733
Transfers	-	-	-	-	0.0%	21,115
TOTAL ACTUAL RESOURCES	686,100	59,811	777,730	91,630	113.4%	727,617
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 686,100	\$ 59,811	\$ 777,730	\$ 91,630	113.4%	\$ 727,617
EXPENDITURES						
Wages & Benefits	\$ 161,974	\$ 643	\$ 105,119	\$ (56,855)	64.9%	\$ 118,075
Professional Fees	76,954	8,138	44,752	(32,202)	58.2%	52,518
Maintenance & Operations	19,218	1,713	9,759	(9,459)	50.8%	7,323
Supplies	8,073	4,228	6,936	(1,137)	85.9%	5,600
Utilities & Communication	6,326	611	5,489	(837)	86.8%	6,004
Vehicles/Equipment & Fuel	15,936	661	12,404	(3,532)	77.8%	9,377
Training	2,117	-	1,208	(909)	57.1%	-
Capital Outlay	27,533	-	24,499	(3,034)	89.0%	-
Debt Service	213,824	18,040	213,468	(356)	99.8%	82,555
Charges for Service	71,507	-	71,507	-	100.0%	92,518
Transfer Out	25,250	-	25,250	-	100.0%	25,250
TOTAL EXPENDITURES	628,712	34,034	520,392	(108,320)	82.8%	399,220
EXCESS/(DEFICIT)	\$ 57,388	\$ 25,777	\$ 257,338	\$ 199,950		\$ 328,397

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 \$25,000 annual contribution to the Vehicle Replacement Fund for future purchases of vehicles and equipment and \$250 to the Tech Replacement Fund for the future purchases of computers.

Capital Outlay includes \$45,711 for the replacement of a slope mower.

Budget includes an amendment for the compensation plan in the amount of \$1,314. Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.



City of Corinth

Street Maintenance Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.25%)	\$ 336,898	\$ 107,518	\$ 378,376	\$ 41,478	112.3%	\$ 339,725
Interest	1,000	767	6,788	5,788	678.8%	2,302
Miscellaneous Income	-	2	2	2	0.0%	-
TOTAL ACTUAL RESOURCES	337,898	108,288	385,166	47,268	114.0%	342,027
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 337,898	\$ 108,288	\$ 385,166	\$ 47,268	114.0%	\$ 342,027
EXPENDITURES						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	319,360	115,775	148,327	(171,033)	46.4%	123,697
Capital Outlay	-	-	-	-	0.0%	-
Transfer Out	-	-	-	-	0.0%	-
TOTAL EXPENDITURES	319,360	115,775	148,327	(171,033)	46.4%	123,697
EXCESS/(DEFICIT)	\$ 18,538	\$ (7,488)	\$ 236,839	\$ 218,301		\$ 218,330

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 2017 revenues are remitted to the City in November 2017. Sales Tax received in September represents July collections.

Expenditures

Maintenance & Operations - The budget includes funding to repave streets in the Amity Village, Corinth Shores, Meadows, Forestwood, Corinth Farms and Pecan Creek subdivisions.



City of Corinth

Crime Control & Prevention Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 291,100	\$ 98,357	\$ 346,090	\$ 54,990	118.9%	\$ 308,630
Investment Interest	250	235	2,033	1,783	813.1%	689
TOTAL ACTUAL RESOURCES	291,350	98,592	348,123	56,773	119.5%	309,320
Use of Fund Balance	-	-	-	-	0.00%	-
TOTAL RESOURCES	\$ 291,350	\$ 98,592	\$ 348,123	\$ 56,773	119.5%	\$ 309,320
EXPENDITURES						
Wages & Benefits	\$ 166,155	\$ 18,797	\$ 159,864	\$ (6,291)	96.2%	\$ 124,388
Maintenance & Operations	-	-	-	-	0.00%	-
Supplies	-	-	-	-	0.00%	-
Capital Outlay	81,895	-	80,138	(1,757)	97.9%	150,833
Transfers	24,730	-	24,730	-	100.0%	-
TOTAL EXPENDITURES	272,780	18,797	264,733	(8,047)	97.0%	275,221
EXCESS/(DEFICIT)	\$ 18,570	\$ 79,795	\$ 83,390	\$ 64,820		\$ 34,099

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 2017 revenues are remitted to the City in November 2017. 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 \$53,240 for Mobile Video Recording, \$28,655 for tasers and \$24,730 for Radio Frequency Identification system.

Transfer Out - The budget includes the transfer of \$24,730 for Phase 1 of the RFID inventory and asset program to the General Capital Project Fund.

Budget includes an amendment for the compensation plan in the amount of \$491. Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 673,772	\$ 215,029	\$ 756,725	82,953	112.3%	\$ 679,427
Interest Income	400	123	907	507	226.7%	790
Investment Income	8,000	3,835	28,592	20,592	357.4%	17,338
Miscellaneous Income	-	61	61	61	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	682,172	219,048	786,285	104,113	115.3%	697,555
Use of Fund Balance	10,232	-	-	(10,232)	0.0%	-
TOTAL RESOURCES	\$ 692,404	\$ 219,048	\$ 786,285	\$ 93,881	113.6%	\$ 697,555
EXPENDITURES						
Wages & Benefits	\$ 127,927	\$ 11,170	\$ 124,676	\$ (3,251)	97.5%	136,391
Professional Fees	87,662	3,098	77,216	(10,446)	88.1%	76,590
Maintenance & Operations	177,570	1,219	5,643	(171,927)	3.2%	169,036
Supplies	900	-	173	(727)	19.3%	5,969
Utilities & Communication	4,114	251	3,088	(1,026)	75.1%	2,791
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	25,325	-	10,039	(15,286)	39.6%	5,485
Capital Outlay	125,000	-	-	(125,000)	0.0%	2,500
Debt Service	-	-	-	-	0.0%	-
Charges for Services	93,302	-	93,302	-	100.0%	105,401
Transfer Out	50,604	-	50,604	-	100.0%	100,250
TOTAL EXPENDITURES	692,404	15,738	364,742	(327,662)	52.7%	604,413
EXCESS/(DEFICIT)	\$ -	\$ 203,310	\$ 421,542	\$ 421,542		\$ 93,142

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 2017 revenues are remitted to the City in November 2017. Sales Tax received in September represents July collections.

Expenditures

Transfer Out represents \$50,000 to the Park Development Fund and \$604 to the Tech Replacement Fund for the future purchases of computers.

Capital Outlay includes \$125,000 for a Comprehensive Branding Strategy.

Section 2

City of Corinth
Monthly Financial Report
September 2017

REVENUE & ECONOMIC ANALYSIS

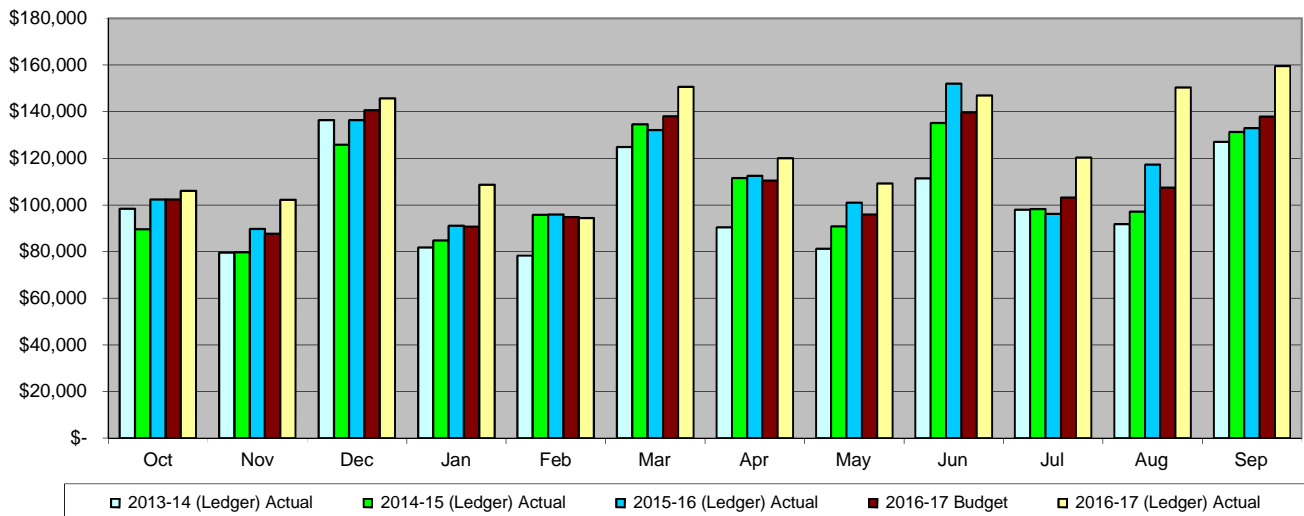
This section provides additional analysis regarding key revenue sources and economic indicators.



General Fund
General Purpose Sales Tax
 PY Comparison and Variance Analysis

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 98,241	\$ 89,559	\$ 102,297	\$ 102,226	\$ 117,263	\$ 105,950	\$ 3,724	3.6%	\$ 3,652	3.6%
Nov	79,527	79,682	89,656	87,549	132,907	102,142	14,594	16.7%	12,486	13.9%
Dec	136,380	125,795	136,322	140,548	105,950	145,669	5,120	3.6%	9,347	6.9%
Jan	81,662	84,702	91,001	90,564	102,142	108,602	18,038	19.9%	17,601	19.3%
Feb	78,261	95,707	95,820	94,763	145,669	94,295	(468)	-0.5%	(1,525)	-1.6%
Mar	124,813	134,593	132,047	137,902	108,602	150,618	12,716	9.2%	18,572	14.1%
Apr	90,294	111,426	112,463	110,319	94,295	120,008	9,689	8.8%	7,545	6.7%
May	81,205	90,745	100,967	95,818	150,618	109,182	13,364	13.9%	8,214	8.1%
Jun	111,379	135,097	151,980	139,633	120,008	146,946	7,313	5.2%	(5,034)	-3.3%
Jul	97,860	98,146	96,154	103,080	109,182	120,203	17,123	16.6%	24,049	25.0%
Aug	91,704	97,043	117,263	107,361	146,946	150,298	42,936	40.0%	33,035	28.2%
Sep	126,992	131,200	132,907	137,807	120,203	159,565	21,759	15.8%	26,658	20.1%
TOTAL	\$ 1,198,319	\$ 1,273,696	\$ 1,358,877	\$ 1,347,569	\$ 1,453,784	\$ 1,513,477	\$ 165,908	12.3%	\$154,600	11.4%

Monthly Collections Comparison



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 2017 revenues are remitted to the City in November 2017. 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>



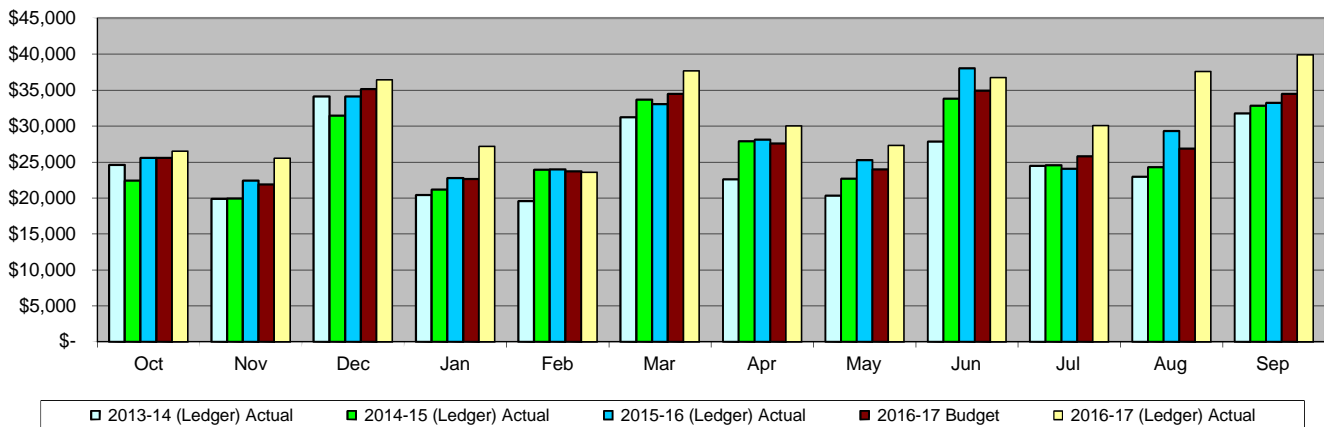
Street Maintenance Sales Tax Fund

Street Maintenance Sales Tax

PY Comparison and Variance Analysis

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 24,561	\$ 22,390	\$ 25,575	\$ 25,557	\$ 29,316	\$ 26,488	\$ 931	3.6%	\$ 913	3.6%
Nov	19,882	19,921	22,414	21,888	33,227	25,536	3,648	16.7%	3,122	13.9%
Dec	34,096	31,449	34,081	35,138	26,488	36,418	1,280	3.6%	2,337	6.9%
Jan	20,416	21,176	22,751	22,641	25,536	27,151	4,510	19.9%	4,400	19.3%
Feb	19,566	23,927	23,955	23,691	36,418	23,574	(117)	-0.5%	(381)	-1.6%
Mar	31,204	33,649	33,012	34,476	27,151	37,655	3,179	9.2%	4,643	14.1%
Apr	22,574	27,857	28,116	27,580	23,574	30,002	2,422	8.8%	1,886	6.7%
May	20,302	22,687	25,242	23,955	37,655	27,296	3,341	13.9%	2,054	8.1%
Jun	27,845	33,775	37,996	34,909	30,002	36,737	1,828	5.2%	(1,259)	-3.3%
Jul	24,466	24,537	24,039	25,770	27,296	30,051	4,281	16.6%	6,012	25.0%
Aug	22,926	24,261	29,316	26,841	36,737	37,575	10,734	40.0%	8,259	28.2%
Sep	31,749	32,801	33,227	34,452	30,051	39,892	5,440	15.8%	6,665	20.1%
TOTAL	\$ 299,585	\$ 318,430	\$ 339,725	\$ 336,898	\$ 363,452	\$ 378,376	\$ 41,478	12.3%	\$ 38,651	11.4%

Monthly Collections Comparison



KEY TRENDS

Description

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

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2017 revenues are remitted to the City in November 2017. 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.



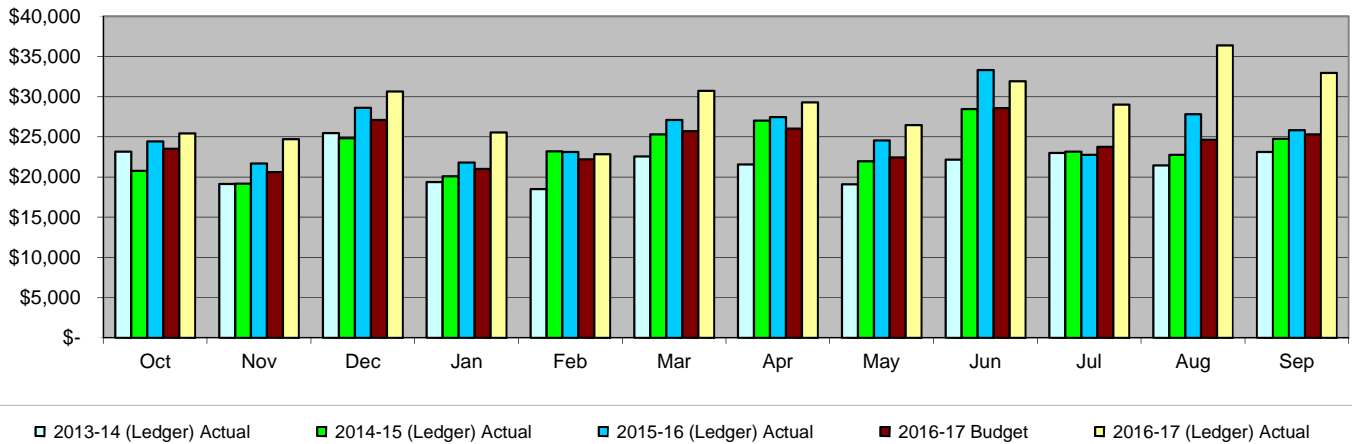
Crime Control & Prevention District

Crime Control & Prevention Sales Tax

PY Comparison and Variance Analysis

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 23,185	\$ 20,786	\$ 24,447	\$ 23,539	\$ 27,841	\$ 25,436	\$ 1,897	8.1%	\$ 989	4.0%
Nov	19,157	19,194	21,722	20,624	25,825	24,747	4,123	20.0%	3,025	13.9%
Dec	25,480	24,840	28,612	27,106	25,436	30,662	3,556	13.1%	2,050	7.2%
Jan	19,384	20,093	21,807	21,045	24,747	25,578	4,532	21.5%	3,771	17.3%
Feb	18,516	23,207	23,118	22,205	30,662	22,837	631	2.8%	(281)	-1.2%
Mar	22,589	25,312	27,117	25,714	25,578	30,751	5,036	19.6%	3,633	13.4%
Apr	21,587	27,052	27,466	26,048	22,837	29,306	3,258	12.5%	1,841	6.7%
May	19,134	21,974	24,586	22,474	30,751	26,479	4,005	17.8%	1,893	7.7%
Jun	22,187	28,471	33,316	28,601	29,306	31,938	3,336	11.7%	(1,378)	-4.1%
Jul	23,020	23,162	22,775	23,770	26,479	29,008	5,237	22.0%	6,233	27.4%
Aug	21,470	22,769	27,841	24,646	31,938	36,388	11,742	47.6%	8,547	30.7%
Sep	23,151	24,753	25,825	25,327	29,008	32,962	7,635	30.1%	7,136	27.6%
TOTAL	\$ 258,860	\$ 281,612	\$ 308,630	\$ 291,100	\$ 330,407	\$ 346,090	\$ 54,990	18.9%	\$ 37,460	12.1%

Monthly Collections Comparison



KEY TRENDS

Description

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

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2017 revenues are remitted to the City in November 2017. 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)

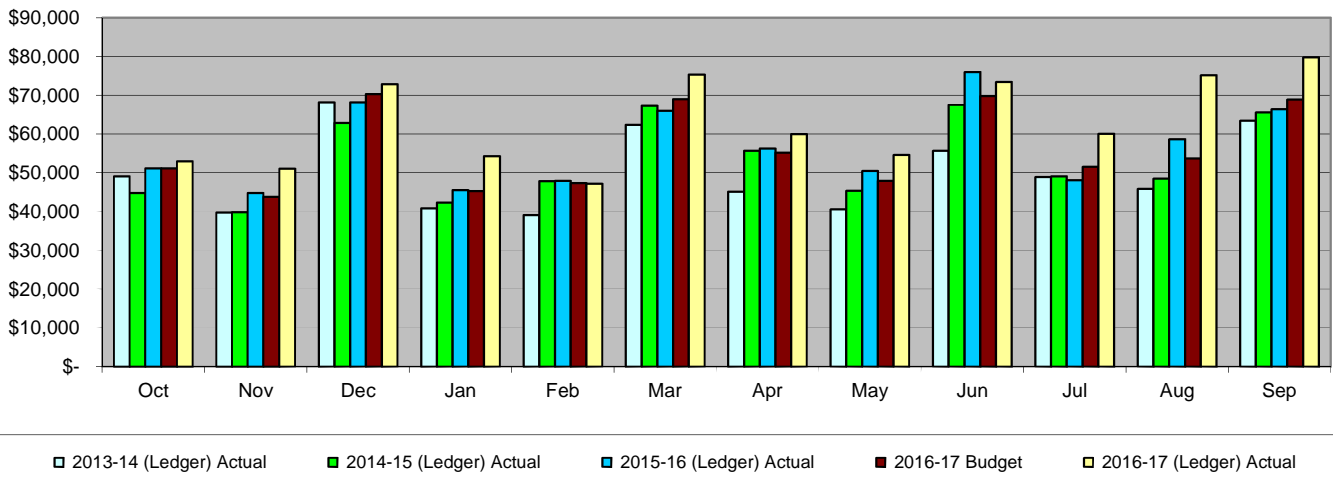
A special election was held on September 11, 2004 for the purpose of adopting a local .25% sales and use tax in Corinth for crime control and prevention. An election was held on May 10, 2014 reauthorizing the dedicated sales tax for five additional years.



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

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 49,120	\$ 44,779	\$ 51,148	\$ 51,112	\$ 58,630	\$ 52,974	\$ 1,862	3.6%	\$ 1,826	3.6%
Nov	39,763	39,840	44,827	43,774	66,452	51,070	7,297	16.7%	6,243	13.9%
Dec	68,189	62,897	68,160	70,273	52,974	72,833	2,560	3.6%	4,673	6.9%
Jan	40,830	42,350	45,500	45,281	51,070	54,300	9,019	19.9%	8,800	19.3%
Feb	39,130	47,853	47,909	47,381	72,833	47,147	(234)	-0.5%	(763)	-1.6%
Mar	62,405	67,295	66,022	68,950	54,300	75,308	6,358	9.2%	9,286	14.1%
Apr	45,146	55,712	56,230	55,158	47,147	60,003	4,845	8.8%	3,773	6.7%
May	40,602	45,372	50,483	47,908	75,308	54,590	6,682	13.9%	4,107	8.1%
Jun	55,689	67,547	75,989	69,815	60,003	73,472	3,657	5.2%	(2,517)	-3.3%
Jul	48,929	49,072	48,076	51,539	54,590	60,100	8,561	16.6%	12,024	25.0%
Aug	45,851	48,521	58,630	53,680	73,472	75,148	21,468	40.0%	16,517	28.2%
Sep	63,495	65,599	66,452	68,902	60,100	79,781	10,879	15.8%	13,329	20.1%
TOTAL	\$ 599,149	\$ 636,837	\$ 679,427	\$ 673,772	\$ 726,879	\$ 756,725	\$ 82,953	12.3%	\$ 77,299	11.4%

Monthly Collections Comparison



KEY TRENDS

Description

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

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2017 revenues are remitted to the City in November 2017. 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

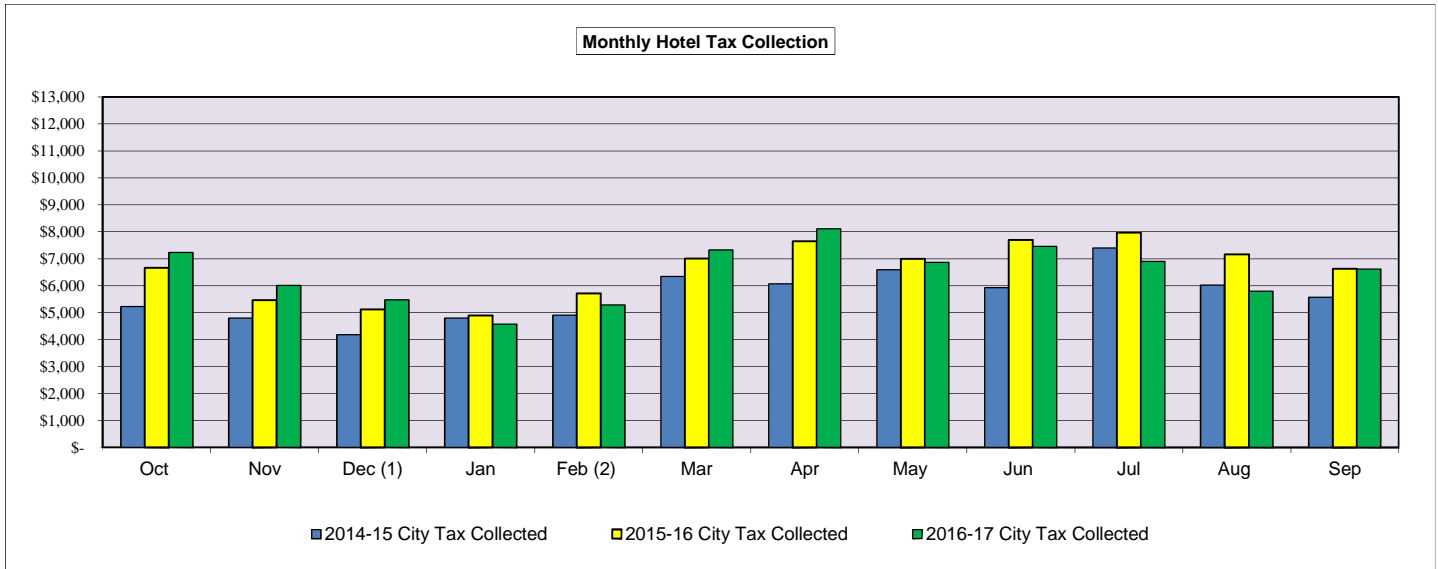
Comfort Inn & Suites

For the Period Ended September 2017

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2016-17	Date Received	% Change CY to PY	City Tax Collected FY 2015-16	City Tax Collected FY 2014-15
Oct	75%	\$ 109,713	\$ 6,404	\$ 103,309	\$ 7,232	\$ 7,232	\$ 7,232	11/21/2016	8.5%	\$ 6,667	\$ 5,230
Nov	67%	89,908	4,020	85,889	6,012	6,012	6,012	12/19/2016	10.1%	5,463	4,802
Dec (1)	58%	80,577	2,336	78,241	5,477	5,477	5,477	1/23/2017	7.1%	5,115	4,179
Jan	52%	65,318	-	65,318	4,572	4,572	4,572	2/20/2017	-6.5%	4,891	4,805
Feb (2)	69%	76,132	-	76,132	5,329	5,329	5,291	3/20/2017	-7.4%	5,712	4,904
Mar	79%	104,432	220	104,212	7,295	7,295	7,333	4/17/2017	4.7%	7,003	6,346
Apr	85%	116,367	464	115,903	8,113	8,113	8,113	5/22/2017	6.1%	7,647	6,069
May	71%	98,625	491	98,134	6,869	6,869	6,869	6/19/2017	-1.7%	6,991	6,587
Jun	74%	106,638	76	106,561	7,459	7,459	7,459	7/19/2017	-3.1%	7,699	5,926
Jul	69%	98,755	180	98,575	6,900	6,900	6,900	8/20/2017	-13.5%	7,973	7,394
Aug	63%	86,378	401	82,766	5,794	5,794	5,794	9/18/2017	-19.1%	7,164	6,018
Sep	66%	97,306	2,732	94,574	6,620	6,620	6,620	10/19/2017	-0.2%	6,631	5,573
TOTALS		\$ 1,130,150	\$ 17,325	\$ 1,109,614	\$ 77,673	\$ 77,673	\$ 77,673			\$ 78,955	\$ 67,833

(1) - requested occupancy rate information from Management. Received February 16, 2017.

(2) - exemptions claimed do not qualify. Requested \$38.08 owed from the Hotel.



KEY TRENDS

Description

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

BUDGETED EXPENDITURES

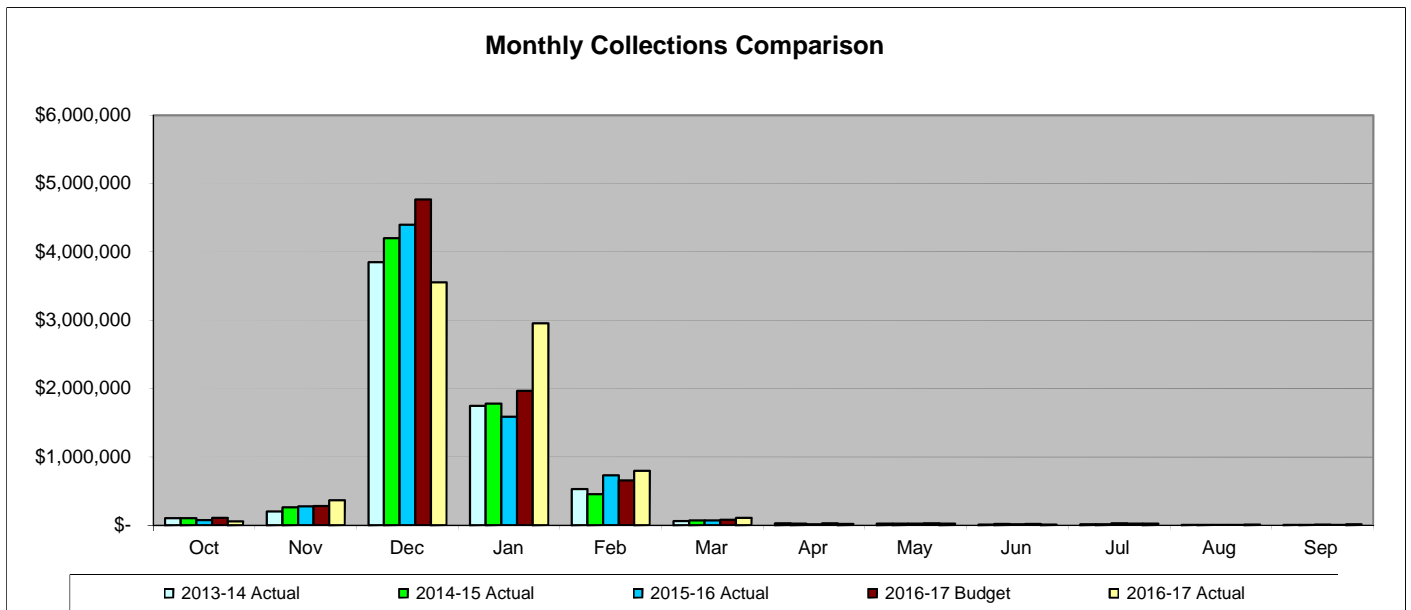
FY 2016-17

The budget includes \$20,000 in funding for Pumpkin Palooza Music Festival, \$20,000 for administrative services to promote tourism, and \$50,000 for monument signage.



General Fund
Property Tax
 PY Comparison and Variance Analysis

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 105,024	\$ 102,508	\$ 74,226	\$ 108,679	\$ 57,139	\$ (51,540)	-47.4%	\$ (17,087)	-23.0%
Nov	200,802	263,699	277,233	283,299	368,409	85,110	30.0%	91,175	32.9%
Dec	3,851,761	4,201,374	4,396,109	4,768,922	3,555,437	(1,213,485)	-25.4%	(840,672)	-19.1%
Jan	1,746,065	1,780,466	1,588,480	1,966,045	2,957,436	991,392	50.4%	1,368,956	86.2%
Feb	532,039	457,322	729,582	656,720	797,112	140,392	21.4%	67,530	9.3%
Mar	63,459	69,529	72,713	78,793	108,295	29,502	37.4%	35,582	48.9%
Apr	30,033	26,041	13,588	27,026	18,065	(8,960)	-33.2%	4,477	33.0%
May	26,830	24,927	25,310	29,613	25,033	(4,580)	-15.5%	(277)	-1.1%
Jun	10,417	19,975	16,432	17,851	11,668	(6,182)	-34.6%	(4,764)	-29.0%
Jul	15,269	16,617	30,395	23,651	22,718	(933)	-3.9%	(7,677)	-25.3%
Aug	6,478	1,671	4,843	5,026	8,649	3,623	72.1%	3,806	78.6%
Sep	4,908	800	8,170	5,283	15,839	10,556	199.8%	7,668	93.9%
TOTAL	\$ 6,593,085	\$ 6,964,929	\$ 7,237,081	\$ 7,970,907	\$ 7,945,800	\$ (25,107)	-0.3%	\$ 708,718	9.8%



KEY TRENDS	
<p>Description:</p> <p>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 \$.58193 per \$100 valuation and is collected by the Denton County Tax Office. Denton County remits payment to the city on a monthly basis.</p>	<p>Analysis</p> <p>The city estimates 100% collection rate. The majority of taxes are collected in December and January.</p>



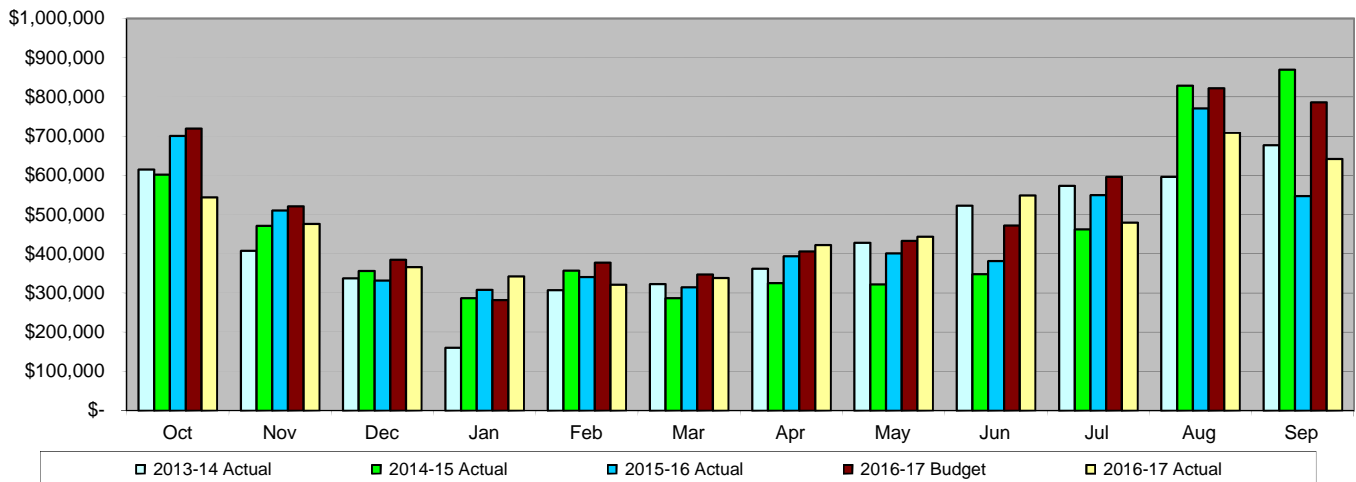
Water/Wastewater Fund

Water Charges

PY Comparison and Variance Analysis

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 614,673	\$ 602,147	\$ 700,252	\$ 719,351	\$ 543,769	\$ (175,582)	-24.4%	\$ (156,483)	-22.3%
Nov	407,473	471,595	510,370	520,804	476,496	(44,308)	-8.5%	(33,874)	-6.6%
Dec	337,082	356,312	331,747	384,884	365,974	(18,910)	-4.9%	34,226	10.3%
Jan	160,230	287,240	308,329	282,334	342,045	59,712	21.1%	33,716	10.9%
Feb	307,603	357,213	340,963	377,243	321,169	(56,074)	-14.9%	(19,794)	-5.8%
Mar	322,897	286,730	314,604	347,241	338,485	(8,756)	-2.5%	23,881	7.6%
Apr	361,654	325,454	393,923	405,861	422,060	16,199	4.0%	28,137	7.1%
May	428,107	321,967	401,414	432,979	443,915	10,936	2.5%	42,501	10.6%
Jun	522,699	348,080	381,423	471,803	548,509	76,707	16.3%	167,087	43.8%
Jul	573,401	462,517	549,310	595,847	479,370	(116,477)	-19.5%	(69,940)	-12.7%
Aug	596,486	829,134	770,738	822,646	709,184	(113,462)	-13.8%	(61,553)	-8.0%
Sep	676,958	869,445	547,279	786,177	641,629	(144,548)	-18.4%	94,350	17.2%
TOTAL	\$ 5,309,263	\$ 5,517,835	\$ 5,550,352	\$ 6,147,169	\$ 5,632,605	\$ (514,564)	-8.4%	\$ 82,253	1.5%

Monthly Collections Comparison



KEY TRENDS

Description:

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

Analysis

The FY 2016-17 budget incorporates the third year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.



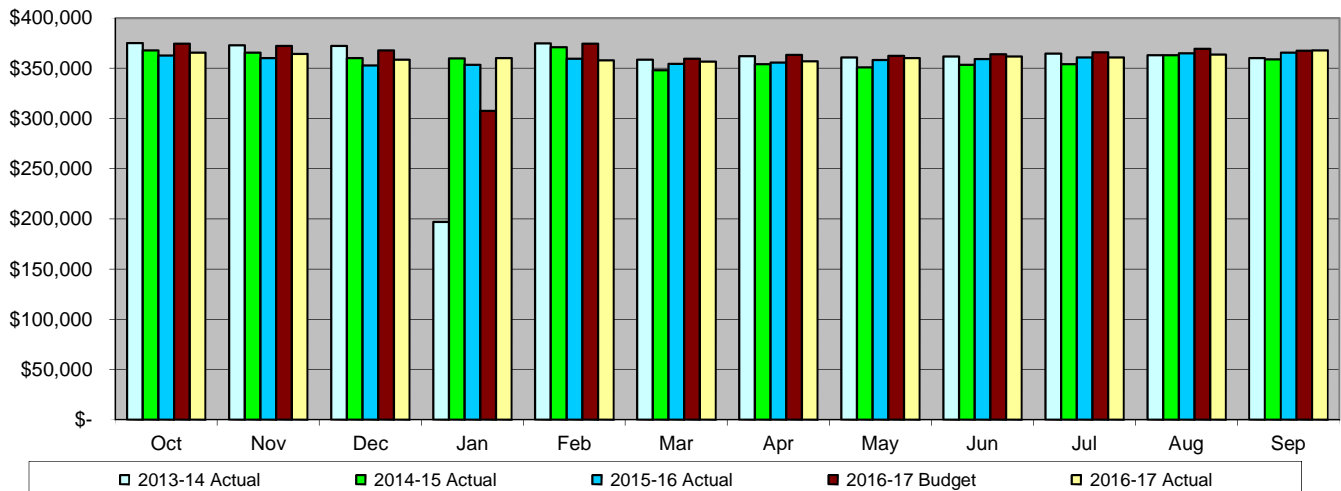
Water/Wastewater Fund

Sewer Charges

PY Comparison and Variance Analysis

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 375,215	\$ 367,800	\$ 362,732	\$ 374,665	\$ 365,552	\$ (9,113)	-2.4%	\$ 2,820	0.8%
Nov	372,906	365,711	360,374	372,376	364,241	(8,135)	-2.2%	3,867	1.1%
Dec	372,349	360,211	352,814	367,789	358,539	(9,249)	-2.5%	5,726	1.6%
Jan	197,110	360,066	353,400	307,777	360,366	52,589	17.1%	6,966	2.0%
Feb	374,894	371,143	359,581	374,619	358,097	(16,522)	-4.4%	(1,484)	-0.4%
Mar	358,638	348,288	354,410	359,607	356,668	(2,938)	-0.8%	2,258	0.6%
Apr	362,039	354,345	355,795	363,279	357,049	(6,230)	-1.7%	1,254	0.4%
May	360,761	351,056	358,338	362,589	360,172	(2,417)	-0.7%	1,834	0.5%
Jun	361,694	353,604	359,214	364,061	361,702	(2,359)	-0.6%	2,489	0.7%
Jul	364,636	354,268	360,775	365,820	361,008	(4,812)	-1.3%	233	0.1%
Aug	362,956	362,958	365,137	369,636	363,795	(5,841)	-1.6%	(1,342)	-0.4%
Sep	360,225	359,019	365,564	367,517	367,989	472	0.1%	2,425	0.7%
TOTAL	\$ 4,223,423	\$ 4,308,468	\$ 4,308,134	\$ 4,349,734	\$4,335,178	\$ (14,556)	-0.3%	\$ 27,044	0.6%

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 2016-17 budget incorporates the third year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.

Section 3

City of Corinth
Monthly Financial Report
September 2017

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 2017

	Audited Appropria- Fund Balance 9/30/16	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/17
OPERATING FUNDS					
100 General Fund (1)	\$ 3,735,208	\$ 16,672,577	\$ 14,545,905	\$ (427,101)	\$ 5,434,778
110 Water/Wastewater Operations (2)	2,763,912	11,596,004	11,528,869	(267,471)	2,563,577
120 Storm Water Utility (3)	695,711	777,730	495,142	(25,250)	953,049
130 Economic Development Corporation (4)	3,182,081	786,285	314,138	(50,604)	3,603,623
131 Crime Control & Prevention (5)	251,536	348,123	240,003	(24,730)	334,926
132 Street Maintenance Sales Tax	699,723	385,166	148,327	-	936,562
	<u>\$ 11,328,170</u>	<u>\$ 30,565,884</u>	<u>\$ 27,272,384</u>	<u>\$ (795,156)</u>	<u>\$ 13,826,515</u>
RESERVE FUNDS					
200 General Debt Service Fund	\$ 347,253	\$ 10,171,154	\$ 10,127,726	\$ -	\$ 390,681
	<u>\$ 347,253</u>	<u>\$ 10,171,154</u>	<u>\$ 10,127,726</u>	<u>\$ -</u>	<u>\$ 390,681</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (6)	\$ 1,839,359	\$ 47,654	\$ 354,994	\$ 246,643	\$ 1,778,663
194 Water/Wastewater Projects	380,123	228,472	53,510	-	555,085
703 2007 C.O. - Streets	130,738	20,878	59,825	-	91,791
706 2016 C.O. - General Fund Capital Projects	11,326,517	83,254	4,740,921	-	6,668,850
709 2017 C.O. - General Fund Capital Projects	-	5,139,812	167,561	-	4,972,250
	<u>\$ 2,350,220</u>	<u>\$ 5,436,815</u>	<u>\$ 635,889</u>	<u>\$ 246,643</u>	<u>\$ 7,397,789</u>
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement (7)	\$ 41,677	\$ 13,898	\$ -	\$ 60,000	\$ 115,575
301 LCFD Vehicle & Equip Replacement (8)	199,450	22,130	162,362	247,755	306,974
302 Technology Replacement Fund (9)	29,747	3,425	53,509	47,987	27,649
310 Utility Vehicle & Equip Replacement (10)	324,223	5,161	-	75,000	404,384
311 Utility Meter Replacement Fund (11)	885,408	7,973	599,983	50,000	343,398
320 Insurance Claims and Risk Fund	225,109	92,649	5,080	-	312,679
	<u>\$ 1,705,614</u>	<u>\$ 145,237</u>	<u>\$ 820,934</u>	<u>\$ 480,742</u>	<u>\$ 1,510,659</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 170,098	\$ 79,322	\$ 74,006	\$ -	\$ 175,414
401 Keep Corinth Beautiful	24,350	5,627	3,027	-	26,950
404 County Child Safety Program	26,499	24,065	28,265	-	22,299
405 Municipal Court Security (12)	49,373	11,597	9,015	17,771	69,725
406 Municipal Court Technology	29,578	14,961	-	-	44,539
420 Police Lease Fund	5,898	2,571	122	-	8,347
421 Police Donations	2,033	23,687	17,229	-	8,491
451 Parks Development (13)	237,797	2,381	10,610	50,000	279,568
452 Community Park Improvement	12,050	10,889	-	-	22,939
453 Tree Mitigation Fund	160,642	1,308	7,325	-	154,625
460 Fire Donations	30,146	3,955	4,854	-	29,248
	<u>\$ 748,464</u>	<u>\$ 180,363</u>	<u>\$ 154,452</u>	<u>\$ 67,771</u>	<u>\$ 842,145</u>
GRANT FUNDS					
522 Bullet Proof Vest Grant	\$ 1,895	\$ 912	\$ 2,806	\$ -	\$ -
	<u>\$ 1,895</u>	<u>\$ 912</u>	<u>\$ 2,806</u>	<u>\$ -</u>	<u>\$ -</u>
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	\$ 318,865	\$ 251,552	\$ 36,783	\$ -	\$ 533,634
611 Wastewater Impact Fees	237,944	289,995	25,933	-	502,006
620 Storm Drainage Impact Fees	90,693	766	-	-	91,459
630 Roadway Impact Fees	248,923	159,320	15,933	-	392,310
699 Street Escrow	152,115	1,206	-	-	153,321
	<u>\$ 1,048,540</u>	<u>\$ 702,839</u>	<u>\$ 78,649</u>	<u>\$ -</u>	<u>\$ 1,672,730</u>
TOTAL ALL FUNDS	<u>\$ 17,530,156</u>	<u>\$ 47,203,204</u>	<u>\$ 39,092,841</u>	<u>\$ -</u>	<u>\$ 25,640,519</u>



City of Corinth
Fund Balance Summary
For the Period Ended September 2017

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 transfer out of \$30,000 to the General Capital Project Fund for the Lake Cities/Little Elm Joint Training Field project. The \$247,755 to LCFD Vehicle and Equipment Fund for the future purchases of vehicles and equipment. The \$39,335 to the Technology Replacement Fund for the future purchases of computers. The \$60,000 to the General Fund Vehicle & Replacement Fund for the future purchases of vehicles and equipment. The \$17,771 to the Municipal Court Security Fund for a part-time bailiff. The \$95,634 to the General Capital Project Fund for the Planning & Development Software. The \$25,263 to the General Capital Project Fund for the RFID inventory and asset program for Police.
- (2) The transfer out of \$101,673 represents the annual allocation to the General Fund for the homeowner's association water contracts. The \$50,000 represents the annual contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters. The \$58,000 to the General Capital Project Fund for the Engineering component of the Planning & Development software. The \$50,000 represents the annual contribution to the Vehicle Replacement Fund for future purchases of vehicles and equipment. The \$7,798 represents the annual contribution to the Technology Replacement Fund for the future purchases of computers.
- (3) The transfer out of \$25,000 to the Vehicle Replacement Fund for the future purchase of vehicles and equipment. The \$250 represents the annual contribution to the Technology Replacement Fund for the future purchases of computers.
- (4) The transfer out of \$50,000 to the Parks Development Fund for park improvements. The \$604 represents the annual contribution to the Technology Replacement Fund for the future purchases of computers.
- (5) The transfer out of \$24,730 from the Crime Control Prevention Fund for RFID inventory and asset program.
- (6) The transfer in of \$30,000 from the General Fund for the Lake Cities/Little Elm Joint Training Field project. The \$95,634 from the General Fund, \$58,000 from the Water/Wastewater Fund for the Planning & Development Software and \$49,993 for the RFID inventory and asset program for Police.
- (7) The transfer in of \$60,000 from the General Fund for the future purchase of vehicles and equipment.
- (8) The transfer in of \$247,755 represents the annual contribution from the Fire Department for the future purchase of vehicles and equipment.
- (9) The transfer in of \$39,335 from the General Fund, \$7,798 from the Water/Wastewater Fund, \$250 from the Storm Drainage Fund and \$604 from the Economic Development Fund represents the annual contribution for the future purchases of computers.
- (10) The transfer in of \$50,000 and \$25,000 represent the annual contribution from the Water/Wastewater Fund and the Storm Drainage Fund for the future purchase of vehicles and equipment.
- (11) The transfer in of \$50,000 from the Water/Wastewater Fund for the future purchase of water taps and meters.
- (12) The transfer in of \$17,771 from the General Fund for a part-time bailiff.
- (13) The transfer in of \$50,000 from the Economic Development Fund for park improvements.

Section 4

City of Corinth
Monthly Financial Report
September 2017

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 2017

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 IN PROGRESS	ACCT #	ORIGINAL	BUDGET	ADJUSTED	IMPACT	ESCROW	AID IN	OPERATING	ECONOMIC	PROJECT	TOTAL	TOTAL	TOTAL	AVAILABLE		
		BUDGET	ADJUSTMENTS	BUDGET	FEES	FEES	CONSTR	FUNDS	DEV. FUNDS	TOTAL						
LAKE SHARON EXTENSION	079	\$ -	\$ 259,914	\$ 259,914	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 279,914	\$ 90,625	\$ 129,464	\$ 59,825	\$ 279,914	\$ -
ISSUANCE COSTS		136,897	(52,620)	76,195	-	-	-	-	-	-	76,195	-	76,195	-	76,195	-
TOTAL		\$ 136,897	\$ 207,294	\$ 336,109	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 356,109	\$ 90,625	\$ 205,660	\$ 59,825	\$ 356,109	\$ -

PROJECTS COMPLETED	ACCT #	ORIGINAL	BUDGET	ADJUSTED	IMPACT	ESCROW	AID IN	OPERATING	ECONOMIC	PROJECT	TOTAL	TOTAL	TOTAL	AVAILABLE	
		BUDGET	ADJUSTMENTS	BUDGET	FEES	FEES	CONSTR	FUNDS	DEV. FUNDS	TOTAL					
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	079	565,000	125,500	690,500	-	-	-	-	-	690,500	-	690,500	-	690,500	-
I-35 UPSTREAM IMPROVEMENTS	081	-	101,000	101,000	-	-	-	-	-	101,000	-	101,000	-	101,000	-
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	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	-
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	\$ 90,625	\$ 33,564,057	\$ 59,825	\$ 33,714,507	\$ -

UNALLOCATED INTEREST	\$ (15,782)
UNALLOCATED BOND PROCEEDS	16,949
AVAILABLE FUND BALANCE	\$ 1,167

TOTAL RESOURCES	\$ 33,715,673
UNALLOCATED BOND PROCEEDS	-
PROJECT TOTAL	(33,714,507)
AVAILABLE FUND BALANCE	\$ 1,167

**FUND 706 - GENERAL FUND
2016 CERTIFICATES OF OBLIGATION
As of September 2017**

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	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							09/30/16	09/30/17		
Projects in Progress										
PUBLIC SAFETY FACILITY & FIRE STATION	2000	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000	\$ 3,554,281	\$ 3,727,303	\$ 4,718,416	\$ 12,000,000	-
LAKE SHARON EXTENSION	4800	2,500,000	-	-	2,500,000	2,500,000	-	-	2,500,000	-
FACILITY RENOVATIONS - CITY HALL	1004	350,000	-	-	350,000	-	-	15,675	15,675	334,325
FACILITY RENOVATIONS - FIRE STATION #2	2000	150,000	-	-	150,000	-	-	6,531	6,531	143,469
ISSUANCE COSTS		246,030	-	-	246,030	-	216,030	300	216,330	29,700
		\$ 15,246,030	\$ -	\$ -	\$ 15,246,030	\$ 6,054,281	\$ 3,943,332	\$ 4,740,922	\$ 14,738,535	\$ 507,494

TOTAL REVENUES TO DATE	\$ 15,352,502	UNALLOCATED INTEREST	\$ 106,473
ADJUSTED BUDGET	15,246,030	UNALLOCATED FUNDS	-
AVAILABLE FUND BALANCE	\$ 106,473	AVAILABLE FUND BALANCE	\$ 106,473

**FUND 709 - GENERAL FUND
2017 CERTIFICATES OF OBLIGATION
As of September 2017**

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.

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES 09/30/17	TOTAL OBLIGATIONS	AVAILABLE BUDGET
Projects in Progress									
PUBLIC SAFETY FACILITY & FIRE STATION	2000	\$ 1,900,000	\$ -	\$ -	\$ 1,900,000	\$ 1,180,762	\$ 27,565	\$ 1,208,327	691,673
PUBLIC WORKS FACILITY	8800	1,500,000	-	-	1,500,000	-	-	-	1,500,000
LAKE SHARON EXTENSION	4800	1,600,000	-	-	1,600,000	1,273,808	3,560	1,277,368	322,632
ISSUANCE COSTS		136,436	-	-	136,436	-	136,436	136,436	-
		\$ 5,136,436	\$ -	\$ -	\$ 5,136,436	\$ 2,454,570	\$ 167,561	\$ 2,622,131	\$ 2,514,305

TOTAL REVENUES TO DATE	\$ 5,139,812	UNALLOCATED INTEREST	\$ 3,376
ADJUSTED BUDGET	5,136,436	UNALLOCATED FUNDS	-
AVAILABLE FUND BALANCE	\$ 3,376	AVAILABLE FUND BALANCE	\$ 3,376

FUND 193 - GENERAL FUND CAPITAL PROJECTS
As of September 2017

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							PRIOR YEARS	09/30/17		
Projects in Progress										
PLANNING & DEVELOPMENT SOFTWARE	1400	\$ -	\$ 147,510	\$ 132,156	\$ 279,666	\$ 49,238	\$ -	\$ 187,679	\$ 236,918	\$ 42,748
PUBLIC SAFETY COMMUNICATION SYSTEM UPGRADE	2200	300,000	300,000	-	600,000	-	577,469	7,960	585,429	14,571
LAKE CITIES/LITTLE ELM JOINT FIRE TRAINING FIELD	2301	-	60,000	60,000	120,000	15,949	14,185	95	30,229	89,771
LAKE SHARON EXTENSION	4800	1,500,000	38,871	-	1,538,871	8,537	330,539	16,106	355,182	1,183,689
I-35 AESTHETICS & ENTRYWAY FEATURES	4802	425,000	-	-	425,000	-	-	143,153	143,153	281,847
RADIO FREQUENCY IDENTIFICATION		-	-	49,993	49,993	-	-	-	-	49,993
Completed Projects										
COMMUNITY PARK IMPROVEMENTS	5600	\$ 806,845	\$ (3,648)	\$ 61,500	\$ 864,698	-	\$ 864,698	\$ -	\$ 864,698	-
TOWER RIDGE	4801	850,000	(54,874)	195,000	990,126	-	990,126	-	990,126	-
PUBLIC SAFETY FACILITY	2000	60,000	19,651	-	79,651	-	79,651	-	79,651	-
		\$ 3,941,845	\$ 507,510	\$ 448,656	\$ 4,898,011	\$ 73,725	\$ 2,856,667	\$ 354,994	\$ 3,285,386	\$ 1,612,626

TOTAL REVENUES TO DATE	\$ 4,990,324
ADJUSTED BUDGET	4,898,011
AVAILABLE FUND BALANCE	\$ 92,313

UNALLOCATED FUNDS	\$ 92,313
AVAILABLE FUND BALANCE	\$ 92,313

FUND 194 - WATER/WASTEWATER CAPITAL PROJECTS
As of September 2017

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	AID-IN CONSTRUCTION	ADJUSTED BUDGET	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							PRIOR YEARS	9/31/17		
Projects in Progress										
SANITARY SEWER REHAB AMITY VILLAGE		\$ -	\$ 307,267		\$ 307,267	\$ -	\$ -	\$ -	\$ -	\$ 307,267
SEWERLINE REALIGNMENT - L3	8897	-		225,000	225,000	-	-	53,510	53,510	171,490
Projects Completed										
12" WATERLINE ON SHADY SHORES		570,000	(110,830)		459,170	-	459,170	-	459,170	-
SANITARY SEWER REHAB CORINTH SHORES		500,000	(127,317)		372,683	-	372,683	-	372,683	-
CONSTRUCTION OF BOOSTER PUMP STATION		136,497	(54,820)		81,677	-	81,677	-	81,677	-
30" SANITARY SEWER THROUGH OAKMONT		450,000	(14,300)		435,700	-	435,700	-	435,700	-
REPAINT ELEVATED WATER STORAGE TANK		450,000	-		450,000	-	388,642	\$ -	388,642	61,358
							-			
		\$ 2,106,497	\$ -	\$ 225,000	\$ 2,331,497	\$ -	\$ 1,737,873	\$ 53,510	\$ 1,791,382	\$ 540,115

TOTAL REVENUES TO DATE	\$ 2,346,464
ADJUSTED BUDGET	2,331,497
AVAILABLE FUND BALANCE	<u>\$ 14,967</u>

UNALLOCATED INTEREST	\$ 14,967
UNALLOCATED FUNDS	-
AVAILABLE FUND BALANCE	<u>\$ 14,967</u>

BUSINESS ITEM 3.

Finance Audit Committee Regular Session

Meeting Date: 02/21/2018

Title: Annual Audit and Comprehensive Annual Report Discussion

Submitted For: Jamaine Walker, Director

Submitted By: Jamaine Walker, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Accept, hold a discussion and provide staff direction on the Annual External Audit and the Comprehensive Annual Financial Report. (Jamaine Walker)

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, 2017 was conducted by Eide Bailly, LLP (formerly Davis, Kinard & Co, PC). The audit firm, in its third year as the City's independent audit firm, issued an unqualified opinion on the financial statements, 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 15, 2018.

RECOMMENDATION

No action to be taken.

Attachments

2017 CAFR

INDEPENDENT AUDITOR'S REPORT

To the Honorable 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 City of Corinth, Texas, (the City) as of and for the year ended September 30, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 11-19 and 61-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements 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 basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated xxxx, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Abilene, Texas
xxxxx

**CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Exhibit A-1

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Corinth Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 7,070,002	\$ 2,528,249	\$ 9,598,251	\$ 323,771
Investments	16,607,741	3,037,291	19,645,032	3,131,866
Receivables (net of allowance)				
Accounts	4,578,041	1,651,148	6,229,189	162,374
Inventories	191,390	175,201	366,591	
Prepaid items	4,360	-	4,360	
Due from other funds	(1,500,195)	1,500,195	-	
Capital assets not being depreciated				
Land	2,595,762	524,330	3,120,092	
Construction in progress	9,287,274	34,750	9,322,024	
Capital assets (net of accumulated depreciation)				
Buildings	4,100,547	97,617	4,198,164	
Machinery and equipment	4,739,365	345,635	5,085,000	
Infrastructure	32,550,622	31,095,626	63,646,248	
Total assets	80,224,909	40,990,042	121,214,951	3,618,011
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss from refunding	22,878	83,303	106,181	
Deferred outflows - pension	2,173,391	286,162	2,459,553	
Total Deferred Outflows of Resources	2,196,269	369,465	2,565,734	-
LIABILITIES				
Accounts payable	1,602,769	764,220	2,366,989	1,528
Accrued liabilities	377,188	44,109	421,297	4,309
Accrued interest payable	179,238	46,355	225,593	
Municipal court bonds	5,149	-	5,149	
Customer meter deposits	-	608,240	608,240	
Other liabilities	2,101,276	13,665	2,114,941	
Noncurrent Liabilities				
Due within one year	2,516,920	1,288,462	3,805,382	8,551
Due in more than one year	34,229,969	10,247,149	44,477,118	
Total liabilities	41,012,509	13,012,200	54,024,709	14,388
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	473,645	62,618	536,263	
Total Deferred Inflows of Resources	473,645	62,618	536,263	-
NET POSITION				
Net investment in capital assets	35,025,019	21,633,740	56,658,759	
Restricted for capital projects	-	1,127,099	1,127,099	
Restricted for specific programs	2,126,209	-	2,126,209	
Restricted for debt service	240,987	-	240,987	
Restricted for economic development	-	-	-	3,603,623
Unrestricted	3,542,809	5,523,850	9,066,659	
Total net position	\$ 40,935,024	\$ 28,284,689	\$ 69,219,713	\$ 3,603,623

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

**CITY OF CORINTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
Public safety	\$ 10,464,825	\$ 3,934,109	\$ 28,979	\$ -
Community services	1,533,030	210,498	62,950	-
Public works	4,534,197	156,559	-	1,630,239
Planning and community development	857,360	1,200,712	-	-
City administration	1,940,255	93,302	5,577	-
Finance and administrative services	888,324	-	-	-
Interest on long-term debt	844,665	-	-	-
Total governmental activities	<u>21,062,656</u>	<u>5,595,180</u>	<u>97,506</u>	<u>1,630,239</u>
Business-type activities:				
Water and sewer	12,098,839	11,332,588	-	2,310,155
Storm drainage	517,412	727,197	-	687,040
Total business-type activities	<u>12,616,251</u>	<u>12,059,785</u>	<u>-</u>	<u>2,997,195</u>
Total primary government	<u>\$ 33,678,907</u>	<u>\$ 17,654,965</u>	<u>\$ 97,506</u>	<u>\$ 4,627,434</u>
Component unit				
Corinth Economic Development Corporation	<u>\$ 364,743</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 (loss) on sale of capital assets
Transfers
 Total general revenues and transfers

Change in net position

Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
\$ (6,501,737)	\$ -	\$ (6,501,737)	
(1,259,582)	-	(1,259,582)	
(2,747,399)	-	(2,747,399)	
343,352	-	343,352	
(1,841,376)	-	(1,841,376)	
(888,324)	-	(888,324)	
(844,665)	-	(844,665)	
<u>(13,739,731)</u>	<u>-</u>	<u>(13,739,731)</u>	
-	1,543,904	1,543,904	
-	896,825	896,825	
<u>-</u>	<u>2,440,729</u>	<u>2,440,729</u>	
(13,739,731)	2,440,729	(11,299,002)	
			\$ <u>(364,743)</u>
10,629,143	-	10,629,143	-
2,253,805	-	2,253,805	756,725
1,073,789	-	1,073,789	-
77,673	-	77,673	-
204,229	43,692	247,921	29,562
209,705	7,600	217,305	-
3,498	1,196	4,694	-
678,980	(678,980)	-	-
<u>15,130,822</u>	<u>(626,492)</u>	<u>14,504,330</u>	<u>786,287</u>
1,391,091	1,814,237	3,205,328	421,544
39,543,933	26,470,452	66,014,385	3,182,079
<u>\$ 40,935,024</u>	<u>\$ 28,284,689</u>	<u>\$ 69,219,713</u>	<u>\$ 3,603,623</u>

**CITY OF CORINTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017**

Exhibit A-3

	General	Debt Service	2016 CO Fund
ASSETS			
Cash and cash equivalents	\$ 2,200	\$ 99,900	\$ 483,848
Investments	4,921,159	289,209	7,539,655
Receivables (net of allowance)			
Property taxes	70,129	22,139	-
Sales taxes	309,863	-	-
Accounts	64,221	8,977	-
Interest	13,616	-	10,378
Warrants	3,105,209	-	-
Ambulance	127,704	-	-
Miscellaneous	443,366	-	-
Due from other governments	219,702	-	-
Inventories	191,390	-	-
Prepaid items	4,360	-	-
Total Assets	\$ 9,472,919	\$ 420,225	\$ 8,033,881
LIABILITIES			
Accounts payable	\$ 233,075	\$ -	\$ 1,365,032
Accrued liabilities	371,255	-	-
Municipal court bonds	5,149	-	-
Other liabilities	1,392,417	-	-
Due to other funds	-	-	-
Total Liabilities	2,001,896	-	1,365,032
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,032,217	29,544	-
Total Deferred Inflows of Resources	2,032,217	29,544	-
FUND BALANCES			
Nonspendable	195,750	-	-
Restricted	-	390,681	6,668,849
Committed	-	-	-
Unassigned	5,243,056	-	-
Total Fund Balances	5,438,806	390,681	6,668,849
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,472,919	\$ 420,225	\$ 8,033,881

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

<u>2017 CO Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,973,910	\$ 3,510,144	\$ 7,070,002
2,000,732	1,856,986	16,607,741
-	-	92,268
-	146,817	456,680
-	-	73,198
1,168	4,263	29,425
-	-	3,105,209
-	-	127,704
-	30,489	473,855
-	-	219,702
-	-	191,390
-	-	4,360
<u>\$ 4,975,810</u>	<u>\$ 5,548,699</u>	<u>\$ 28,451,534</u>
\$ 3,560	\$ 1,102	\$ 1,602,769
-	5,933	377,188
-	-	5,149
-	708,859	2,101,276
<u>1,500,195</u>	<u>-</u>	<u>1,500,195</u>
1,503,755	715,894	5,586,577
-	-	2,061,761
-	-	2,061,761
-	-	195,750
3,472,055	2,218,000	12,749,585
-	2,913,654	2,913,654
-	(298,849)	4,944,207
<u>3,472,055</u>	<u>4,832,805</u>	<u>20,803,196</u>
<u>\$ 4,975,810</u>	<u>\$ 5,548,699</u>	<u>\$ 28,451,534</u>

**CITY OF CORINTH, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017**

Exhibit A-4

Total Fund Balances - Governmental Funds	\$	20,803,196
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.		53,273,570
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		(1,381,618)
Bonds payable		(27,375,387)
Accrued compensated absences		(1,032,567)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.		22,878
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.		(179,238)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$6,957,317, a deferred inflow of resources of \$473,645 and a deferred outflow of resources of \$2,173,391. This results in a decrease in net position.		(5,257,571)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$85,730, net fines, fees and court costs receivable of \$1,784,732, net fees for ambulance receivables of \$127,704 and net receivables for other items of \$63,595 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.		<u>2,061,761</u>
Net position of governmental activities	\$	<u><u>40,935,024</u></u>

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
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General	Debt Service	2016 CO Fund
REVENUES			
Taxes			
Property	\$ 8,092,389	\$ 2,537,112	\$ -
Sales	1,529,339	-	-
Hotel occupancy tax	-	-	-
Franchise	1,073,789	-	-
Escrow and impact fees	-	-	-
Utility fees	31,416	-	-
Traffic fines & forfeitures	594,120	-	-
Development fees & permits	1,147,711	-	-
Police fees & permits	26,166	-	-
Parks & recreation fees	158,463	-	-
Fire services	2,601,507	-	-
Donations	12,950	-	-
Interest income	65,390	5,081	82,653
Grants	-	-	-
Miscellaneous income	181,549	17	601
Charges for services	442,533	-	-
Total revenues	<u>15,957,322</u>	<u>2,542,210</u>	<u>83,254</u>
EXPENDITURES			
Current			
Public safety	8,925,905	-	-
Community services	1,333,633	-	-
Public works	693,643	-	-
Planning and community development	874,835	-	-
City administration	1,647,412	-	-
Finance and administrative services	862,354	-	-
Debt service			
Principal	-	1,404,176	-
Interest	-	1,085,180	-
Bond issuance costs	-	96,134	300
Capital outlay	-	-	4,740,622
Total expenditures	<u>14,337,782</u>	<u>2,585,490</u>	<u>4,740,922</u>
Excess (Deficiency) of Revenues over Expenditures	1,619,540	(43,280)	(4,657,668)
OTHER FINANCING SOURCES (USES)			
Issuance of bonds and capital lease	-	7,628,943	-
Proceeds from sale of capital assets	-	-	-
Payments to bond refunding agent	-	(7,542,236)	-
Transfers out	(732,870)	-	-
Transfers in	817,028	-	-
Total Other Financing Sources (Uses)	<u>84,158</u>	<u>86,707</u>	<u>-</u>
Net Change in Fund Balance	1,703,698	43,427	(4,657,668)
Fund Balance - October 1 (Beginning)	3,735,108	347,254	11,326,517
Fund Balance - September 30 (Ending)	<u>\$ 5,438,806</u>	<u>\$ 390,681</u>	<u>\$ 6,668,849</u>

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

2017 CO Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,629,501
-	724,466	2,253,805
-	77,673	77,673
-	-	1,073,789
-	156,559	156,559
-	-	31,416
-	25,627	619,747
-	-	1,147,711
-	26,496	52,662
-	10,710	169,173
-	-	2,601,507
-	81,839	94,789
3,376	47,729	204,229
-	2,419	2,419
-	140,270	322,437
-	-	442,533
<u>3,376</u>	<u>1,293,788</u>	<u>19,879,950</u>
-	308,592	9,234,497
-	19,520	1,353,153
-	393,214	1,086,857
-	-	874,835
-	130,544	1,777,956
-	-	862,354
-	138,439	1,542,615
-	23,923	1,109,103
136,436	-	232,870
31,126	187,089	4,958,837
<u>167,562</u>	<u>1,201,321</u>	<u>23,033,077</u>
(164,186)	92,467	(3,153,127)
3,636,241	251,866	11,517,050
-	16,073	16,073
-	-	(7,542,236)
-	(24,730)	(757,600)
-	619,552	1,436,580
<u>3,636,241</u>	<u>862,761</u>	<u>4,669,867</u>
3,472,055	955,228	1,516,740
-	3,877,577	19,286,456
<u>\$ 3,472,055</u>	<u>\$ 4,832,805</u>	<u>\$ 20,803,196</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
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Exhibit A-6

Net Change in Fund Balances - Total Governmental Funds	\$	1,516,740
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.		6,761,866
The net book value of capital assets disposed reduces net position.		(12,449)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(4,780,616)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	\$	(10,029,778)
Issuance of bond premium		(1,040,933)
Issuance of capital lease		(251,866)
Current year deferred loss on bond refunding		(15,812)
Bond principal repayments		8,946,413
Capital lease repayment		138,439
Amortization of premium		326,462
Amortization of deferred loss on bond refunding		<u>(12,493)</u>
		(1,939,568)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(37,795)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease of \$4,677. The effect is to increase net position.		4,677
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 \$866,254. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,248,972. The net effect is a decrease in net position.		(382,718)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		<u>260,954</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,391,091</u></u>

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

**CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017**

Exhibit A-7

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash	\$ 2,252,507	\$ 275,742	\$ 2,528,249
Investments	2,236,002	801,289	3,037,291
Receivables (net of allowances for uncollectibles):			
Accounts	1,556,864	83,964	1,640,828
Interest	3,749	1,147	4,896
Miscellaneous	5,424	-	5,424
Inventories	160,597	14,604	175,201
Due from other funds	1,500,195	-	1,500,195
Total Current Assets	7,715,338	1,176,746	8,892,084
Non-current assets:			
Capital Assets			
Land	512,330	12,000	524,330
Construction in progress	34,750	-	34,750
Buildings	252,345	-	252,345
Machinery and equipment	1,470,070	299,508	1,769,578
Infrastructure	43,121,136	5,829,272	48,950,408
Less accumulated depreciation	(17,529,421)	(1,904,032)	(19,433,453)
Total Capital Assets (net of accumulated depreciation)	27,861,210	4,236,748	32,097,958
Total assets	35,576,548	5,413,494	40,990,042
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	73,556	9,747	83,303
Deferred outflows - pension	257,865	28,297	286,162
Total deferred outflows of resources	331,421	38,044	369,465
LIABILITIES			
Current liabilities:			
Accounts payable	761,903	2,317	764,220
Accrued liabilities	44,109	-	44,109
Accrued interest payable	37,774	8,581	46,355
Customer deposits	608,240	-	608,240
Other liabilities	-	13,665	13,665
Compensated absences	84,626	261	84,887
Current portion of bonds	996,362	207,213	1,203,575
Total current liabilities	2,533,014	232,037	2,765,051
Non-current liabilities:			
Net pension liability	817,674	85,529	903,203
General obligation bonds	7,971,728	1,372,218	9,343,946
Total Noncurrent Liabilities	8,789,402	1,457,747	10,247,149
Total Liabilities	11,322,416	1,689,784	13,012,200
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	53,831	8,787	62,618
Total Deferred Inflows of Resources	53,831	8,787	62,618
NET POSITION			
Net investment in capital assets	18,966,676	2,667,064	21,633,740
Restricted for capital projects	1,035,640	91,459	1,127,099
Unrestricted	4,529,406	994,444	5,523,850
Total net position	\$ 24,531,722	\$ 3,752,967	\$ 28,284,689

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

CITY OF CORINTH, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Exhibit A-8

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
OPERATING REVENUES			
Charges for sales and services:			
Water sales	\$ 5,632,605	\$ -	\$ 5,632,605
Sewer disposal	4,335,178	-	4,335,178
Storm drainage fees	-	701,109	701,109
Garbage	800,878	-	800,878
Penalties and reconnect fees	153,389	-	153,389
Tap fees	277,107	-	277,107
Service fees	70,627	-	70,627
Inspections	62,804	26,088	88,892
Total Operating Revenues	<u>11,332,588</u>	<u>727,197</u>	<u>12,059,785</u>
OPERATING EXPENSES			
Wages & benefits	1,683,920	108,491	1,792,411
Professional services and contracts	2,329,162	44,752	2,373,914
Maintenance and operations	302,615	9,761	312,376
Supplies	63,809	6,937	70,746
Utilities and communication	5,289,145	5,488	5,294,633
Vehicles/equipment and fuel	87,112	12,404	99,516
Travel and training	15,164	1,206	16,370
Capital outlay	88,550	-	88,550
Depreciation	1,826,874	269,669	2,096,543
Total Operating Expenses	<u>11,686,351</u>	<u>458,708</u>	<u>12,145,059</u>
Operating Income (Loss)	(353,763)	268,489	(85,274)
NONOPERATING REVENUES (EXPENSES)			
Interest income	36,526	7,166	43,692
Miscellaneous income (expense)	7,473	127	7,600
Gain (loss) on sale of capital assets	1,196	-	1,196
Interest expense	(412,488)	(58,704)	(471,192)
Total Non-operating Revenues (Expenses)	<u>(367,293)</u>	<u>(51,411)</u>	<u>(418,704)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(721,056)	217,078	(503,978)
CONTRIBUTIONS AND TRANSFERS			
Special assessment - water and sewer impact fees	535,450	-	535,450
Capital contributions	1,774,705	687,040	2,461,745
Transfers in	365,924	-	365,924
Transfers out	(948,147)	(96,757)	(1,044,904)
Total Contributions and Transfers	<u>1,727,932</u>	<u>590,283</u>	<u>2,318,215</u>
Change in Net Position	1,006,876	807,361	1,814,237
Net Position, Beginning	23,524,846	2,945,606	26,470,452
Net Position, Ending	<u>\$ 24,531,722</u>	<u>\$ 3,752,967</u>	<u>\$ 28,284,689</u>

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

**CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit A-9

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 11,294,764	\$ 726,143	\$ 12,020,907
Payments to or on behalf of employees	(1,652,541)	(111,470)	(1,764,011)
Payments to suppliers	<u>(7,563,918)</u>	<u>(78,915)</u>	<u>(7,642,833)</u>
Net cash provided by operating activities	2,078,305	535,758	2,614,063
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(948,147)	(96,757)	(1,044,904)
Transfers in	365,924	-	365,924
Payments to/from other funds	<u>(1,500,195)</u>	<u>-</u>	<u>(1,500,195)</u>
Net cash used by noncapital financing activities	(2,082,418)	(96,757)	(2,179,175)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	225,000	-	225,000
Acquisition of capital assets	(684,501)	(24,499)	(709,000)
Proceeds from issuance of debt	8,741,434	1,599,431	10,340,865
Principal paid on bonds	(7,576,362)	(1,672,226)	(9,248,588)
Interest paid on bonds	(689,460)	(122,494)	(811,954)
Proceeds from sale of assets	1,196	-	1,196
Special assessments- impact fees	<u>535,450</u>	<u>-</u>	<u>535,450</u>
Net cash provided (used) by capital and related financing activities	552,757	(219,788)	332,969
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in short-term investments	866,517	(101,751)	764,766
Interest received	<u>42,635</u>	<u>6,738</u>	<u>49,373</u>
Net cash provided (used) by investing activities	909,152	(95,013)	814,139
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,457,796	124,200	1,581,996
CASH AND CASH EQUIVALENTS, BEGINNING	<u>794,711</u>	<u>151,542</u>	<u>946,253</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,252,507</u>	<u>\$ 275,742</u>	<u>\$ 2,528,249</u>

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

**CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating (loss) income	\$ (353,763)	\$ 268,489	\$ (85,274)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation and amortization	1,826,874	269,669	2,096,543
Miscellaneous income	-	127	127
(Increase) decrease in accounts receivable	(62,474)	(1,181)	(63,655)
(Increase) decrease in inventories	11,672	346	12,018
Increase (decrease) in accounts payable	599,967	1,287	601,254
Increase (decrease) in customer deposits	24,650	-	24,650
Increase (decrease) in accrued liabilities	31,379	(2,979)	28,400
Net cash provided by operating activities	<u>\$ 2,078,305</u>	<u>\$ 535,758</u>	<u>\$ 2,614,063</u>
 NONCASH INVESTING AND FINANCING ACTIVITIES			
Infrastructure contributed by developers	\$ 1,549,705	\$ 687,040	\$ 2,236,745
Capital assets contributed by other funds	22,835	-	22,835

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

CITY OF CORINTH, TEXAS

NOTES TO 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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

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 \$3,354,805 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:

Fourteen 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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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 that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$1,060,733 for General Fund, \$360,704 for Water and Sewer Fund and \$1,202 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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two 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 also has deferred outflows of resources for its deferred outflow related to pensions as described in Note 7.

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 their estimated fair value at the date of donation.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

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 is 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, accumulated sick pay; non-exempt employees are reimbursed for compensatory time.

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, 2017, was \$.58193 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 \$191,390 and \$4,360 in nonspendable fund balance for inventory and prepaid items, respectively, at September 30, 2017.

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 \$390,681 as of September 30, 2017. Fund balance restricted for future capital projects totaled \$6,668,849, \$3,472,055, \$91,791 and \$252,881, 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 \$334,926, \$936,562, \$175,414, \$26,950, \$22,300, \$33,566, \$69,725, \$44,539, \$1,782, \$50,000, \$22,939 and \$154,625 respectively, as of September 30, 2017.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

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 and parks development totaling \$321,170 and \$229,568, respectively, as of September 30, 2017. 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 \$1,778,664, \$115,575, \$287,707, \$27,649, and \$153,321, respectively, as of September 30, 2017.

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, 2017.

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.

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, 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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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, 2017, a fund deficit of \$298,849 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, 2017, were entirely covered 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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Following are the City's investments at September 30, 2017, including classification by level, within the fair value hierarchy:

Primary Government

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>			
TexSTAR	\$ 3,708,072	n/a	AAAm	< 60 days			
					<u>Investment Maturity in Years</u>		
					<u>Less than 1</u>	<u>1 - 5</u>	<u>More than</u>
					<u>Year</u>	<u>5</u>	<u>5</u>
<u>Other Investments</u>							
U.S. Government							
Backed Securities	15,642,000	Level 2	AA+	\$ 7,875,000	\$ 7,767,000	\$ -	
Money market	289,209	Level 1	n/a	289,209	-	-	
Total	<u>15,931,209</u>			<u>\$ 8,164,209</u>	<u>\$ 7,767,000</u>	<u>\$ -</u>	
Less: reconciling items	5,751						
Total Investments	<u>\$ 19,645,032</u>						

CEDC

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>			
TexPool	\$ 783,477	n/a	AAAm	< 60 days			
					<u>Investment Maturity in Years</u>		
					<u>Less than 1</u>	<u>1 - 5</u>	<u>More than</u>
					<u>Year</u>	<u>5</u>	<u>5</u>
<u>Other Investments</u>							
U.S. Government							
Backed Securities	2,350,000	Level 2	AA+	\$ 950,000	\$ 1,400,000	\$ -	
Less: reconciling items	(1,611)			\$ 950,000	\$ 1,400,000	\$ -	
Total Investments	<u>\$ 3,131,866</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.

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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 calculated according to SEC rule 2a-7.

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, 2017, the City's investments in TexPool and TexSTAR were both rated AAAm by Standard & Poor's.

Concentration of Credit Risk. The City's investment policy requires diversification of investments according to the following guidelines:

<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%

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,595,762	\$ -	\$ -	\$ 2,595,762
Construction in progress	<u>4,462,332</u>	<u>4,824,942</u>	<u>-</u>	<u>9,287,274</u>
Total assets not being depreciated	7,058,094	4,824,942	-	11,883,036
Capital assets, being depreciated:				
Buildings	6,725,219	15,150	-	6,740,369
Machinery and equipment	11,144,162	148,382	210,366	11,082,178
Infrastructure	<u>95,384,227</u>	<u>1,773,392</u>	<u>-</u>	<u>97,157,619</u>
Total capital assets being depreciated	113,253,608	1,936,924	210,366	114,980,166
Less accumulated depreciation:				
Buildings	2,426,367	213,455	-	2,639,822
Machinery and equipment	5,577,521	963,209	197,917	6,342,813
Infrastructure	<u>61,003,045</u>	<u>3,603,952</u>	<u>-</u>	<u>64,606,997</u>
Total accumulated depreciation	69,006,933	4,780,616	197,917	73,589,632
Total capital assets being depreciated, net	<u>44,246,675</u>	<u>(2,843,692)</u>	<u>12,449</u>	<u>41,390,534</u>
Governmental activities capital assets, net	<u>\$ 51,304,769</u>	<u>\$ 1,981,250</u>	<u>\$ 12,449</u>	<u>\$ 53,273,570</u>

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 497,399	\$ 26,931	\$ -	\$ 524,330
Construction in progress	388,642	34,750	388,642	34,750
Total assets not being depreciated	886,041	61,681	388,642	559,080
Capital assets, being depreciated:				
Buildings	252,345	-	-	252,345
Machinery and equipment	1,623,933	47,335	9,580	1,661,688
Infrastructure	45,725,036	3,225,372	-	48,950,408
Total capital assets being depreciated	47,601,314	3,272,707	9,580	50,864,441
Less accumulated depreciation:				
Buildings	148,163	6,565	-	154,728
Machinery and equipment	1,225,818	99,816	9,580	1,316,054
Infrastructure	15,864,619	1,990,162	-	17,854,781
Total accumulated depreciation	17,238,600	2,096,543	9,580	19,325,563
Total capital assets being depreciated, net	30,362,714	1,176,164	-	31,538,878
Business-type activities capital assets, net	\$ 31,248,755	\$ 1,237,845	\$ 388,642	\$ 32,097,958

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

Governmental activities:	
Public safety	\$ 784,551
Community services	158,147
Public works	3,650,546
Planning and community development	5,355
City administration	182,017
Total depreciation expense - governmental activities	\$ 4,780,616
Business-type activities	
Water and sewer	\$ 1,826,874
Storm drainage	269,669
Total depreciation expense - business-type activities	\$ 2,096,543

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Due to/Due from Balances

The composition of interfund balances as of September 30, 2017, is as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
Water and Sewer	2017 CO Fund	\$ 1,500,195	Debt proceeds

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2017, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Water and Sewer	\$ 710,626	Administrative Allocation
General	Storm Drainage	57,330	Administrative Allocation
General	Nonmajor	1	Close Out Fund
General	Water and Sewer	79,994	Budgeted Transfer
Debt Service	Nonmajor	6,812	Debt repayments
Nonmajor	General	180,000	Budgeted Transfer
Nonmajor	General	50,000	Budgeted Transfer
Nonmajor	General	146,965	Budgeted Transfer
Nonmajor	General	22,150	Budgeted Transfer
Nonmajor	Water and Sewer	3,501	Budgeted Transfer
Nonmajor	Storm Drainage	250	Budgeted Transfer
Nonmajor	Nonmajor	3,712	CIP Reallocation
Nonmajor	Water and Sewer	39,570	CIP Reallocation
Nonmajor	Storm Drainage	424,184	CIP Reallocation
Nonmajor	General	17,508	Budgeted Transfer
Water and Sewer	General	156,381	Administrative Allocation
Water and Sewer	Storm Drainage	35,187	Administrative Allocation
Water and Sewer	Storm Drainage	25,000	Budgeted Transfer
Water and Sewer	Storm Drainage	11,962	CIP Reallocation
		<u>\$ 1,971,133</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, and Storm Drainage Fund.

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

On July 6, 2017, the City issued \$14,240,000 in General Obligation Refunding Bonds, Series 2017. Proceeds from the sale of the bonds were used to partially refund the Combination Tax and Revenue Certificates of Obligation, Series 2007, and to pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$2,035,140. The bonds issued consisted of current interest bonds of \$14,240,000 with interest at 2.0-5.0% paid through 2027. The City advance refunded the Combination Tax and Revenue Certificates of Obligation, Series 2007 to decrease its total debt service payments over 11 years by \$2,397,799 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,164,170. The City intends to retire all of its general obligation bonds, plus interest, from future ad valorem tax levies. The City designates a portion of its tax rate for debt service in order to comply with the ordinance to create from such tax revenues, a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due.

The following is a summary of changes in long-term obligations for the year ended September 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Certificates of obligation	\$ 20,102,389	\$ 3,354,805	\$ (6,622,388)	\$ 16,834,806	\$ 65,000
General obligation bonds	3,458,925	6,674,973	(2,324,025)	7,809,873	1,146,465
Bond premiums/discounts (net)	2,016,237	1,040,933	(326,462)	2,730,708	206,093
Compensated absences	994,772	37,795	-	1,032,567	935,042
Capital lease obligation	1,268,191	251,866	(138,439)	1,381,618	164,320
Net pension liability	6,464,900	492,417	-	6,957,317	-
Total Governmental Activities	\$ 34,305,414	\$ 11,852,789	\$ (9,411,314)	\$ 36,746,889	\$ 2,516,920
Business-type activities					
General obligation bonds	\$ 816,075	\$ 7,565,027	\$ (495,976)	\$ 7,885,126	\$ 1,083,535
Certificates of obligation	8,752,609	1,500,195	(8,752,609)	1,500,195	-
Bond premiums/discounts (net)	161,175	1,275,643	(274,618)	1,162,200	120,040
Compensated absences	96,987	-	(12,100)	84,887	84,887
Net pension liability	836,996	66,207	-	903,203	-
Total Business Type Activities	\$ 10,663,842	\$ 10,407,072	\$ (9,535,303)	\$ 11,535,611	\$ 1,288,462
Total long-term obligations	\$ <u>44,969,256</u>	\$ <u>22,259,861</u>	\$ <u>(18,946,617)</u>	\$ <u>48,282,500</u>	\$ <u>3,805,382</u>

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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 9/30/2017	Business Type Amount Outstanding 9/30/2017
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	\$ 205,000	\$ -
Certificates of Obligation	4/21/2016	13,275,000	2.00%-5.00%	2/15/2036	13,275,000	-
General Obligation	4/21/2016	1,510,000	2.00%	2/15/2020	1,134,900	320,099
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	6,674,974	7,565,027
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	3,354,805	1,500,195
					<u>\$ 24,644,679</u>	<u>\$ 9,385,321</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2017 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2018	\$ 1,211,465	\$ 1,022,309	\$ 2,233,774
2019	1,295,527	969,888	2,265,415
2020	1,570,819	919,468	2,490,287
2021	1,298,510	871,202	2,169,712
2022	1,290,264	816,375	2,106,639
2023-2027	7,441,443	3,084,356	10,525,799
2028-2032	5,256,950	1,570,566	6,827,516
2033-2037	5,279,701	435,226	5,714,927
Total	<u>\$ 24,644,679</u>	<u>\$ 9,689,390</u>	<u>\$ 34,334,069</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2017 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2018	\$ 1,083,535	\$ 410,831	\$ 1,494,366
2019	1,019,473	363,018	1,382,491
2020	804,181	321,711	1,125,892
2021	736,490	285,883	1,022,373
2022	699,736	250,611	950,347
2023-2027	4,068,564	686,159	4,754,723
2028-2032	448,050	121,046	569,096
2033-2037	525,292	44,060	569,352
Total	<u>\$ 9,385,321</u>	<u>\$ 2,483,319</u>	<u>\$ 10,730,192</u>

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Leases Payable

A summary of changes in capital leases payable for the year ended September 30, 2017 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital lease obligation	\$ <u>1,268,191</u>	\$ <u>251,866</u>	\$ <u>(138,439)</u>	\$ <u>1,381,618</u>	\$ <u>164,320</u>

The City leases various equipment under capital lease. The following is an analysis of the leased assets included in capital assets at September 30, 2017:

Equipment	\$ 1,180,375
Less: accumulated depreciation	<u>(362,040)</u>
Net value	<u>\$ 818,335</u>

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2017:

Year Ending	
2018	\$ 202,251
2019	202,251
2020	202,251
2021	202,251
2022	202,251
2023-2027	502,440
2028	<u>65,075</u>
Total minimum lease payments	1,578,770
Less amount representing interest	<u>(197,152)</u>
Present value of minimum lease payments	<u>\$ 1,381,618</u>

Note 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	100
Active employees	143
	<hr/>
	310

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 14% and 14% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$1,400,433, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality 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 100.0%. 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, 2016, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	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.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan	Net Pension Liability/(Asset) (a) - (b)
		Fiduciary Net Position (b)	
Balance at 12/31/2015	\$ 32,877,499	\$ 25,575,603	\$ 7,301,896
Changes for the year:			
Service Cost	1,636,649		1,636,649
Interest	2,244,189		2,244,189
Changes of benefit terms	-		-
Difference between expected and actual experience	409,560		409,560
Changes of assumptions	-		-
Contributions - employer		1,372,064	(1,372,064)
Contributions - employee		650,021	(650,021)
Net investment income		1,730,262	(1,730,262)
Benefit payments, including refunds of employee contributions	(897,171)	(897,171)	-
Administrative expense		(19,521)	19,521
Other changes		(1,052)	1,052
Net changes	<u>3,393,227</u>	<u>2,834,603</u>	<u>558,624</u>
Balance at 12/31/2016	<u>\$ 36,270,726</u>	<u>\$ 28,410,206</u>	<u>\$ 7,860,520</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	\$ 14,393,120	\$ 7,860,520	\$ 2,633,201

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, 2017, the City recognized pension expense of \$1,834,609.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

At September 30, 2017, 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	\$ 329,096	\$ (370,861)
Changes in actual assumptions	-	(162,275)
Difference between projected and actual investment earnings	1,111,153	(3,127)
Contributions subsequent to the measurement date	1,019,304	-
Total	\$ 2,459,553	\$ (536,263)

\$1,019,304 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	
2018	\$ 309,572
2019	309,572
2020	263,159
2021	14,443
2022	7,240
Thereafter	-
	<u>\$ 903,986</u>

Supplemental Death Benefits Plan

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefit Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. Audited financial statements of the SDBF may be obtained from TMRS' website at www.TMRS.com.

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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended September 30, 2017, 2016 and 2015 were \$10,974, \$9,252, and \$8,807, respectively, which equaled the required contributions each year.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 8: 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 9: 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 \$8,695,114.

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.

**CITY OF CORINTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit B-1

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes:				
Property	\$ 8,030,407	\$ 8,030,407	\$ 8,092,389	\$ 61,982
Sales	1,363,603	1,363,603	1,529,339	165,736
Franchise	1,089,738	1,089,738	1,073,789	(15,949)
Utility fees	12,500	12,500	31,416	18,916
Traffic fines and forfeitures	708,888	708,888	594,120	(114,768)
Development fees & permits	465,634	465,634	1,147,711	682,077
Police fees & permits	25,500	25,500	26,166	666
Parks & recreation fees	156,151	156,151	158,463	2,312
Fire services	2,681,748	2,681,748	2,601,507	(80,241)
Donations	15,000	15,000	12,950	(2,050)
Interest income	30,200	30,200	65,390	35,190
Miscellaneous income	159,200	159,200	181,549	22,349
Charges for services	486,256	486,256	442,533	(43,723)
Total Revenues	15,224,825	15,224,825	15,957,322	732,497
EXPENDITURES				
Current:				
Public safety	8,732,776	9,077,579	8,925,905	151,674
Community services	1,599,310	1,560,063	1,333,633	226,430
Public works	715,986	718,651	693,643	25,008
Planning and community development	962,493	932,771	874,835	57,936
City administration	1,877,950	1,864,432	1,647,412	217,020
Finance and administrative services	849,737	866,028	862,354	3,674
Total Expenditures	14,738,252	15,019,524	14,337,782	681,742
Excess of Revenues over Expenditures	486,573	205,301	1,619,540	1,414,239
OTHER FINANCING SOURCES (USES)				
Transfers out	(675,451)	(732,870)	(732,870)	-
Transfers in	817,028	817,028	817,028	-
Total Financing Sources (Uses)	141,577	84,158	84,158	-
Net Change in Fund Balance	628,150	289,459	1,703,698	1,414,239
Fund Balance - October 1 (Beginning)	3,735,108	3,735,108	3,735,108	-
Fund Balance - September 30 (Ending)	\$ 4,363,258	\$ 4,024,567	\$ 5,438,806	\$ 1,414,239

CITY OF CORINTH, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Exhibit B-2

	<u>Year Ended December 31, 2016</u>	<u>Year Ended December 31, 2015</u>	<u>Year Ended December 31, 2014</u>
Total Pension Liability			
Service cost	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
Interest on total pension liability	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-
Differences between expected and actual experience	409,560	(356,486)	(293,384)
Change of assumptions	-	(252,429)	-
Benefit payments/refunds of contributions	<u>(897,171)</u>	<u>(783,303)</u>	<u>(854,227)</u>
Net change in total pension liability	3,393,227	2,385,780	2,291,463
Total pension liability, beginning	<u>32,877,499</u>	<u>30,491,719</u>	<u>28,200,256</u>
Total pension liability, ending (a)	<u>\$ 36,270,726</u>	<u>\$ 32,877,499</u>	<u>\$ 30,491,719</u>
Fiduciary Net Position			
Contributions - Employer	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
Contributions - Employee	650,021	648,976	604,376
Net investment income	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(897,171)	(783,303)	(854,227)
Administrative expenses	(19,521)	(21,823)	(13,183)
Other	<u>(1,052)</u>	<u>(1,078)</u>	<u>(1,084)</u>
Net change in fiduciary net position	2,834,603	1,294,116	2,208,360
Fiduciary net position, beginning	<u>25,575,603</u>	<u>24,281,487</u>	<u>22,073,127</u>
Fiduciary net position, ending (b)	<u>\$ 28,410,206</u>	<u>\$ 25,575,603</u>	<u>\$ 24,281,487</u>
Net pension liability / (asset), ending = (a) - (b)	<u>7,860,520</u>	<u>7,301,896</u>	<u>6,210,232</u>
Fiduciary net position as a percentage of total pension liability	78.33%	77.79%	79.63%
Pensionable covered payroll	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
Net pension liability as a percentage of covered payroll	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
FOR FISCAL YEAR 2017**

Exhibit B-3

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
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	-		#DIV/0!

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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	27 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.

**CITY OF CORINTH, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Note B: 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, 2017.
- g. All budget appropriations lapse at year end.

**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017**

Exhibit C-1

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,262,302	\$ 1,247,842	\$ 3,510,144
Investments	400,000	1,456,986	1,856,986
Receivables (net of allowance)			
Sales taxes	146,817	-	146,817
Interest	1,503	2,760	4,263
Miscellaneous	30,489	-	30,489
Total Assets	<u>\$ 2,841,111</u>	<u>\$ 2,707,588</u>	<u>\$ 5,548,699</u>
LIABILITIES			
Accounts payable	\$ 1,102	\$ -	\$ 1,102
Accrued liabilities	5,933	-	5,933
Other liabilities	708,859	-	708,859
Total Liabilities	<u>715,894</u>	<u>-</u>	<u>715,894</u>
FUND BALANCES			
Restricted	1,873,328	344,672	2,218,000
Committed	550,738	2,362,916	2,913,654
Unassigned	(298,849)	-	(298,849)
Total Fund Balances	<u>2,125,217</u>	<u>2,707,588</u>	<u>4,832,805</u>
Total Liabilities and Fund Balances	<u>\$ 2,841,111</u>	<u>\$ 2,707,588</u>	<u>\$ 5,548,699</u>

CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Exhibit C-2

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes:			
Sales	\$ 724,466	\$ -	\$ 724,466
Hotel occupancy tax	77,673	-	77,673
Escrow and impact fees	156,559	-	156,559
Traffic fines & forfeitures	25,627	-	25,627
Police fees & permits	26,496	-	26,496
Parks & recreation fees	10,710	-	10,710
Donations	81,235	604	81,839
Interest income	22,861	24,868	47,729
Grants	2,419	-	2,419
Miscellaneous income	90,269	50,001	140,270
Total Revenues	1,218,315	75,473	1,293,788
EXPENDITURES			
Current:			
Public safety	300,537	8,055	308,592
Community services	19,520	-	19,520
Public works	174,129	219,085	393,214
City administration	77,034	53,510	130,544
Debt service:			
Principal	-	138,439	138,439
Interest	-	23,923	23,923
Capital outlay	(590)	187,679	187,089
Total Expenditures	570,630	630,691	1,201,321
Excess (Deficiency) of Revenues over Expenditures	647,685	(555,218)	92,467
OTHER FINANCING SOURCES (USES)			
Issuance of capital leases	-	251,866	251,866
Proceeds from sale of capital assets	-	16,073	16,073
Transfers out	(24,730)	-	(24,730)
Transfers in	17,771	601,781	619,552
Total Other Financing Sources (Uses)	(6,959)	869,720	862,761
Net Change in Fund Balance	640,726	314,502	955,228
Fund Balance - October 1 (Beginning)	1,484,491	2,393,086	3,877,577
Fund Balance - September 30 (Ending)	\$ 2,125,217	\$ 2,707,588	\$ 4,832,805

**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2017**

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>	<u>Keep Corinth Beautiful</u>
ASSETS				
Cash and cash equivalents	\$ 270,967	\$ 458,694	\$ 168,794	\$ 26,950
Investments	-	400,000	-	-
Receivables (net of allowance)				
Sales taxes	69,350	77,467	-	-
Interest	-	1,503	-	-
Miscellaneous	-	-	6,620	-
Total Assets	<u>\$ 340,317</u>	<u>\$ 937,664</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,102	\$ -	\$ -
Accrued liabilities	5,391	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>5,391</u>	<u>1,102</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	334,926	936,562	175,414	26,950
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>334,926</u>	<u>936,562</u>	<u>175,414</u>	<u>26,950</u>
Total Liabilities and Fund Balances	<u>\$ 340,317</u>	<u>\$ 937,664</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>

<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Confiscation-State</u>	<u>Police Confiscation-Federal</u>
\$ 473	\$ 353,236	\$ 69,725	\$ 44,539	\$ 19,482	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,369	1,500	-	-	-	-
<u>\$ 22,842</u>	<u>\$ 354,736</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 19,482</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
542	-	-	-	-	-
-	-	-	-	17,700	-
<u>542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,700</u>	<u>-</u>
22,300	33,566	69,725	44,539	1,782	-
-	321,170	-	-	-	-
-	-	-	-	-	-
<u>22,300</u>	<u>354,736</u>	<u>69,725</u>	<u>44,539</u>	<u>1,782</u>	<u>-</u>
<u>\$ 22,842</u>	<u>\$ 354,736</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 19,482</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AS OF SEPTEMBER 30, 2017**

	<u>Parks Development</u>	<u>Community Park Improvement</u>	<u>Tree Mitigation</u>
ASSETS			
Cash and cash equivalents	\$ 279,568	\$ 22,939	\$ 154,625
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Assets	<u>\$ 279,568</u>	<u>\$ 22,939</u>	<u>\$ 154,625</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	50,000	22,939	154,625
Committed	229,568	-	-
Unassigned	-	-	-
Total Fund Balances	<u>279,568</u>	<u>22,939</u>	<u>154,625</u>
Total Liabilities and Fund Balances	<u>\$ 279,568</u>	<u>\$ 22,939</u>	<u>\$ 154,625</u>

<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 392,310	\$ 2,262,302
-	400,000
-	146,817
-	1,503
-	30,489
<u>\$ 392,310</u>	<u>\$ 2,841,111</u>
\$ -	\$ 1,102
-	5,933
<u>691,159</u>	<u>708,859</u>
691,159	715,894
-	1,873,328
-	550,738
<u>(298,849)</u>	<u>(298,849)</u>
<u>(298,849)</u>	<u>2,125,217</u>
<u>\$ 392,310</u>	<u>\$ 2,841,111</u>

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax	Keep Corinth Beautiful
REVENUES				
Taxes:				
Sales	\$ 346,090	\$ 378,376	\$ -	\$ -
Hotel occupancy tax	-	-	77,673	-
Escrow and impact fees	-	-	-	-
Traffic fines & forfeitures	-	-	-	-
Police fees & permits	-	-	-	-
Parks & recreation fees	-	-	-	-
Donations	-	-	-	5,400
Interest income	2,034	6,788	1,650	227
Grants	-	-	-	-
Miscellaneous income	-	-	-	-
Total Revenues	<u>348,124</u>	<u>385,164</u>	<u>79,323</u>	<u>5,627</u>
EXPENDITURES				
Current:				
Public safety	240,003	-	-	-
Community services	-	-	-	-
Public works	-	148,326	-	-
City administration	-	-	74,007	3,027
Capital outlay	-	-	-	-
Total Expenditures	<u>240,003</u>	<u>148,326</u>	<u>74,007</u>	<u>3,027</u>
Excess (Deficiency) of Revenues over Expenditures	108,121	236,838	5,316	2,600
OTHER FINANCING SOURCES (USES)				
Transfers out	(24,730)	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>(24,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	83,391	236,838	5,316	2,600
Fund Balance - October 1 (Beginning)	251,535	699,724	170,098	24,350
Fund Balance - September 30 (Ending)	<u>\$ 334,926</u>	<u>\$ 936,562</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology	Police Confiscation-State	Police Confiscation-Federal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,993	14,634	-	-
23,991	2,505	-	-	-	-
-	-	-	-	-	-
-	25,835	-	-	-	-
75	2,745	603	327	1,782	-
-	2,419	-	-	-	-
-	90,269	-	-	-	-
<u>24,066</u>	<u>123,773</u>	<u>11,596</u>	<u>14,961</u>	<u>1,782</u>	<u>-</u>
28,265	32,269	-	-	-	-
-	(7,430)	9,015	-	-	-
-	9,869	-	-	-	-
-	-	-	-	-	-
-	(590)	-	-	-	-
<u>28,265</u>	<u>34,118</u>	<u>9,015</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,199)	89,655	2,581	14,961	1,782	-
-	-	-	-	-	-
-	-	17,771	-	-	-
-	-	<u>17,771</u>	-	-	-
(4,199)	89,655	20,352	14,961	1,782	-
26,499	265,081	49,373	29,578	-	-
<u>\$ 22,300</u>	<u>\$ 354,736</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 1,782</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Parks Development</u>	<u>Community Park Improvement</u>	<u>Tree Mitigation</u>
REVENUES			
Taxes:			
Sales	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	10,710	-
Donations	50,000	-	-
Interest income	2,381	179	1,308
Grants	-	-	-
Miscellaneous income	-	-	-
Total Revenues	<u>52,381</u>	<u>10,889</u>	<u>1,308</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Community services	10,610	-	7,325
Public works	-	-	-
City administration	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>10,610</u>	<u>-</u>	<u>7,325</u>
Excess (Deficiency) of Revenues over Expenditures	41,771	10,889	(6,017)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	41,771	10,889	(6,017)
Fund Balance - October 1 (Beginning)	237,797	12,050	160,642
Fund Balance - September 30 (Ending)	<u>\$ 279,568</u>	<u>\$ 22,939</u>	<u>\$ 154,625</u>

<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 724,466
-	77,673
156,559	156,559
-	25,627
-	26,496
-	10,710
-	81,235
2,762	22,861
-	2,419
-	90,269
<u>159,321</u>	<u>1,218,315</u>
-	300,537
-	19,520
15,934	174,129
-	77,034
-	(590)
<u>15,934</u>	<u>570,630</u>
143,387	647,685
-	(24,730)
-	17,771
-	<u>(6,959)</u>
143,387	640,726
(442,236)	1,484,491
<u>\$ (298,849)</u>	<u>\$ 2,125,217</u>

**CITY OF CORINTH, TEXAS
CRIME CONTROL & PREVENTION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-5

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 291,100	\$ 291,100	\$ 346,090	\$ 54,990
Interest income	250	250	2,034	1,784
Total Revenues	<u>291,350</u>	<u>291,350</u>	<u>348,124</u>	<u>56,774</u>
EXPENDITURES				
Current:				
Public safety	272,289	248,050	240,003	8,047
Total Expenditures	<u>272,289</u>	<u>248,050</u>	<u>240,003</u>	<u>8,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(24,730)	(24,730)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(24,730)</u>	<u>(24,730)</u>
Net Change in Fund Balance	19,061	43,300	83,391	40,091
Fund Balance - October 1 (Beginning)	251,535	251,535	251,535	-
Fund Balance - September 30 (Ending)	<u>\$ 270,596</u>	<u>\$ 294,835</u>	<u>\$ 334,926</u>	<u>\$ 40,091</u>

**CITY OF CORINTH, TEXAS
STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-6

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Sales	\$ 336,898	\$ 336,898	\$ 378,376	\$ 41,478
Interest income	1,000	1,000	6,788	5,788
Total Revenues	337,898	337,898	385,164	47,266
EXPENDITURES				
Current:				
Public works	319,360	319,360	148,326	171,034
Total Expenditures	319,360	319,360	148,326	171,034
Net Change in Fund Balance	18,538	18,538	236,838	218,300
Fund Balance - October 1 (Beginning)	699,724	699,724	699,724	-
Fund Balance - September 30 (Ending)	\$ 718,262	\$ 718,262	\$ 936,562	\$ 218,300

**CITY OF CORINTH, TEXAS
HOTEL MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-7

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Hotel occupancy tax	\$ 50,000	\$ 50,000	\$ 77,673	\$ 27,673
Interest income	-	-	1,650	1,650
Total Revenues	50,000	50,000	79,323	29,323
EXPENDITURES				
Current:				
City Administration	90,000	90,000	74,007	15,993
Total Expenditures	90,000	90,000	74,007	15,993
Net Change in Fund Balance	(40,000)	(40,000)	5,316	45,316
Fund Balance - October 1 (Beginning)	170,098	170,098	170,098	-
Fund Balance - September 30 (Ending)	\$ 130,098	\$ 130,098	\$ 175,414	\$ 45,316

**CITY OF CORINTH, TEXAS
KEEP CORINTH BEAUTIFUL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-8

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Donations	\$ 6,500	\$ 6,500	\$ 5,400	\$ (1,100)
Interest income	-	-	227	227
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>5,627</u>	<u>(873)</u>
EXPENDITURES				
Current:				
City Administration	6,500	6,500	3,027	3,473
Total Expenditures	<u>6,500</u>	<u>6,500</u>	<u>3,027</u>	<u>3,473</u>
Net Change in Fund Balance	-	-	2,600	2,600
Fund Balance - October 1 (Beginning)	24,350	24,350	24,350	-
Fund Balance - September 30 (Ending)	<u>\$ 24,350</u>	<u>\$ 24,350</u>	<u>\$ 26,950</u>	<u>\$ 2,600</u>

**CITY OF CORINTH, TEXAS
COUNTY CHILD SAFETY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-9

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Police fees & permits	\$ 26,750	\$ 26,750	\$ 23,991	\$ (2,759)
Interest income	-	-	75	75
Total Revenues	26,750	26,750	24,066	(2,684)
EXPENDITURES				
Current:				
Public safety	28,500	28,500	28,265	235
Total Expenditures	28,500	28,500	28,265	235
Net Change in Fund Balance	(1,750)	(1,750)	(4,199)	(2,449)
Fund Balance - October 1 (Beginning)	26,499	26,499	26,499	-
Fund Balance - September 30 (Ending)	\$ 24,749	\$ 24,749	\$ 22,300	\$ (2,449)

**CITY OF CORINTH, TEXAS
MUNICIPAL COURT SECURITY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-10

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Traffic fines and forfeitures	\$ 12,800	\$ 12,800	\$ 10,993	\$ (1,807)
Interest income	-	-	603	603
Total Revenues	<u>12,800</u>	<u>12,800</u>	<u>11,596</u>	<u>(1,204)</u>
EXPENDITURES				
Current:				
Community services	<u>30,571</u>	<u>30,571</u>	<u>9,015</u>	<u>21,556</u>
Total Expenditures	<u>30,571</u>	<u>30,571</u>	<u>9,015</u>	<u>21,556</u>
Excess (Deficiency) of Revenues over Expenditures	(17,771)	(17,771)	2,581	20,352
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>17,771</u>	<u>17,771</u>	<u>17,771</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>17,771</u>	<u>17,771</u>	<u>17,771</u>	<u>-</u>
Net Change in Fund Balance	-	-	20,352	20,352
Fund Balance - October 1 (Beginning)	<u>49,373</u>	<u>49,373</u>	<u>49,373</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 49,373</u>	<u>\$ 49,373</u>	<u>\$ 69,725</u>	<u>\$ 20,352</u>

**CITY OF CORINTH, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-11

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Traffic fines and forfeitures	\$ 17,000	\$ 17,000	\$ 14,634	\$ (2,366)
Interest income	-	-	327	327
Total Revenues	17,000	17,000	14,961	(2,039)
EXPENDITURES				
Current:				
Community services	4,794	4,794	-	4,794
Total Expenditures	4,794	4,794	-	4,794
Net Change in Fund Balance	12,206	12,206	14,961	2,755
Fund Balance - October 1 (Beginning)	29,578	29,578	29,578	-
Fund Balance - September 30 (Ending)	\$ 41,784	\$ 41,784	\$ 44,539	\$ 2,755

**CITY OF CORINTH, TEXAS
POLICE CONFISCATION FUND - STATE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-12

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest income	\$ -	\$ -	\$ 1,782	\$ 1,782
Total Revenues	<u>-</u>	<u>-</u>	<u>1,782</u>	<u>1,782</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,782	1,782
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,782</u>	<u>\$ 1,782</u>

**CITY OF CORINTH, TEXAS
POLICE CONFISCATION FUND - FEDERAL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-13

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
 EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
 Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

**CITY OF CORINTH, TEXAS
PARKS DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-14

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Donations	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Interest income	-	-	2,381	2,381
Total Revenues	50,000	50,000	52,381	2,381
EXPENDITURES				
Current:				
Community services	10,740	10,740	10,610	130
Total Expenditures	10,740	10,740	10,610	130
Net Change in Fund Balance	39,260	39,260	41,771	2,511
Fund Balance - October 1 (Beginning)	237,797	237,797	237,797	-
Fund Balance - September 30 (Ending)	\$ 277,057	\$ 277,057	\$ 279,568	\$ 2,511

**CITY OF CORINTH, TEXAS
COMMUNITY PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-15

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Parks & recreation fees	\$ 10,520	\$ 10,520	\$ 10,710	\$ 190
Interest income	-	-	179	179
Total Revenues	<u>10,520</u>	<u>10,520</u>	<u>10,889</u>	<u>369</u>
EXPENDITURES				
Current:				
Community services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	10,520	10,520	10,889	369
Fund Balance - October 1 (Beginning)	12,050	12,050	12,050	-
Fund Balance - September 30 (Ending)	<u>\$ 22,570</u>	<u>\$ 22,570</u>	<u>\$ 22,939</u>	<u>\$ 369</u>

**CITY OF CORINTH, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-16

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,500,243	\$ 2,500,243	\$ 2,537,112	\$ 36,869
Interest income	-	-	5,081	5,081
Miscellaneous Income	-	-	17	17
Total Revenues	<u>2,500,243</u>	<u>2,500,243</u>	<u>2,542,210</u>	<u>41,950</u>
EXPENDITURES				
Debt Service:				
Principal	1,364,960	1,364,960	1,404,176	(39,216)
Interest	1,134,116	1,134,116	1,085,180	48,936
Bond issuance costs	-	-	96,134	(96,134)
Total Expenditures	<u>2,499,076</u>	<u>2,499,076</u>	<u>2,585,490</u>	<u>(86,414)</u>
Excess (Deficiency) of Revenues over Expenditures	1,167	1,167	(43,280)	(44,464)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	7,628,943	7,628,943
Payments to bond refunding agent	-	-	(7,542,236)	(7,542,236)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>86,707</u>	<u>86,707</u>
Net Change in Fund Balance	1,167	1,167	43,427	42,243
Fund Balance - October 1 (Beginning)	347,254	347,254	347,254	-
Fund Balance - September 30 (Ending)	<u>\$ 348,421</u>	<u>\$ 348,421</u>	<u>\$ 390,681</u>	<u>\$ 42,243</u>

**CITY OF CORINTH, TEXAS
 TREE MITIGATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-17

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest income	\$ -	\$ -	\$ 1,308	\$ 1,308
Total Revenues	<u>-</u>	<u>-</u>	<u>1,308</u>	<u>1,308</u>
EXPENDITURES				
Current:				
Community services	15,000	15,000	7,325	7,675
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>7,325</u>	<u>7,675</u>
Net Change in Fund Balance	(15,000)	(15,000)	(6,017)	8,983
Fund Balance - October 1 (Beginning)	160,642	160,642	160,642	-
Fund Balance - September 30 (Ending)	<u>\$ 145,642</u>	<u>\$ 145,642</u>	<u>\$ 154,625</u>	<u>\$ 8,983</u>

**CITY OF CORINTH, TEXAS
ROADWAY IMPACT FEE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-18

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Escrow and impact fees	\$ -	\$ -	\$ 156,559	\$ 156,559
Interest income	-	-	2,762	2,762
Total Revenues	<u>-</u>	<u>-</u>	<u>159,321</u>	<u>159,321</u>
EXPENDITURES				
Current:				
Public works	-	32,833	15,934	16,899
Total Expenditures	<u>-</u>	<u>32,833</u>	<u>15,934</u>	<u>16,899</u>
Net Change in Fund Balance	-	(32,833)	143,387	176,220
Fund Balance - October 1 (Beginning)	(442,236)	(442,236)	(442,236)	-
Fund Balance - September 30 (Ending)	<u>\$ (442,236)</u>	<u>\$ (475,069)</u>	<u>\$ (298,849)</u>	<u>\$ 176,220</u>

**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AS OF SEPTEMBER 30, 2017**

	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle & Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
ASSETS				
Cash and cash equivalents	\$ 318,918	\$ 115,575	\$ 287,707	\$ 27,649
Investments	1,456,986	-	-	-
Receivables (net of allowance)				
Interest	2,760	-	-	-
Total Assets	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 287,707</u>	<u>\$ 27,649</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted	-	-	-	-
Committed	<u>1,778,664</u>	<u>115,575</u>	<u>287,707</u>	<u>27,649</u>
Total Fund Balances	<u>1,778,664</u>	<u>115,575</u>	<u>287,707</u>	<u>27,649</u>
Total Liabilities and Fund Balances	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 287,707</u>	<u>\$ 27,649</u>

<u>Street Escrow</u>	<u>2007 CO Streets</u>	<u>2016 Public Property Finance</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 153,321	\$ 91,791	\$ 252,881	\$ 1,247,842
-	-	-	1,456,986
-	-	-	2,760
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,707,588</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	91,791	252,881	344,672
153,321	-	-	2,362,916
<u>153,321</u>	<u>91,791</u>	<u>252,881</u>	<u>2,707,588</u>
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,707,588</u>

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle & Equipment Replacement	Tech Equipment Replacement
REVENUES				
Fire services	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	604
Interest income	17,656	944	2,863	306
Miscellaneous income	30,000	-	1	-
Charges for services	-	-	-	-
Total Revenues	<u>47,656</u>	<u>944</u>	<u>2,864</u>	<u>910</u>
EXPENDITURES				
Current:				
Public safety	8,055	-	-	-
Public works	159,260	-	-	-
Planning and community development	-	-	-	-
City administration	-	-	-	53,510
Debt Service:				
Principal	-	-	138,439	-
Interest	-	-	23,923	-
Capital outlay	187,679	-	-	-
Total Expenditures	<u>354,994</u>	<u>-</u>	<u>162,362</u>	<u>53,510</u>
Excess (Deficiency) of Revenues over Expenditures	(307,338)	944	(159,498)	(52,600)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	-	12,954	-	3,119
Transfers out	-	-	-	-
Transfers in	246,643	60,000	247,755	47,383
Total Other Financing Sources (Uses)	<u>246,643</u>	<u>72,954</u>	<u>247,755</u>	<u>50,502</u>
Net Change in Fund Balance	(60,695)	73,898	88,257	(2,098)
Fund Balance - October 1 (Beginning)	1,839,359	41,677	199,450	29,747
Fund Balance - September 30 (Ending)	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 287,707</u>	<u>\$ 27,649</u>

Street Escrow	2007 CO Streets	2016 Public Property Finance	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	604
1,206	878	1,015	24,868
-	20,000	-	50,001
-	-	-	-
<u>1,206</u>	<u>20,878</u>	<u>1,015</u>	<u>75,473</u>
-	-	-	8,055
-	59,825	-	219,085
-	-	-	-
-	-	-	53,510
-	-	-	138,439
-	-	-	23,923
-	-	-	187,679
<u>-</u>	<u>59,825</u>	<u>-</u>	<u>630,691</u>
1,206	(38,947)	1,015	(555,218)
-	-	251,866	251,866
-	-	-	16,073
-	-	-	-
-	-	-	601,781
<u>-</u>	<u>-</u>	<u>251,866</u>	<u>869,720</u>
1,206	(38,947)	252,881	314,502
152,115	130,738	-	2,393,086
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,707,588</u>

CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017

Exhibit C-21

	<u>Corinth Economic Development Corporation</u>
ASSETS	
Cash	\$ 323,771
Investments	3,131,866
Receivables (net of allowance)	
Sales Tax	154,929
Interest	<u>7,445</u>
Total Assets	<u>\$ 3,618,011</u>
LIABILITIES	
Accounts payable	\$ 1,528
Accrued Liabilities	<u>12,860</u>
Total Liabilities	14,388
FUND BALANCES	
Restricted	<u>3,603,623</u>
Total Fund Balances	<u>3,603,623</u>
Total Liabilities and Fund Balances	<u>\$ 3,618,011</u>

**CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Exhibit C-22

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 673,772	\$ 673,772	\$ 756,725	\$ 82,953
Interest income	8,400	8,400	29,562	21,162
Total Revenues	682,172	682,172	786,287	104,115
 EXPENDITURES				
Current:				
Planning and Community development	692,404	692,404	364,743	327,661
Total Expenditures	692,404	692,404	364,743	327,661
 Net Change in Fund Balance	(10,232)	(10,232)	421,544	431,776
Fund Balance - October 1 (Beginning)	3,182,079	3,182,079	3,182,079	-
Fund Balance - September 30 (Ending)	\$ 3,171,847	\$ 3,171,847	\$ 3,603,623	\$ 431,776

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Corinth, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise City of Corinth, Texas' basic financial statements, and have issued our report thereon dated February xx, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Abilene, Texas
February xx, 2018

BUSINESS ITEM 4.

Finance Audit Committee Regular Session

Meeting Date: 02/21/2018

Title: Trial Balance Comparison

Submitted For: Jamaine Walker, Director

Submitted By: Jamaine Walker, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Discuss the Fiscal Year 2016-2017 Trial Balance Comparison. (Jamaine Walker)

AGENDA ITEM SUMMARY/BACKGROUND

The Trial Balance Comparison is reported by fund and reflects the ledger balances on all City accounts before and after the audit. All variances are noted.

- **City's Trial Balance YTD Totals** - This represents the balances in the City's ledger before being turned over to the auditor for review.
- **Auditors Trial Balanced YTD Totals** - This represents that balances in the City's ledger at the conclusion of the external audit.
- **Client Adjustments** - During October, November and December, city staff prepared year-end analysis and posted year-end entries. During December, city staff provided a trial balance to the auditor. Once the trial balance was submitted, auditor approval was required for all staff prepared journal entries. Journal entries prepared by staff during this period are reflected as Client Adjustments.
- **Audit Adjustments** - Audit adjustments are prepared and recorded by the external auditor to correct discrepancies that were discovered during the audit or to record entries necessary for the preparation of the financial statements.
- **Notes** - The notes column provides a brief summary of the adjustment.

RECOMMENDATION

No action to be taken.

Attachments

FY17 Trial Balance Comparison

FY 2016-17 Trial Balance Comparison

		City's Trial Balance YTD Totals	Auditor's Trial Balance YTD Totals	Client Adj	Auditi Adj	Notes
GENERAL FUND						
FUND BALANCE						
100-0000-310000	FUND BALANCE	(3,348,919.00)	(3,348,820.00)	99.00		To post miscellaneous adjustment to roll beginning net assets/fund balance
REVENUES						
100-0000-41500	MISCELLANEOUS INCOME	(24,031.00)	(24,130.00)	(99.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance
WATER/WASTEWATER FUND						
ASSETS						
110-0000-101021	ALLOWANCE FOR DOUBTFUL ACCOUNT	(388,980.00)	(360,704.00)	28,276.00		To book PBC entry to adjust the allowance for doubtful accounts for the current year.-JE4
110-0000-101026	UNBILLED RECEIVABLES	1,473,524.00	772,860.00	(700,664.00)		To book PBC entry to reverse the prior year unbilled receivables from the books.-JE2
110-0000-103193	Due from General Govt Projects	-	1,500,195.00	1,500,195.00		To record client prepared entry to adjust debt.-JE8
110-0000-117000	DEFERRED BOND CHARGES	(102,843.00)	69,230.00	172,073.00		To record client prepared entry to adjust debt.-JE8
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	261,378.00	257,865.00	(3,513.00)		To record current year deferred outflows of resources.-JE6
110-0000-117201	NET PENSION ASSET	(755,804.00)	(817,674.00)	(61,870.00)		To record current year activity based on GASB 68 report from TCDRS-JE5
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	(71,128.00)	(53,831.00)	17,297.00		To record current year activity based on GASB 68 report from TCDRS-JE5
LIABILITIES						
110-0000-204020	CURRENT MATURITIES	(670,114.00)	(896,322.00)	(226,208.00)		To record client prepared entry to adjust debt.-JE8
110-0000-204021	BOND PREMIUM/DISCOUNT	(15,087.00)	(100,040.00)	(84,953.00)		To record client prepared entry to adjust debt.-JE8
110-0000-204022	ACCRUED INTEREST PAYABLE	(46,748.00)	(37,774.00)	8,974.00		To record client prepared entry to adjust debt.-JE8
110-0000-204023	DEFERRED LOSS ON REFUNDING	6,162.00	4,013.00	(2,149.00)		To record client prepared entry to adjust debt.-JE8
110-0000-214020	LONG TERM MATURITIES	(6,444,824.00)	(7,089,572.00)	(644,748.00)		To record client prepared entry to adjust debt.-JE8
110-0000-214021	BOND PREMIUM/DISCOUNT	(872,679.00)	(882,159.00)	(9,480.00)		To record client prepared entry to adjust debt.-JE8
110-0000-214023	DEFERRED LOSS ON REFUNDING	12,862.00	313.00	(12,549.00)		To record client prepared entry to adjust debt.-JE8
110-0000-215010	ACCRUED PERSONAL LEAVE	(113,611.00)	(84,626.00)	28,985.00		To record PBC entry to adjust compensated absences.-JE7
FUND BALANCE						
110-0000-310000	RETAINED EARNINGS	(21,390,735.00)	(21,378,283.00)	12,452.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
110-0000-41700	WATER CHARGES	(6,051,511.00)	(5,632,605.00)	418,906.00		To book PBC entry to reverse the prior year unbilled receivables from the books.-JE2
110-0000-41701	WW DISPOSAL CHARGES	(4,616,936.00)	(4,335,178.00)	281,758.00		To book PBC entry to reverse the prior year unbilled receivables from the books.-JE2
EXPENDITURES						
110-8800-50100	SALARIES	661,279.00	621,877.00	(39,402.00)		To record PBC entry to adjust compensated absences.-JE7
110-8800-50305	TMRS EMPLOYER	105,374.00	122,104.00	16,730.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
110-8800-58144	BOND PRINCIPAL	670,114.00	-	(670,114.00)		To record client prepared entry to adjust debt.-JE8
110-8800-58145	BOND INTEREST	363,439.00	332,398.00	(31,041.00)		To record client prepared entry to adjust debt.-JE8
110-8801-50100	SALARIES	256,010.00	270,134.00	14,124.00		To record PBC entry to adjust compensated absences.-JE7
110-8801-50305	TMRS EMPLOYER	41,196.00	54,134.00	12,938.00		To record current year activity based on GASB 68 report from TCDRS-JE5
110-8802-50100	SALARIES	120,400.00	124,097.00	(3,707.00)		To record PBC entry to adjust compensated absences.-JE7
110-8802-50305	TMRS EMPLOYER	18,996.00	24,962.00	5,996.00		To record current year activity based on GASB 68 report from TCDRS-JE5
110-8802-52020	BAD DEBT EXPENSE	36,000.00	7,724.00	(28,276.00)		To book PBC entry to adjust the allowance for doubtful accounts for the current year.-JE4
STORM DRAINAGE FUND						
ASSETS						
120-0000-101021	ALLOWANCE FOR DOUBTFUL ACCOUNT	(1,151.00)	(1,202.00)	(51.00)		To book PBC entry to adjust the allowance for doubtful accounts for the current year.-JE4
120-0000-101026	UNBILLED RECEIVABLES	88,275.00	44,276.00	(43,999.00)		To book PBC entry to reverse the prior year unbilled receivables from the books.-JE2
120-0000-117000	DEFERRED BOND CHARGES	(27,738.00)	9,747.00	37,485.00		To record client prepared entry to adjust debt.-JE8
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	28,545.00	28,297.00	(248.00)		To record current year activity based on GASB 68 report from TCDRS-JE5
120-0000-117201	NET PENSION ASSET	(81,192.00)	(85,529.00)	(4,337.00)		To record current year activity based on GASB 68 report from TCDRS-JE5
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	(10,000.00)	(8,787.00)	1,213.00		To record current year activity based on GASB 68 report from TCDRS-JE5
LIABILITIES						

FY 2016-17 Trial Balance Comparison

		City's Trial Balance YTD Totals	Auditor's Trial Balance YTD Totals	Client Adj	Auditi Adj	Notes
120-0000-204020	CURRENT MATURITIES	(114,926.00)	(187,213.00)	(72,287.00)		To record client prepared entry to adjust debt.-JE8
120-0000-204021	BOND PREMIUM/DISCOUNT	(3,081.00)	(20,000.00)	(16,919.00)		To record client prepared entry to adjust debt.-JE8
120-0000-204022	ACCRUED INTEREST PAYABLE	(10,449.00)	(8,581.00)	1,868.00		To record client prepared entry to adjust debt.-JE8
120-0000-214020	LONG TERM MATURITIES	(1,379,914.00)	(1,212,216.00)	167,698.00		To record client prepared entry to adjust debt.-JE8
120-0000-214021	BOND PREMIUM/DISCOUNT	(196,921.00)	(160,002.00)	36,919.00		To record client prepared entry to adjust debt.-JE8
120-0000-215010	ACCRUED PERSONAL LEAVE			2,021.00		To record PBC entry to adjust compensated absences.-JE7
FUND BALANCE						
120-0000-310000	RETAINED EARNINGS	(2,854,909.00)	(2,854,913.00)	(4.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
120-0000-40601	STORM DRAINAGE UTILITY FEE	(745,108.00)	(701,109.00)	43,999.00		To book PBC entry to reverse the prior year unbilled receivables from the books.-JE2
120-0000-41500	MISCELLANEOUS INCOME			4.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
EXPENDITURES						
120-9800-50100	SALARIES	67,421.00	65,400.00	(2,021.00)		To record PBC entry to adjust compensated absences.-JE7
120-9800-50305	TMRS EMPLOYER	10,738.00	14,110.00	3,372.00		To record current year activity based on GASB 68 report from TCDRS-JE5
120-9800-52020	BAD DEBT EXPENSE	102.00	51.00	51.00		To book PBC entry to adjust the allowance for doubtful accounts for the current year.-JE4
120-9800-58144	BOND PRINCIPAL	114,926.00	-	(114,926.00)		To record client prepared entry to adjust debt.-JE8
120-9800-58145	BOND INTEREST	80,364.00	40,526.00	(39,838.00)		To record client prepared entry to adjust debt.-JE8
ECONOMIC DEVELOPMENT FUND						
LIABILITIES						
130-0000-215010	ACCRUED PERSONAL LEAVE	(11,557.00)	(8,551.00)	3,006.00		To record PBC entry to adjust compensated absences.-JE7
FUND BALANCE						
130-0000-310000	FUND BALANCE	(3,182,081.00)	(3,182,079.00)	2.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
130-0000-41500	MISCELLANEOUS INCOME	(61.00)	(63.00)	(2.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
EXPENDITURES						
130-1700-50100	SALARIES	94,760.00	91,754.00	(3,006.00)		To record PBC entry to adjust compensated absences.-JE7
CRIME CONTROL AND PREVENTION FUND						
FUND BALANCE						
131-0000-310000	FUND BALANCE	(251,536.00)	(251,535.00)	1.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
131-0000-41410	INTEREST INCOME	(2,033.00)	(2,034.00)	(1.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
STREET MAINTENANCE SALES TAX FUND						
132-0000-310000	FUND BALANCE	(699,723.00)	(699,724.00)	(1.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
132-0000-41500	MISCELLANEOUS INCOME	(2.00)	(1.00)	1.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
GENERAL CAPITAL PROJECTS FUND						
FUND BALANCE						
193-0000-310000	FUND BALANCE	(1,721,676.00)	(1,721,675.00)	1.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
193-0000-41500	MISCELLANEOUS INCOME	(35.00)	(36.00)	(1.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
DEBT SERVICE FUND						

FY 2016-17 Trial Balance Comparison

		City's Trial Balance YTD Totals	Auditor's Trial Balance YTD Totals	Client Adj	Auditi Adj	Notes
FUND BALANCE						
200-0000-310000	FUND BALANCE	(347,253.00)	(347,254.00)	(1.00)		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
REVENUES						
200-0000-41500	MISCELLANEOUS INCOME	(18.00)	(17.00)	1.00		To post miscellaneous adjustment to roll beginning net assets/fund balance.-JE1
EXPENDITURES						
200-1000-58140	PRINCIPAL 2007 CO	457,810.00	489,025.00	31,215.00		To record client prepared entry to adjust debt.-JE8
200-1000-58142	PRINCIPAL 2007 GO	734,250.00	742,251.00	8,001.00		To record client prepared entry to adjust debt.-JE8
200-1000-58149	INTEREST 2016 CO	696,627.00	657,411.00	(39,216.00)		To record client prepared entry to adjust debt.-JE8
2017 CO BOND						
LIABILITIES						
709-0000-213110	Due to Water/WW	1,500,195.00	-	(1,500,195.00)		To record client prepared entry to adjust debt.-JE8
REVENUES						
709-0000-41600	BOND PROCEEDS	(4,855,000.00)	(3,354,805.00)	1,500,195.00		To record client prepared entry to adjust debt.-JE8
GENERAL LONG TERM DEBT FUND						
ASSETS						
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	2,201,353.00	2,173,389.00	(27,964.00)		To record current year activity based on GASB 68 report from TCDRS-JE5
990-0000-117201	NET PENSION ASSET	(6,464,900.00)	(6,957,317.00)	(492,417.00)		To record current year activity based on GASB 68 report from TCDRS-JE5
990-0000-117202	DEFERRED INFLOWS OF RESOURCES	(611,306.00)	(473,643.00)	137,663.00		To record current year activity based on GASB 68 report from TCDRS-JE5
LIABILITIES						
990-0000-204010	CAPITAL LEASE-CURRENT	(138,439.00)	(128,614.00)	9,825.00		To record client prepared entry to adjust debt.-JE8
990-0000-204020	CURRENT MATURITIES	(1,364,960.00)	(100,865.00)	364,095.00		To record client prepared entry to adjust debt.-JE8
990-0000-204021	BOND PREMIUM/DISCOUNT	(118,813.00)	(215,817.00)	(97,004.00)		To record client prepared entry to adjust debt.-JE8
990-0000-204022	ACCRUED INTEREST PAYABLE	(183,914.00)	(211,598.00)	(27,684.00)		To record client prepared entry to adjust debt.-JE8
990-0000-204023	DEFERRED LOSS ON REFUNDING	17,061.00	6,672.00	(10,389.00)		To record client prepared entry to adjust debt.-JE8
990-0000-214010	CAPITAL LEASE-LONG TERM	(1,129,753.00)	(1,001,139.00)	128,614.00		To record client prepared entry to adjust debt.-JE8
990-0000-214020	LONG TERM MATURITIES	(26,205,263.00)	(23,643,814.00)	2,561,449.00		To record client prepared entry to adjust debt.-JE8
990-0000-214021	BOND PREMIUM/DISCOUNT	(3,012,461.00)	(2,514,891.00)	497,570.00		To record client prepared entry to adjust debt.-JE8
990-0000-214023	DEFERRED LOSS ON REFUNDING	21,630.00	16,206.00	(5,424.00)		To record client prepared entry to adjust debt.-JE8
990-0000-215010	ACCRUED PERSONAL LEAVE			376,479.00		To record PBC entry to adjust compensated absences.-JE7
FUND BALANCE						
990-0000-310000	FUND BALANCE	37,984,533.00	34,756,857.00	(3,227,676.00)		To record client prepared entry to adjust debt.-JE8
EXPENDITURES						
990-1000-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	32,145.00	32,145.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-1000-58145	BOND INTEREST	-	(193,376.00)	(193,376.00)		To record client prepared entry to adjust debt.-JE8
990-1002-50100	SALARIES	568.00	21,489.00	20,921.00		To record PBC entry to adjust compensated absences.-JE7
990-1100-50100	SALARIES	12,615.00	(4,530.00)	(17,145.00)		To record PBC entry to adjust compensated absences.-JE7
990-1100-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	24,975.00	24,975.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-1101-50100	SALARIES	10,497.00	(227.00)	(10,724.00)		To record PBC entry to adjust compensated absences.-JE7
990-1102-50100	SALARIES	-	(5,963.00)	(5,963.00)		To record PBC entry to adjust compensated absences.-JE7
990-1400-50100	SALARIES	17,049.00	(8,374.00)	(25,423.00)		To record PBC entry to adjust compensated absences.-JE7
990-1400-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	25,294.00	25,294.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-1401-50100	SALARIES	2,407.00	(239.00)	(2,646.00)		To record PBC entry to adjust compensated absences.-JE7
990-1500-50100	SALARIES	-	(15,258.00)	(15,258.00)		To record PBC entry to adjust compensated absences.-JE7
990-1500-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	19,794.00	19,794.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-1800-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	18,436.00	18,436.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-2200-50100	SALARIES	44,042.00	(39,087.00)	(83,129.00)		To record PBC entry to adjust compensated absences.-JE7
990-2200-53205	TMRS CONTRIBUTIONS - GASB 68 ADJUSTMEN	-	262,074.00	262,074.00		To record current year activity based on GASB 68 report from TCDRS-JE5
990-2300-50100	SALARIES	323,076.00	107,783.00	(215,293.00)		To record PBC entry to adjust compensated absences.-JE7

FY 2016-17 Trial Balance Comparison

		City's Trial Balance YTD Totals	Auditor's Trial Balance YTD Totals	Client Adj	Auditi Adj	Notes
990-4800-50100	SALARIES	446.00	(10,134.00)	(10,580.00)		To record PBC entry to adjust compensated absences.-JE7
990-5600-50100	SALARIES	3,578.00	(7,661.00)	(11,239.00)		To record PBC entry to adjust compensated absences.-JE7
GENERAL FIXED ASSET FUND						
ASSETS						
991-0000-119015	IMPROV. OTHER THAN BLDG	3,127,144.00	1,370,239.00	43,095.00		To book PBC entry to adjust capital assets.-JE3
991-0000-119016	A/D IMPROV OTHER THAN BLDG	(601,113.00)	(687,303.00)	(86,190.00)		To book PBC entry to adjust capital assets.-JE3
991-0000-119050	STREETS	97,101,864.00	97,157,617.00	55,753.00		To book PBC entry to adjust capital assets.-JE3
991-0000-119051	A/D STREETS	(64,495,490.00)	(64,606,996.00)	(111,506.00)		To book PBC entry to adjust capital assets.-JE3
EXPENDITURES						
991-1102-58501	DEPRECIATION EXPENSE	25,240.00	68,335.00	43,095.00		To book PBC entry to adjust capital assets.-JE3
991-4800-58501	DEPRECIATION EXPENSE	3,551,698.00	3,607,451.00	55,753.00		To book PBC entry to adjust capital assets.-JE3

Finance Audit Committee Regular Session

Meeting Date: 02/21/2018

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 2017-2018 First Quarter Investment Report. (Lee Ann Bunselmeyer)

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 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 US Treasury bill auction yield during the reporting period.

RECOMMENDATION

Staff recommends the acceptance of the quarterly investment report.

Attachments

1st Quarter Investment Report

CITY OF CORINTH
QUARTERLY INVESTMENT REPORT
For Quarter Ending December 2017

Security Type	% of Mkt to Book	Par Value	Book Value	Market Value
U. S. Federal Agency-Coupon	99.57%	\$ 7,292,000	\$ 7,297,991	\$ 7,266,718
U.S. Federal Agency -Callable	99.30%	6,150,000	6,149,161	6,106,265
Managed Pools	100.00%	3,718,347	3,718,347	3,718,347
Money Market	100.00%	289,739	289,739	289,739
Bank Cash	100.00%	12,535,526	12,535,526	12,535,526
	99.75%	\$ 29,985,612	\$ 29,990,764	\$ 29,916,594

PORTFOLIO SUMMARY REPORT

Ending Par Value as of 9/30/2017	\$ 28,282,591
Ending Book Value as of 9/30/2017	\$ 28,290,486
Ending Market Value as of 9/30/2017	\$ 28,246,842
WAM at Ending Date (Days)	191
Ending Par Value as of 12/31/2017	\$ 29,985,612
Ending Book Value as of 12/31/2017	\$ 29,990,764
Ending Market Value as of 12/31/2017	\$ 29,916,594
WAM at Ending Date (Days)	162
Change to Market Value ⁽¹⁾	\$ 1,669,752

⁽¹⁾ The net increase in the Change to Market Value is due to the receipt of ad valorem tax revenue and capital expenditures for the Public Safety facility and the Lake Sharon Road Extension project. The City has received 65% of the budgeted property tax revenue as of December and property taxes are the City's largest revenue source.

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 Communications & Strategic Services

Chris Rodriguez
Financial Services Manager

Investment Strategies Compliance Report
For Quarter Ending December 2017

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 9/30/2017	\$	11,769,102
Ending Market Value as of 9/30/2017	\$	11,751,393
WAM at Beginning Date (Days)		176
Ending Book Value as of 12/31/2017	\$	15,738,509
Ending Market Value as of 12/31/2017	\$	15,697,877
Unrealized Gain/(Loss)	\$	(40,632)
Change to Market Value	(1) \$	3,946,484
WAM at Ending Date (Days)		155
WAM Policy Benchmark ≤		270

(1) The increase in the Change to Market Value is due to the receipt of ad valorem tax revenue. As of the end of December we have received 65% of the City's total budgeted property tax revenue and property tax revenue is the City's largest revenue source.

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 9/30/2017	\$	289,209
Ending Market Value as of 9/30/2017	\$	289,209
WAM at Beginning Date (Days)		1
Ending Book Value as of 12/31/2017	\$	289,739
Ending Market Value as of 12/31/2017	\$	289,739
Unrealized Gain/(Loss)	\$	-
Change to Market Value	(2) \$	530
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 \$2,623,930 and these funds will be used to make the February 15th debt service payment.

Investment Strategies Compliance Report
For Quarter Ending December 2017

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 9/30/2017	\$	14,548,186
Ending Market Value as of 9/30/2017	\$	14,522,401
WAM at Beginning Date (Days)		219
Ending Book Value as of 12/31/2017	\$	12,929,076
Ending Market Value as of 12/31/2017	\$	12,895,678
Unrealized Gain/(Loss)	\$	(33,398)
Change to Market Value	\$	(1,626,723) ⁽¹⁾
WAM at Ending Date (Days)		185
WAM Policy Benchmark ≤		365

⁽¹⁾ The decrease in the Change to Market Value is due to capital expenditures for the Public Safety Facility and the Lake Sharon Road Extension project. Also included is the transfer of \$700,000 for the Special Revenue (Impact Fees) Funds for the elevated storage tank design and the Lake Sharon/Dobbs alignment project, which was approved in the FY 2017-18 Adopted Budget.

SPECIAL REVENUE FUNDS

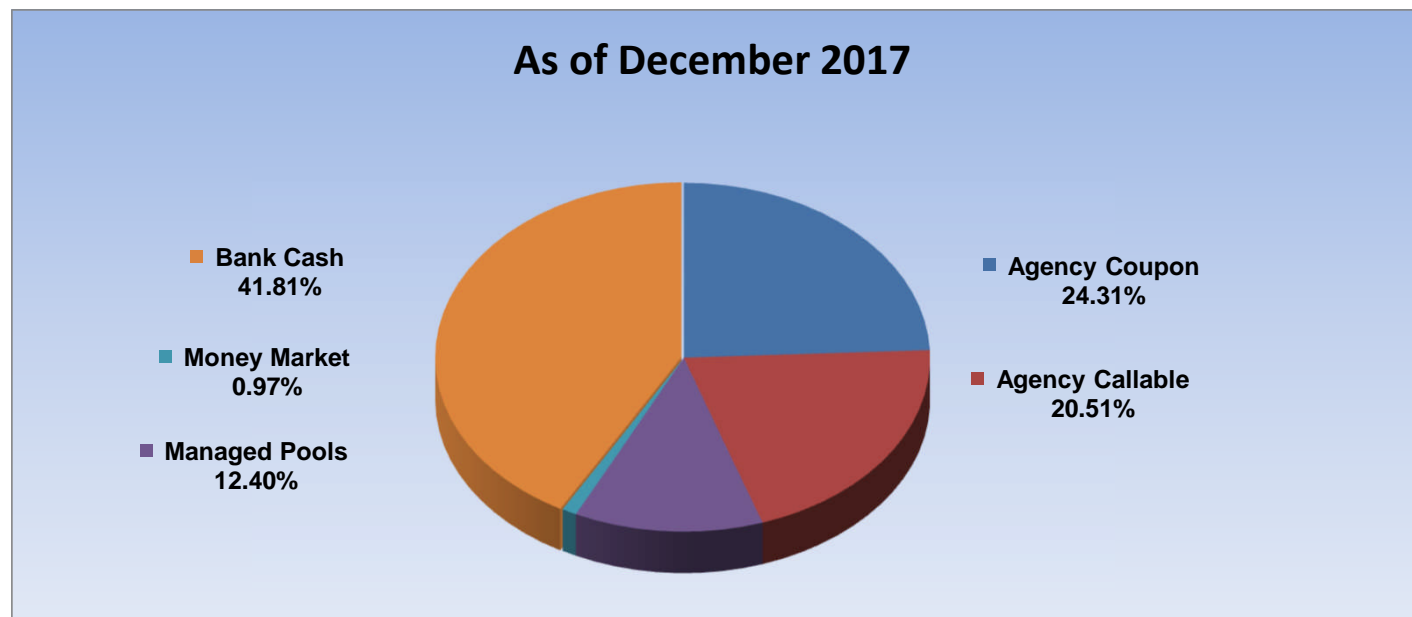
Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility 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 9/30/2017	\$	1,683,988
Ending Market Value as of 9/30/2017	\$	1,683,838
WAM at Beginning Date (Days)		159
Ending Book Value as of 12/31/2017	\$	1,033,440
Ending Market Value as of 12/31/2017	\$	1,033,300
Unrealized Gain/(Loss)	\$	(140)
Change to Market Value	\$	(650,538) ⁽²⁾
WAM at Ending Date (Days)		67
WAM Policy Benchmark ≤		270

⁽²⁾ The decrease in Market Value is due to the transfer of \$400,000 to the 2016 CO Water Bond Fund for the elevated storage tank design and the transfer of \$300,000 to the 2016 CO General Bond Fund for the Lake Sharon/Dobbs alignment which was approved in the FY 2017-18 Adopted Budget.

For Quarter Ending December 2017
Portfolio Summary By Market Sector

Market Sector	Oct-17	Nov-17	Dec-17
U.S. Federal Agency -Coupon	\$ 6,592,000	\$ 7,292,000	7,292,000
U.S. Federal Agency-Callable	8,650,000	9,150,000	6,150,000
Managed Pools	3,711,373	3,714,636	3,718,347
Money Market	289,289	289,494	289,739
Bank Cash	7,828,817	6,312,383	12,535,526
Total Par Value:	\$ 27,071,480	\$ 26,758,512	\$ 29,985,612



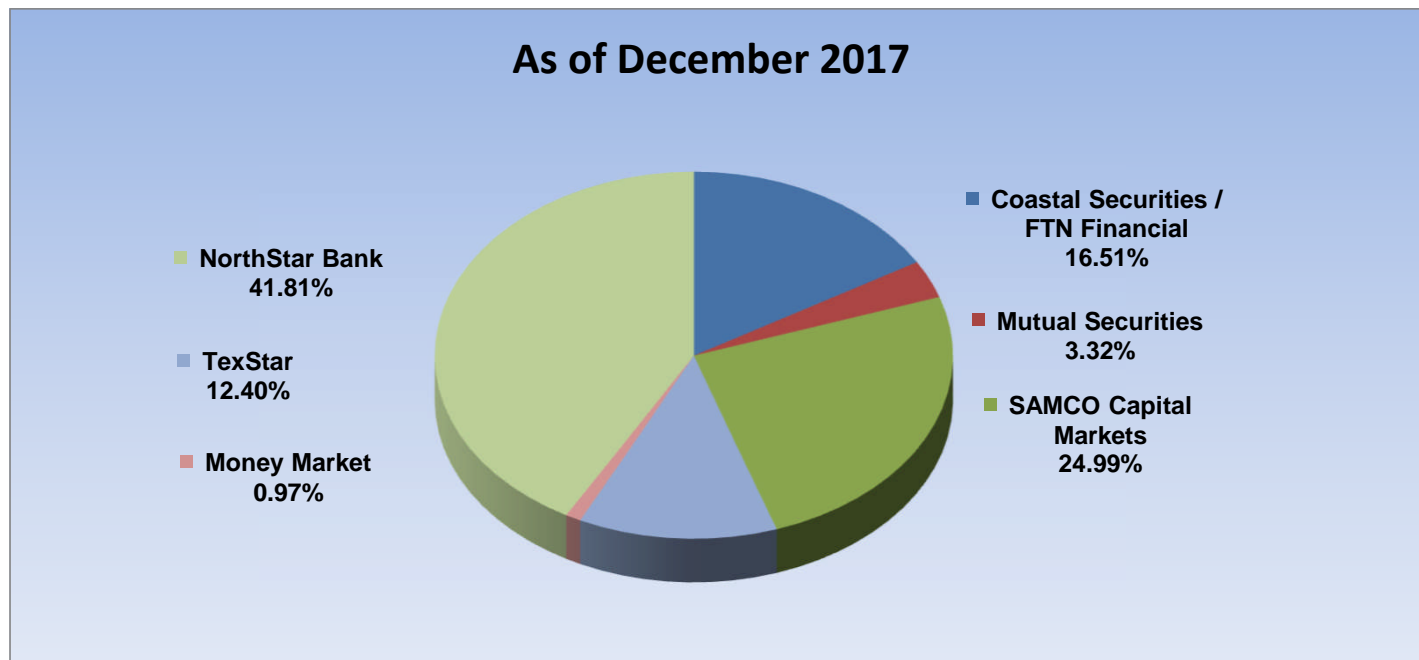
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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-17	Nov-17	Dec-17
Average Yield to Maturity		1.075%	1.049%	1.115%
≥ Policy Benchmark-(Six Month T-Bill)		1.243%	1.385%	1.484%
Callable Securities ≤	30.00%	31.95%	34.19%	20.51%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	56.30%	61.45%	44.82%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	50.00%	13.71%	13.88%	12.40%
Money Market	50.00%	1.07%	1.08%	0.97%
Cash	100.00%	28.92%	23.59%	41.81%

Note: The callable securities are below the benchmark for the quarter. The portfolio's Average Yield to Maturity is slightly below the policy benchmark for this quarter. Liquidity is at 55%.

For Quarter Ending December 2017
Portfolio Summary By Broker/Dealer

	Oct-17	Nov-17	Dec-17
Broker/Dealer			
Coastal Securities / FTN Financial	\$ 6,450,000	\$ 6,950,000	\$ 4,950,000
Mutual Securities	1,300,000	1,000,000	1,000,000
SAMCO Capital Markets	7,492,000	8,492,000	7,492,000
Total Broker/Dealer	\$ 15,242,000	\$ 16,442,000	\$ 13,442,000
Managed Pools/ Depository Bank			
TexStar	\$ 3,711,373	\$ 3,714,636	\$ 3,718,347
Money Market	289,289	289,494	289,739
NorthStar Bank	7,828,817	6,312,383	12,535,526
Total Managed Pools/Depository Bank	\$ 11,829,480	\$ 10,316,512	\$ 16,543,612
Total Par Value:	\$ 27,071,480	\$ 26,758,512	\$ 29,985,612

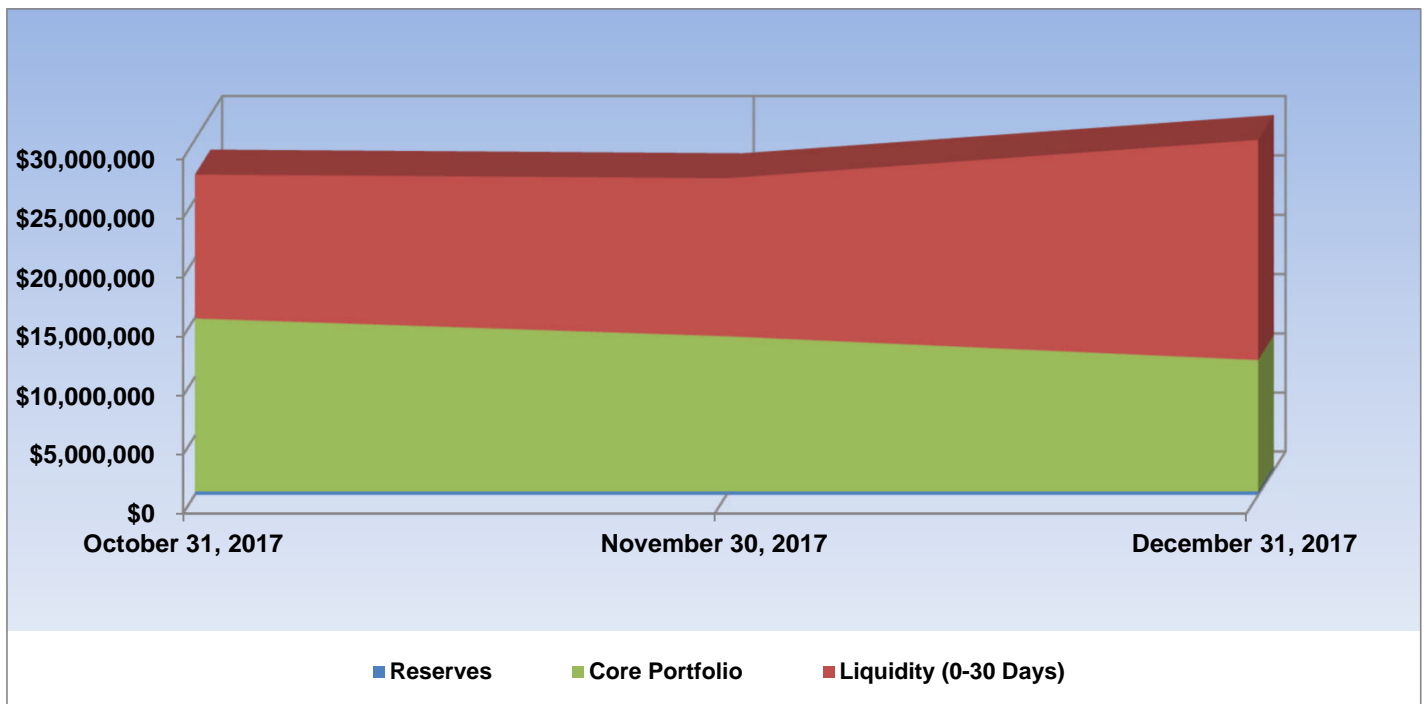


To guard against default possibilities, and to promote diversification of bidders, business with any one issuer, or investment broker, is limited to forty (40%) percent of the total portfolio at any point in time. As shown in the table below, the portfolio adhered to this provision throughout the quarter.

Performance Indicators	Policy Benchmark	Oct-17	Nov-17	Dec-17
Highest Broker Percent ≤	40.00%	27.67%	31.74%	24.99%

For Quarter Ending December 2017
Portfolio Summary By Maturity

Maturity Time Frame	Oct-17	Nov-17	Dec-17
0-30 Days	\$ 12,129,480	\$ 13,316,512	\$ 18,548,612
31-90 Days	3,000,000	2,005,000	170,000
91-180 Days	2,175,000	170,000	1,000,000
181-270 Days	1,000,000	1,000,000	500,000
271-360 Days	500,000	1,647,000	3,617,000
361-450 Days	3,617,000	3,970,000	4,150,000
451-540 Days	3,150,000	2,650,000	-
541 & Over	1,500,000	2,000,000	2,000,000
	\$ 27,071,480	\$ 26,758,512	\$ 29,985,612



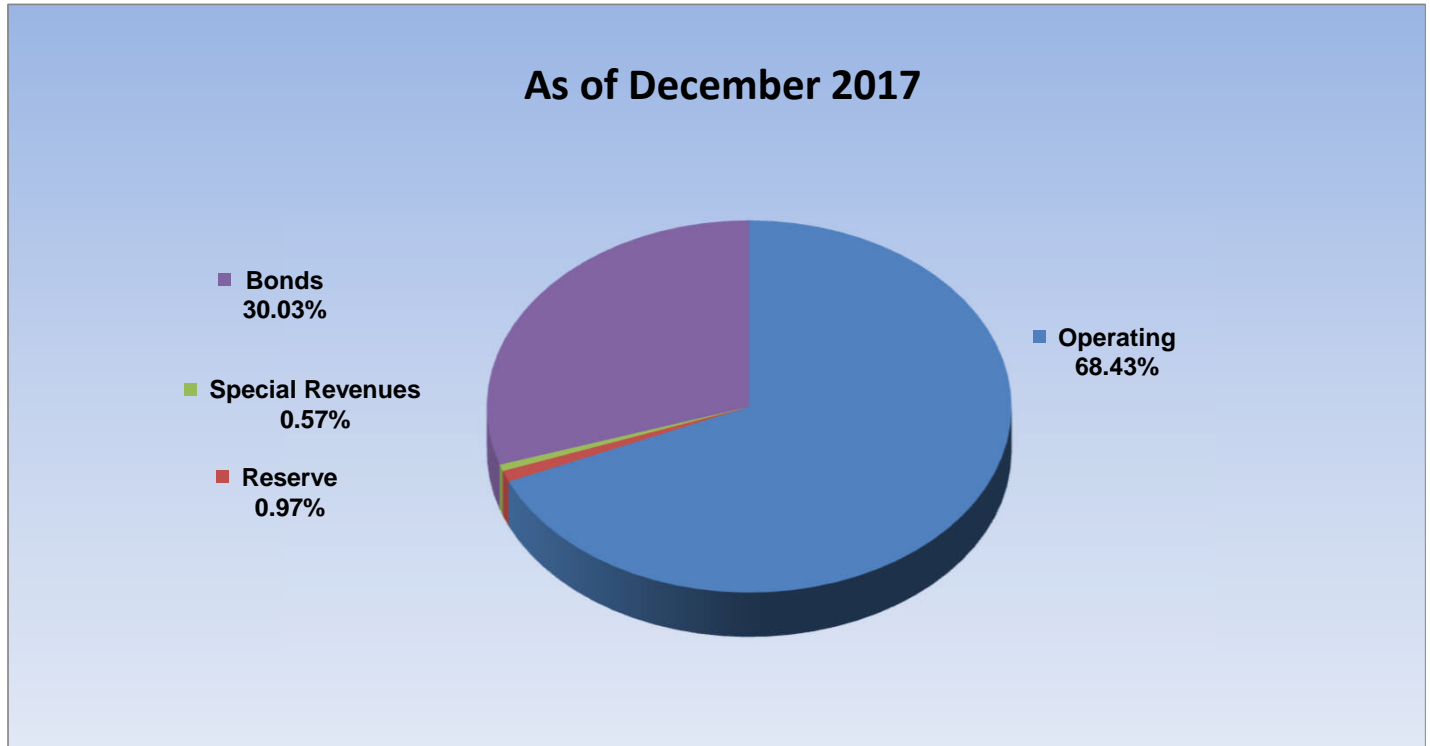
The risk of market price volatility is minimized through maturity diversification. The maturities on our investments are staggered over a series of three-month increments to provide cash flow based on the anticipated needs of the City. Liquidity is achieved by matching investment maturities with forecasted 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-17	Nov-17	Dec-17
Weighted Avg. Maturity ≤	365 Days	182	200	162
Maturities ≤ 30 days ≥	5.00%	44.81%	49.77%	61.86%

Note: The portfolio is below the benchmark for Weighted Average Maturity (WAM) and liquidity is 62% .

For Quarter Ending December 2017
Portfolio Summary By Fund Type

Fund Type	Oct-17	Nov-17	Dec-17
Operating	\$ 15,614,198	\$ 15,298,775	\$ 20,522,631
Debt Service Reserve	289,289	289,289	289,739
Special Revenues	170,000	170,000	170,000
Bond / Capital Projects	10,997,993	11,000,448	9,003,241
	\$ 27,071,480	\$ 26,758,512	\$ 29,985,612



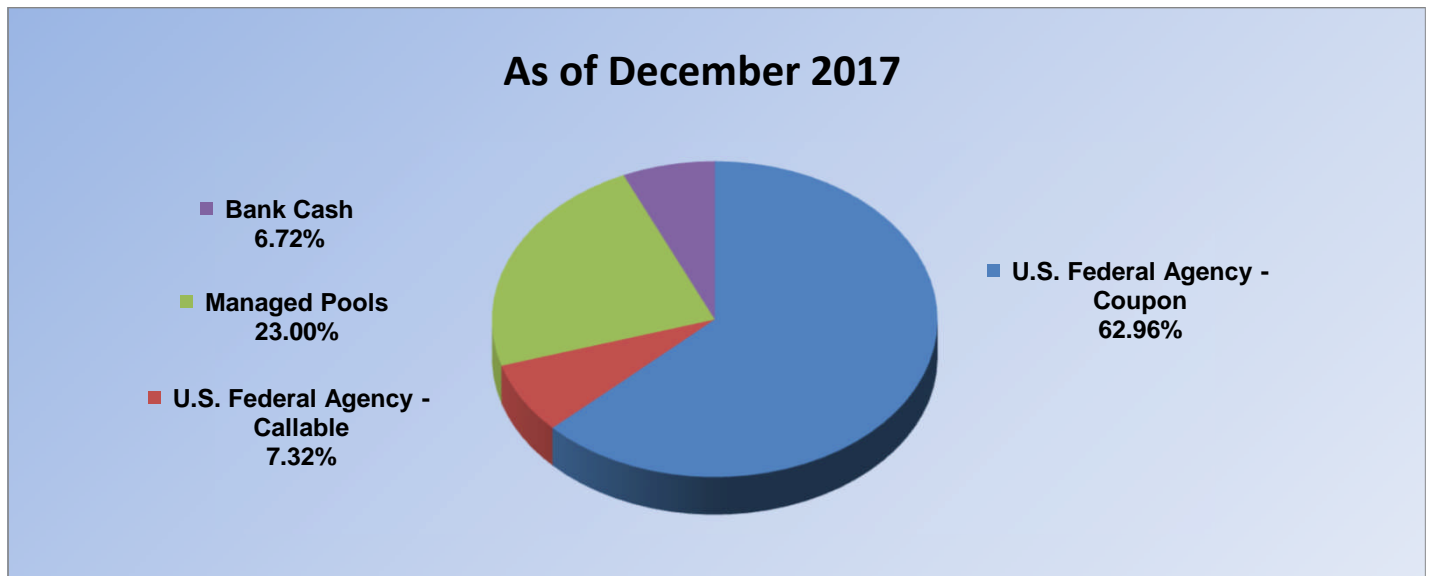
As shown in the graph above, the investments in the portfolio are distributed by fund type. Preservation and safety of principal of these investments is the most important strategy. All investments shall be high quality securities with no perceived default risk. Market fluctuations will occur; however,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

Performance Indicators	Policy Benchmark	Oct-17	Nov-17	Dec-17
WAM by Fund ≤				
Operating	270 Days	176	224	155
Debt Service Reserve	365 Days	1	1	1
Special Revenues	270 Days	128	98	67
Bond /Capital Projects	365 Days	196	173	185

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

For Quarter Ending December 2017
Corinth Economic Development Corporation
Portfolio Summary

Market Sector	Oct-17	Nov-17	Dec-17
U.S. Federal Agency -Coupon	\$ 2,100,000	\$ 2,150,000	\$ 2,150,000
U.S. Federal Agency -Callable	250,000	250,000	250,000
Managed Pools	784,163	784,840	785,625
Bank Cash	398,986	82,338	229,643
Total Par Value:	\$ 3,533,149	\$ 3,267,179	\$ 3,415,268



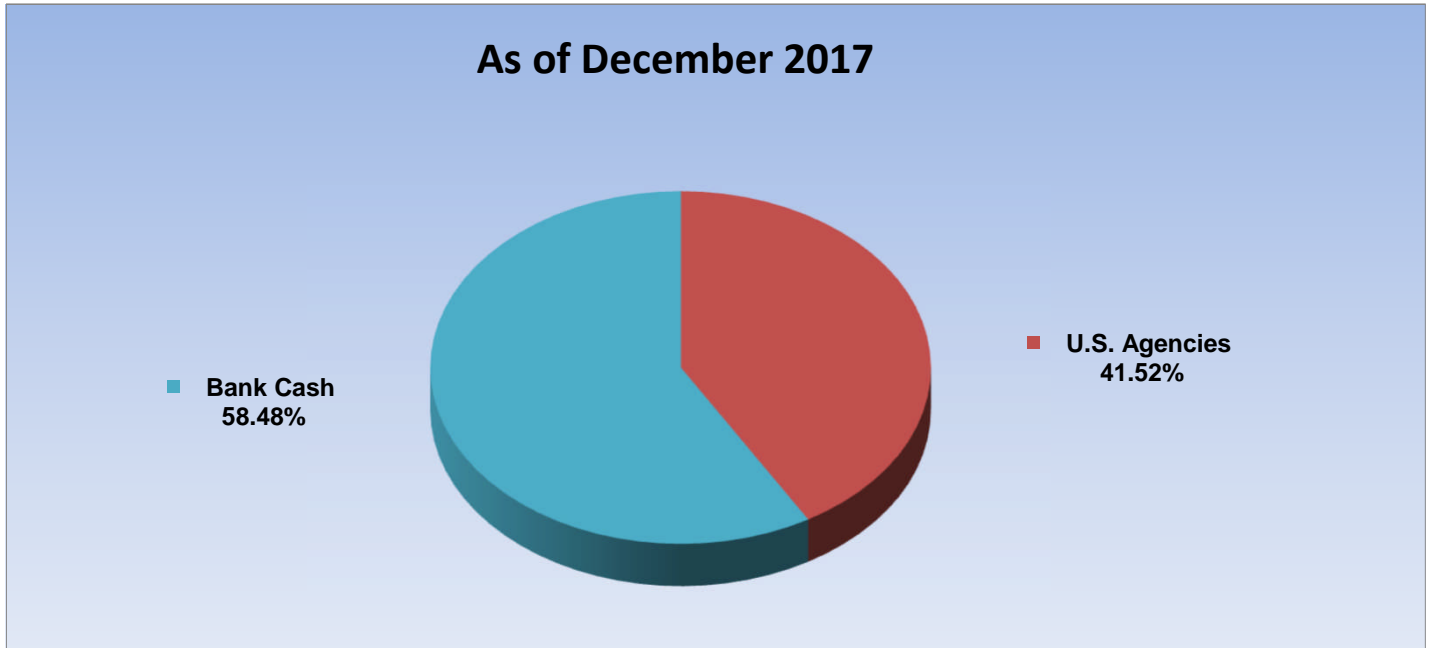
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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-17	Nov-17	Dec-17
Average Yield to Maturity		1.028%	1.184%	1.166%
≥ Policy Benchmark-(Six Month T-Bill)		1.243%	1.385%	1.484%
Callable Securities ≤	30.00%	7.08%	7.65%	7.32%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	66.52%	73.46%	70.28%
Certificates of Deposit	100.00%	0.00%	0.00%	0.00%
Managed Pools	100.00%	22.19%	24.02%	23.00%
Money Market	100.00%	0.00%	0.00%	0.00%
Cash	100.00%	11.29%	2.52%	6.72%
Weighted Avg. Maturity ≤	270 Days	205	253	220
Maturities ≤ 30 days ≥	5.00%	33.49%	26.54%	29.73%

Note: The liquidity is 30%. The portfolio's Average Yield to Maturity is slightly below the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark for the quarter.

For Quarter Ending December 2017
Street Maintenance Sales Tax
Portfolio Summary

Market Sector	Oct-17	Nov-17	Dec-17
U.S. Federal Agency -Coupon	\$ 400,000	\$ 400,000	\$ 400,000
Bank Cash	491,783	530,832	563,395
Total Par Value:	\$ 891,783	\$ 930,832	\$ 963,395



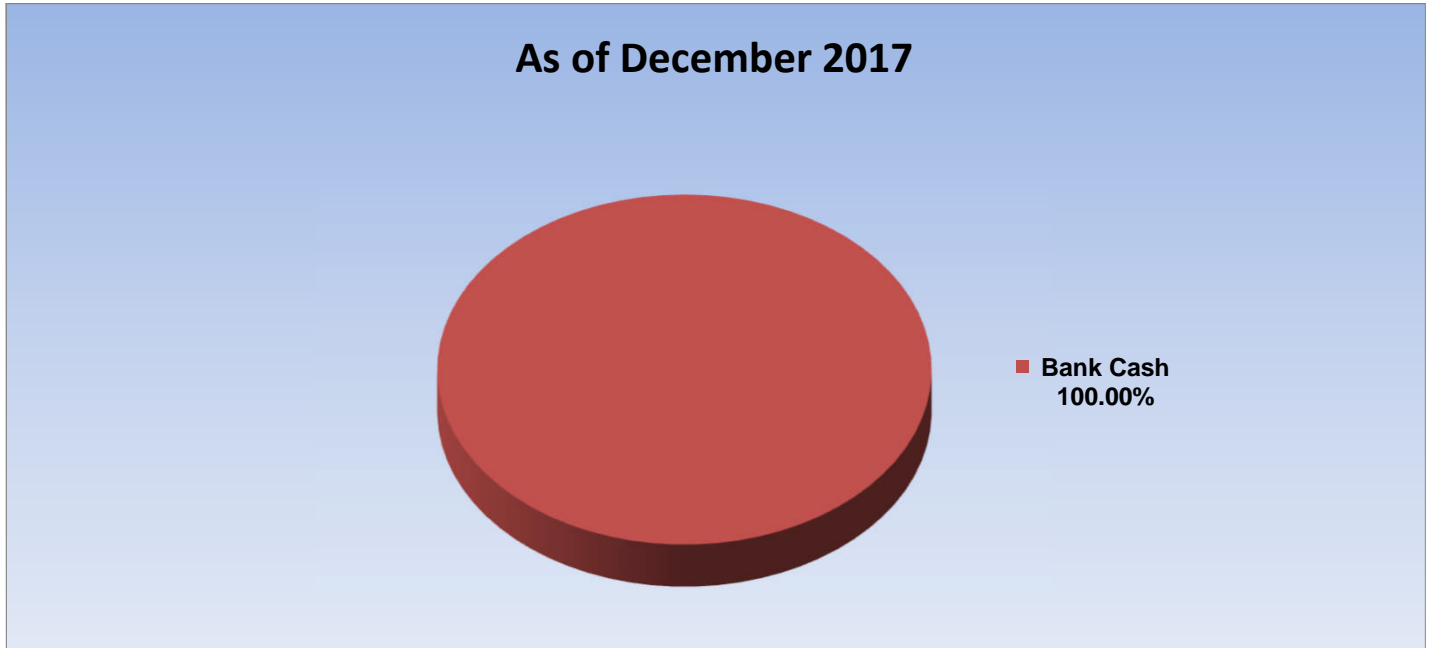
The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income 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-17	Nov-17	Dec-17
Average Yield to Maturity		1.064%	0.923%	1.008%
≥ Policy Benchmark-(Six Month T-Bill)		1.243%	1.385%	1.484%
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%	44.85%	42.97%	41.52%
Managed Pools	100.00%	0.00%	0.00%	0.00%
Money Market	100.00%	0.00%	0.00%	0.00%
Bank Cash	100.00%	55.15%	57.03%	58.48%
Weighted Avg. Maturity ≤	270 Days	137	118	101

Note: The liquidity is 58%. 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 2017
Corinth Crime Control & Prevention District
Portfolio Summary

Market Sector	Oct-17	Nov-17	Dec-17
U.S. Federal Agency -Coupon	\$ -	\$ -	\$ -
Bank Cash	298,429	316,893	326,673
Total Par Value:	\$ 298,429	\$ 316,893	\$ 326,673



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.

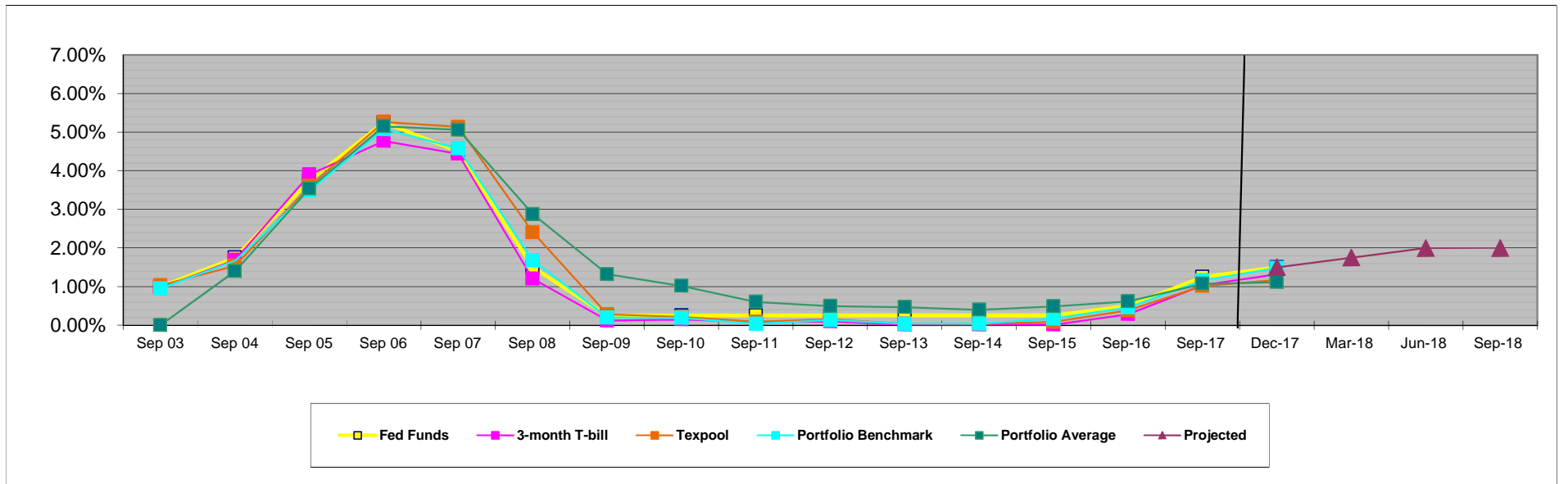
Performance Indicators	Policy Benchmark	Oct-17	Nov-17	Dec-17
Average Yield to Maturity		1.100%	0.850%	1.000%
≥ Policy Benchmark-(Six Month T-Bill)		1.243%	1.385%	1.484%
Callable Securities ≤	30.00%	0.00%	0.00%	0.00%
Investment By Type ≤				
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	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.

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	Fiscal Year 2017-18			
																Dec-17	Mar-18	Jun-18	Sep-18
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%			
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%	1.32%			
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%	1.18%			
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%	1.48%			
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%	1.12%			



The Fed Fund target rate as of December 2017 is a range of 1.25% to 1.50%.

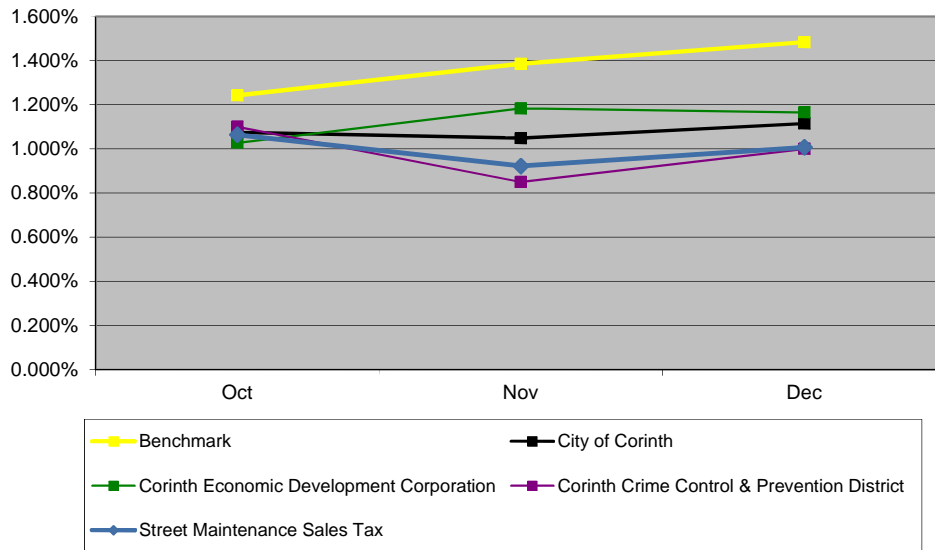
The median fed funds forecast for Q1 2018 is 1.50%. The median forecast for the next five quarters are 1.75%, 1.75%, 2.00%, 2.00% and 2.25%.

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

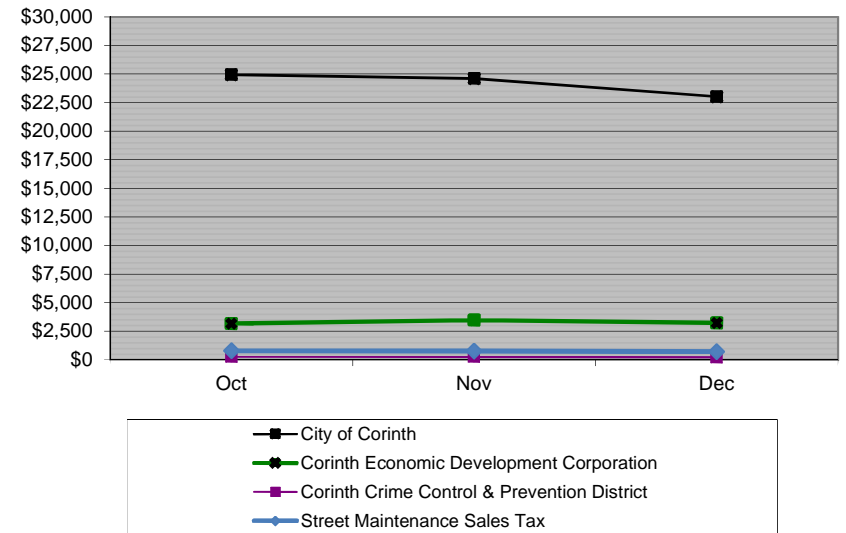
PORTFOLIO INTEREST ANALYSIS
Fiscal Year 2017-2018

	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	1.243%	1.075%	\$ 27,071,480	\$ 24,941	1.243%	1.028%	\$ 3,533,149	\$ 3,175	1.243%	1.064%	\$ 891,783	\$ 793	1.243%	1.100%	298,429	\$ 272
Nov	1.385%	1.049%	26,758,512	24,623	1.385%	1.184%	3,267,179	3,477	1.385%	0.923%	930,832	782	1.385%	0.850%	316,893	268
Dec	1.484%	1.115%	29,985,612	23,026	1.484%	1.166%	3,415,268	3,240	1.484%	1.008%	963,395	726	1.484%	1.000%	326,673	230
Avg	1.371%	1.080%	\$ 27,938,535	\$ 24,197	1.371%	1.126%	\$ 3,405,199	\$ 3,297	1.371%	0.998%	\$ 928,670	\$ 767	1.371%	0.983%	\$ 313,998	\$ 257

Interest Rate Comparison



Invested Earnings Comparison





City of Corinth portfolio
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2016 - September 30, 2017

City of Corinth
 3300 Corinth Parkway
 Corinth, TX 76208
 -9404983200

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	10/01/2016	49,334.08	4,418,517.05	10,399,033.09	5,774,240.10	4,624,792.99	9,043,310.04
SYS10012	9,043,310.04	1.092	/ /	0.00	4,418,517.05	10,399,033.09	5,774,240.10	4,624,792.99	9,043,310.04
Sub Totals For: Fund: Pooled Cash				49,334.08	4,418,517.05	10,399,033.09	5,774,240.10	4,624,792.99	9,043,310.04
				0.00	4,418,517.05	10,399,033.09	5,774,240.10	4,624,792.99	9,043,310.04
Fund: Pooled Cash- Crime C									
10323	NTHSTR	00A	10/01/2016	1,733.77	202,786.16	143,859.67	46,906.54	96,953.13	299,739.29
SYS10322	299,739.29	1.092	/ /	0.00	202,786.16	143,859.67	46,906.54	96,953.13	299,739.29
Sub Totals For: Fund: Pooled Cash- Crime C				1,733.77	202,786.16	143,859.67	46,906.54	96,953.13	299,739.29
				0.00	202,786.16	143,859.67	46,906.54	96,953.13	299,739.29
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2016	1,360.17	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
SYS10021	336,545.38	0.890	/ /	0.00	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
Sub Totals For: Fund: Pooled Cash-Eco Dev				1,360.17	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
				0.00	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
Fund: Pooled Cash - Street									
10401	NTHSTR	00C	10/01/2016	3,038.14	213,122.43	507,488.81	232,264.54	275,224.27	488,346.70
SYS10042	488,346.70	1.092	/ /	0.00	213,122.43	507,488.81	232,264.54	275,224.27	488,346.70
Sub Totals For: Fund: Pooled Cash - Street				3,038.14	213,122.43	507,488.81	232,264.54	275,224.27	488,346.70
				0.00	213,122.43	507,488.81	232,264.54	275,224.27	488,346.70
Fund: General Fund									
10553	FHLMC	100	06/28/2016	5,977.77	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3134G9WU7	0.00	0.000	12/28/2017	8,044.44	999,700.00	0.00	1,000,000.00	-999,700.00	0.00

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2016 - September 30, 2017

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10580	FHLMC	100	06/30/2017	556.11	0.00	275,000.00	0.00	275,012.22	275,012.22
3134G9WU7	275,000.00	0.799	12/28/2017	0.00	0.00	275,000.00	0.00	274,819.72	274,819.72
10590	FNMA	100	09/30/2017	5.00	0.00	149,621.19	0.00	149,791.94	149,791.94
3136G3AG0	150,000.00	1.381	02/26/2019	0.00	0.00	149,621.19	0.00	149,315.00	149,315.00
10592	FFCB	100	09/30/2017	19.10	0.00	500,000.00	0.00	500,343.75	500,343.75
3133EHYJ6	500,000.00	1.374	09/12/2019	0.00	0.00	500,000.00	0.00	498,643.75	498,643.75
10140	TXSTAR	100	10/01/2016	0.00	0.00	0.00	0.00	0.00	0.00
SYS10140	0.00	0.366	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10327	NTHSTR	100	10/01/2016	204.41	328,412.58	80,176.46	408,589.04	-328,412.58	0.00
SYS10327	0.00	0.450	/ /	176.46	328,412.58	80,176.46	408,589.04	-328,412.58	0.00
10495	FHLB	100	01/07/2014	1,510.42	999,651.51	0.00	1,000,000.00	-999,651.51	0.00
3130A0C65	0.00	0.000	12/28/2016	3,125.00	1,000,700.00	0.00	1,000,000.00	-1,000,700.00	0.00
10523	FHLB	100	01/02/2015	5,220.83	500,000.00	0.00	500,000.00	-500,000.00	0.00
3130A3Q80	0.00	0.000	09/29/2017	5,250.00	500,200.00	0.00	500,000.00	-500,200.00	0.00
10574	FNMA	100	03/20/2017	974.90	0.00	146,942.67	0.00	146,960.92	146,960.92
3136G2H91	147,000.00	1.273	11/20/2018	306.25	0.00	146,942.67	0.00	146,661.90	146,661.90
10563	FHLB	100	12/19/2016	4,504.17	0.00	498,590.00	0.00	499,159.66	499,159.66
313382CU5	500,000.00	1.297	11/27/2018	2,523.61	0.00	498,590.00	0.00	498,150.00	498,150.00
10565	FHLB	100	12/20/2016	4,090.11	0.00	400,100.00	0.00	400,060.64	400,060.64
3130AAHG6	400,000.00	1.297	12/14/2018	2,532.67	0.00	400,100.00	0.00	399,440.00	399,440.00
10564	FFCB	100	12/20/2016	9,756.94	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3133EGW35	1,000,000.00	1.250	12/20/2018	6,250.00	0.00	1,000,000.00	0.00	996,000.00	996,000.00
10556	FNMA	100	08/05/2016	1,605.00	150,987.29	0.00	0.00	-537.64	150,449.65
3136G16Y0	150,000.00	0.824	12/26/2018	1,431.12	150,638.88	0.00	0.00	-1,343.88	149,295.00
10567	FFCB	100	01/03/2017	4,764.44	0.00	499,850.00	0.00	499,905.83	499,905.83
3133EG2S3	500,000.00	1.295	01/03/2019	3,200.00	0.00	499,850.00	0.00	498,750.00	498,750.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10569	FHLB	100	01/17/2017	4,409.72	0.00	500,000.00	0.00	500,000.00	500,000.00
3130AAMC9	500,000.00	1.250	01/17/2019	3,125.00	0.00	500,000.00	0.00	498,850.00	498,850.00
10570	FFCB	100	02/01/2017	4,333.33	0.00	500,000.00	0.00	500,000.00	500,000.00
3133EG5Q4	500,000.00	1.300	02/01/2019	3,250.00	0.00	500,000.00	0.00	498,750.00	498,750.00
10572	FHLMC	100	02/14/2017	2,128.13	0.00	300,000.00	0.00	300,000.00	300,000.00
3134GAX90	300,000.00	1.125	02/14/2020	1,687.50	0.00	300,000.00	0.00	299,880.00	299,880.00
Sub Totals For: Fund: General Fund				50,060.38	2,979,051.38	4,850,280.32	2,908,589.04	1,942,633.23	4,921,684.61
				40,902.05	2,979,651.46	4,850,280.32	2,908,589.04	1,928,903.91	4,908,555.37
Fund: Utility Fund									
10527	FHLB	110	09/30/2015	192.29	149,992.75	0.00	150,000.00	-149,992.75	0.00
3130A3PC2	0.00	0.000	12/12/2016	487.50	149,955.00	0.00	150,000.00	-149,955.00	0.00
10533	FFCB	110	01/27/2016	2,625.00	300,000.00	0.00	0.00	0.00	300,000.00
3133EFWC7	300,000.00	0.875	11/27/2017	2,625.00	300,240.00	0.00	0.00	-390.00	299,850.00
10581	FHLMC	110	06/30/2017	758.33	0.00	375,000.00	0.00	375,016.67	375,016.67
3134G9WU7	375,000.00	0.799	12/28/2017	0.00	0.00	375,000.00	0.00	374,754.17	374,754.17
10557	FNMA	110	08/05/2016	2,889.00	271,777.13	0.00	0.00	-967.76	270,809.37
3136G16Y0	270,000.00	0.824	12/26/2018	2,576.02	271,149.98	0.00	0.00	-2,418.98	268,731.00
10211	TXSTAR	110	10/01/2016	4,648.85	612,405.98	4,318.36	0.00	4,318.36	616,724.34
SYS10211	616,724.34	1.038	/ /	4,318.36	612,405.98	4,318.36	0.00	4,318.36	616,724.34
10358	NTHSTR	110	10/01/2016	1,023.85	352,109.43	266,037.68	618,147.11	-352,109.43	0.00
SYS10358	0.00	0.450	/ /	1,037.68	352,109.43	266,037.68	618,147.11	-352,109.43	0.00
10018	TXPOOL	110	10/01/2016	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	10/01/2016	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

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10588	FHLB	110	09/01/2017	416.67	0.00	252,000.00	0.00	251,839.14	251,839.14
313375K48	250,000.00	2.153	09/14/2018	180.56	0.00	252,000.00	0.00	251,500.00	251,500.00
Sub Totals For: Fund: Utility Fund				12,553.99	1,686,285.29	897,356.04	768,147.11	128,104.23	1,814,389.52
				11,225.12	1,685,860.39	897,356.04	768,147.11	125,699.12	1,811,559.51
Fund: Drainage Fund									
10528	FHLB	120	09/30/2015	192.29	149,992.75	0.00	150,000.00	-149,992.75	0.00
3130A3PC2	0.00	0.000	12/12/2016	487.50	149,955.00	0.00	150,000.00	-149,955.00	0.00
10582	FHLMC	120	06/30/2017	707.77	0.00	350,000.00	0.00	350,015.56	350,015.56
3134G9WU7	350,000.00	0.799	12/28/2017	0.00	0.00	350,000.00	0.00	349,770.56	349,770.56
10558	FNMA	120	08/05/2016	1,605.00	150,987.29	0.00	0.00	-537.64	150,449.65
3136G16Y0	150,000.00	0.824	12/26/2018	1,431.12	150,638.88	0.00	0.00	-1,343.88	149,295.00
10302	TXSTAR	120	10/01/2016	2,267.72	298,732.47	2,106.51	0.00	2,106.51	300,838.98
SYS10302	300,838.98	1.038	/ /	2,106.51	298,732.47	2,106.51	0.00	2,106.51	300,838.98
10332	NTHSTR	120	10/01/2016	183.89	100,000.00	184.93	100,184.93	-100,000.00	0.00
SYS10332	0.00	0.450	/ /	184.93	100,000.00	184.93	100,184.93	-100,000.00	0.00
Sub Totals For: Fund: Drainage Fund				4,956.67	699,712.51	352,291.44	250,184.93	101,591.68	801,304.19
				4,210.06	699,326.35	352,291.44	250,184.93	100,578.19	799,904.54
Fund: Economic Development									
10593	FAMC	130	09/30/2017	12.50	0.00	500,000.00	0.00	500,737.50	500,737.50
3132X0NNS6	500,000.00	0.898	02/01/2018	0.00	0.00	500,000.00	0.00	500,137.50	500,137.50
10566	FHLB	130	12/20/2016	3,578.85	0.00	350,087.50	0.00	350,053.06	350,053.06
3130AAHG6	350,000.00	1.297	12/14/2018	2,216.08	0.00	350,087.50	0.00	349,510.00	349,510.00
10007	TXPOOL	130	10/01/2016	5,061.57	953,467.85	429,684.99	599,676.04	-169,991.05	783,476.80
SYS10007	783,476.80	1.015	/ /	4,684.99	953,467.85	429,684.99	599,676.04	-169,991.05	783,476.80
10379	NTHSTR	130	10/01/2016	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

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10542	FAMC	130	03/08/2016	16,489.69	598,411.44	0.00	585,000.00	-598,411.44	0.00
30769QAA8	0.00	0.000	04/19/2017	29,981.26	599,157.00	0.00	585,000.00	-599,157.00	0.00
10541	FHLMC	130	02/25/2016	3,600.00	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134G8L49	0.00	0.000	08/25/2017	4,000.00	499,200.00	0.00	500,000.00	-499,200.00	0.00
10543	FHLB	130	03/11/2016	5,275.67	381,802.31	0.00	380,000.00	-381,802.31	0.00
313378PK1	0.00	0.000	09/28/2017	5,320.00	382,090.00	0.00	380,000.00	-382,090.00	0.00
10534	FFCB	130	01/27/2016	3,937.50	450,000.00	0.00	0.00	0.00	450,000.00
3133EFWC7	450,000.00	0.875	11/27/2017	3,937.50	450,360.00	0.00	0.00	-585.00	449,775.00
10583	FHLB	130	08/15/2017	734.73	0.00	499,125.00	0.00	500,312.54	500,312.54
313381EC5	500,000.00	1.285	12/06/2018	0.00	0.00	499,125.00	0.00	500,252.08	500,252.08
10578	FFCB	130	04/17/2017	1,804.00	0.00	300,000.00	0.00	300,000.00	300,000.00
3133EHFK4	300,000.00	1.320	04/17/2019	0.00	0.00	300,000.00	0.00	299,190.00	299,190.00
10562	FNMA	130	12/08/2016	2,584.10	0.00	248,750.00	0.00	249,125.64	249,125.64
3136G2XJ1	250,000.00	1.459	08/23/2019	2,248.96	0.00	248,750.00	0.00	248,300.00	248,300.00
Sub Totals For: Fund: Economic Development				43,078.61	2,883,681.60	2,327,647.49	2,064,676.04	250,023.94	3,133,705.54
				52,388.79	2,884,274.85	2,327,647.49	2,064,676.04	246,366.53	3,130,641.38
Fund: Street Maintenance S									
10551	FHLB	132	06/16/2016	1,440.00	200,000.00	0.00	0.00	0.00	200,000.00
3130A8HM8	200,000.00	0.720	01/16/2018	1,440.00	199,720.00	0.00	0.00	100.00	199,820.00
10579	FFCB	132	04/17/2017	1,202.67	0.00	200,000.00	0.00	200,000.00	200,000.00
3133EHFK4	200,000.00	1.320	04/17/2019	0.00	0.00	200,000.00	0.00	199,460.00	199,460.00
10155	TXSTAR	132	10/01/2016	0.00	0.00	0.00	0.00	0.00	0.00
SYS10155	0.00	0.030	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10331	NTHSTR	132	10/01/2016	414.99	225,669.59	417.34	226,086.93	-225,669.59	0.00
SYS10331	0.00	0.450	/ /	417.34	225,669.59	417.34	226,086.93	-225,669.59	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: Street Maintenance S				3,057.66	425,669.59	200,417.34	226,086.93	-25,669.59	400,000.00
				1,857.34	425,389.59	200,417.34	226,086.93	-26,109.59	399,280.00
Fund: General Fund Capital									
10500	FHLB	193	03/28/2014	966.15	250,000.00	0.00	250,000.00	-250,000.00	0.00
3133782N0	0.00	0.000	03/10/2017	1,093.75	250,400.00	0.00	250,000.00	-250,400.00	0.00
10589	FHLB	193	09/01/2017	416.67	0.00	252,000.00	0.00	251,839.14	251,839.14
313375K48	250,000.00	2.153	09/14/2018	180.56	0.00	252,000.00	0.00	251,500.00	251,500.00
10464	NTHSTR	193	10/01/2016	964.80	572,420.49	999.37	573,419.86	-572,420.49	0.00
SYS10464	0.00	0.450	/ /	999.37	572,420.49	999.37	573,419.86	-572,420.49	0.00
10535	FAMC	193	01/11/2016	5,596.50	455,690.22	0.00	0.00	-543.72	455,146.50
31315P5L9	455,000.00	1.108	01/08/2018	5,596.50	456,274.00	0.00	0.00	-1,319.50	454,954.50
10559	FHLMC	193	08/25/2016	5,000.00	500,000.00	0.00	0.00	0.00	500,000.00
3134G96J1	500,000.00	1.000	02/25/2019	5,000.00	499,200.00	0.00	0.00	-2,850.00	496,350.00
10576	FNMA	193	04/06/2017	2,005.20	0.00	250,000.00	0.00	250,000.00	250,000.00
3135G0S46	250,000.00	1.644	01/27/2020	1,271.87	0.00	250,000.00	0.00	249,650.00	249,650.00
Sub Totals For: Fund: General Fund Capital				14,949.32	1,778,110.71	502,999.37	823,419.86	-321,125.07	1,456,985.64
				14,142.05	1,778,294.49	502,999.37	823,419.86	-325,839.99	1,452,454.50
Fund: Water/Wastewater Cap									
10465	NTHSTR	194	10/01/2016	624.51	339,611.67	628.04	340,239.71	-339,611.67	0.00
SYS10465	0.00	0.450	/ /	628.04	339,611.67	628.04	340,239.71	-339,611.67	0.00
Sub Totals For: Fund: Water/Wastewater Cap				624.51	339,611.67	628.04	340,239.71	-339,611.67	0.00
				628.04	339,611.67	628.04	340,239.71	-339,611.67	0.00
Fund: General Debt Service									
10328	NTHSTR	200	10/01/2016	1,211.22	274,177.57	301,232.23	286,200.69	15,031.54	289,209.11
SYS10328	289,209.11	0.350	/ /	1,232.23	274,177.57	301,232.23	286,200.69	15,031.54	289,209.11

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10017	TXSTAR	200	10/01/2016	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
Sub Totals For: Fund: General Debt Service				1,211.22	274,177.57	301,232.23	286,200.69	15,031.54	289,209.11
				1,232.23	274,177.57	301,232.23	286,200.69	15,031.54	289,209.11
Fund: GF Vehicle & Equip									
10462	NTHSTR	300	10/01/2016	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									
10510	NTHSTR	301	10/01/2016	139.11	75,651.99	139.90	75,791.89	-75,651.99	0.00
SYS10510	0.00	0.450	/ /	139.90	75,651.99	139.90	75,791.89	-75,651.99	0.00
Sub Totals For: Fund: Fire Vehicle Replace				139.11	75,651.99	139.90	75,791.89	-75,651.99	0.00
				139.90	75,651.99	139.90	75,791.89	-75,651.99	0.00
Fund: Utility Vehicle & Eq									
10577	FNMA	310	04/06/2017	2,005.20	0.00	250,000.00	0.00	250,000.00	250,000.00
3135G0S46	250,000.00	1.649	01/27/2020	1,271.87	0.00	250,000.00	0.00	249,650.00	249,650.00
10463	NTHSTR	310	10/01/2016	184.98	100,594.68	186.03	100,780.71	-100,594.68	0.00
SYS10462	0.00	0.450	/ /	186.03	100,594.68	186.03	100,780.71	-100,594.68	0.00
Sub Totals For: Fund: Utility Vehicle & Eq				2,190.18	100,594.68	250,186.03	100,780.71	149,405.32	250,000.00
				1,457.90	100,594.68	250,186.03	100,780.71	149,055.32	249,650.00
Fund: Utility Meter Replac									
10524	FHLB	311	01/02/2015	5,220.83	500,000.00	0.00	500,000.00	-500,000.00	0.00
3130A3Q80	0.00	0.000	09/29/2017	5,250.00	500,200.00	0.00	500,000.00	-500,200.00	0.00
10511	NTHSTR	311	10/01/2016	508.19	276,349.92	511.06	276,860.98	-276,349.92	0.00
SYS10511	0.00	0.450	/ /	511.06	276,349.92	511.06	276,860.98	-276,349.92	0.00

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Sub Totals For: Fund: Utility Meter Replac				5,729.02	776,349.92	511.06	776,860.98	-776,349.92	0.00
				5,761.06	776,549.92	511.06	776,860.98	-776,549.92	0.00
Fund: Water Impact Fees									
10529	FHLB	610	09/30/2015	128.19	99,995.17	0.00	100,000.00	-99,995.17	0.00
3130A3PC2	0.00	0.000	12/12/2016	325.00	99,970.00	0.00	100,000.00	-99,970.00	0.00
10591	FHLB	610	09/30/2017	15.35	0.00	171,638.84	0.00	171,950.82	171,950.82
313372SN5	170,000.00	1.055	03/09/2018	0.00	0.00	171,638.84	0.00	171,801.29	171,801.29
10052	TXSTAR	610	10/01/2016	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				143.54	99,995.17	171,638.84	100,000.00	71,955.65	171,950.82
				325.00	99,970.00	171,638.84	100,000.00	71,831.29	171,801.29
Fund: Wastewater Impact Fe									
10530	FHLB	611	09/30/2015	128.19	99,995.17	0.00	100,000.00	-99,995.17	0.00
3130A3PC2	0.00	0.000	12/12/2016	325.00	99,970.00	0.00	100,000.00	-99,970.00	0.00
10315	TXSTAR	611	10/01/2016	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				128.19	99,995.17	0.00	100,000.00	-99,995.17	0.00
				325.00	99,970.00	0.00	100,000.00	-99,970.00	0.00
Fund: Roadway Impact Fees									
10301	TXSTAR	630	10/01/2016	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									
10329	NTHSTR	699	10/01/2016	254.57	138,442.13	256.02	138,698.15	-138,442.13	0.00
SYS10329	0.00	0.450	/ /	256.02	138,442.13	256.02	138,698.15	-138,442.13	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10019	TXPOOL	699	10/01/2016	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
Sub Totals For: Fund: Street Escrow				254.57	138,442.13	256.02	138,698.15	-138,442.13	0.00
				256.02	138,442.13	256.02	138,698.15	-138,442.13	0.00
Fund: Street 2007 CO									
10064	TXPOOL	703	10/01/2016	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	10/01/2016	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	10/01/2016	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									
10380	NTHSTR	704	10/01/2016	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
10065	TXPOOL	704	10/01/2016	0.00	0.00	0.00	0.00	0.00	0.00
SYS100099	0.00	2.246	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10139	TXSTAR	704	10/01/2016	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
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	10/01/2016	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

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: 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									
10555	FHLMC	706	06/28/2016	16,000.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3134G9WU7	2,000,000.00	0.800	12/28/2017	16,000.00	1,999,400.00	0.00	0.00	-800.00	1,998,600.00
10552	FHLB	706	06/16/2016	3,960.00	550,000.00	0.00	0.00	0.00	550,000.00
3130A8HM8	550,000.00	0.720	01/16/2018	3,960.00	549,230.00	0.00	0.00	275.00	549,505.00
10554	FHLMC	706	06/30/2016	8,000.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134G9G76	1,000,000.00	0.800	06/29/2018	7,977.78	997,800.00	0.00	0.00	-2,700.00	995,100.00
10560	FHLMC	706	08/25/2016	10,000.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134G96J1	1,000,000.00	1.000	02/25/2019	10,000.00	998,400.00	0.00	0.00	-5,700.00	992,700.00
10561	FHLB	706	08/30/2016	9,972.53	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3130A8YM9	1,000,000.00	1.006	02/28/2019	9,944.44	998,700.00	0.00	0.00	-5,500.00	993,200.00
10573	FHLMC	706	02/14/2017	1,418.75	0.00	200,000.00	0.00	200,000.00	200,000.00
3134GAX90	200,000.00	2.029	02/14/2020	1,125.00	0.00	200,000.00	0.00	199,920.00	199,920.00
10549	TXSTAR	706	10/01/2016	27,051.26	5,011,518.72	28,136.73	3,250,000.00	-3,221,863.27	1,789,655.45
SYS10549	1,789,655.45	1.038	/ /	28,136.73	5,011,518.72	28,136.73	3,250,000.00	-3,221,863.27	1,789,655.45
Sub Totals For: Fund: 2016 CO General Capi				76,402.54	10,561,518.72	228,136.73	3,250,000.00	-3,021,863.27	7,539,655.45
				77,143.95	10,555,048.72	228,136.73	3,250,000.00	-3,036,368.27	7,518,680.45
Fund: 2017 CO General Capi									
10585	FHLB	709	08/31/2017	729.17	0.00	999,841.78	0.00	1,001,142.75	1,001,142.75
3130AAKJ6	1,000,000.00	0.918	01/09/2018	0.00	0.00	999,841.78	0.00	1,000,863.89	1,000,863.89
10586	TXSTAR	709	09/30/2017	1,781.25	0.00	2,000,853.46	0.00	1,000,853.46	1,000,853.46
SYS10586	1,000,853.46	1.038	/ /	853.46	0.00	2,000,853.46	0.00	1,000,853.46	1,000,853.46
Sub Totals For: Fund: 2017 CO General Capi				2,510.42	0.00	3,000,695.24	0.00	2,001,996.21	2,001,996.21
				853.46	0.00	3,000,695.24	0.00	2,001,717.35	2,001,717.35

Portfolio CITY

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Cusip	Par Value	YTM	Mat Date	Interest Received							
Fund: Water 2007 CO											
10066	TXPOOL	800	10/01/2016	0.00	0.00	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	0.00	0.00
10135	TXSTAR	800	10/01/2016	0.00	0.00	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	0.00	0.00
10333	NTHSTR	800	10/01/2016	0.00	0.00	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	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	0.00	0.00	0.00	0.00
Fund: Wastewater 2007 CO											
10067	TXPOOL	801	10/01/2016	0.00	0.00	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	0.00	0.00
10136	TXSTAR	801	10/01/2016	0.00	0.00	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	0.00	0.00
10334	NTHSTR	801	10/01/2016	0.00	0.00	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	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	0.00	0.00	0.00	0.00
Fund: Drainage 2007 CO											
10137	TXSTAR	802	10/01/2016	0.00	0.00	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	0.00	0.00
10458	NTHSTR	802	10/01/2016	0.00	0.00	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	0.00	0.00
10068	TXPOOL	802	10/01/2016	0.00	0.00	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	0.00	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
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
Report Grand Totals:				273,456.09	27,947,531.80	24,495,853.81	18,481,856.05	5,001,290.70	32,948,822.50
				212,847.97	27,941,497.51	24,495,853.81	18,481,856.05	4,959,897.40	32,901,394.91