



\*\*\* PUBLIC NOTICE \*\*\*

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

**Wednesday, February 18, 2021, 4:30 P.M.  
City Hall  
Conference Room - Suite 200  
3300 Corinth Parkway  
Corinth, Texas 76208**

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

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**CALL TO ORDER**

**CONSENT AGENDA**

1. Consider and act on minutes from the December 17, 2020 Regular Session.

**BUSINESS AGENDA**

2. Consider and act on the September 2020 Monthly Financials.

3. Accept, hold a discussion and provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR) and the audit adjusting entries.
4. Accept, hold a discussion and provide staff direction on the Single Audit for fiscal year ending September 30, 2020.
5. Consider and act on the Fiscal Year 2020-2021 First Quarter Investment Report.

**CLOSED SESSION**

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

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

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

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

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

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

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

**ADJOURN**

Posted this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ on the bulletin board at Corinth City Hall.

\_\_\_\_\_  
Lee Ann Bunselmeyer, Finance Director



**CONSENT ITEM 1.**

**Finance Audit Committee Regular Session**

**Meeting Date:** 02/18/2021  
**Title:** December 17, 2020 Regular Session Minutes  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Chris Rodriguez, Financial Services Manager  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review: Approval:** Bob Hart, City Manager

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**AGENDA ITEM**

Consider and act on minutes from the December 17, 2020 Regular Session.

**AGENDA ITEM SUMMARY/BACKGROUND**

Attached are minutes from the December 17, 2020 Regular Session. The minutes are in draft form and are not considered official until formally approved by the Finance Audit Committee.

**RECOMMENDATION**

Staff recommends approval of the December 17, 2020 Regular Session minutes.

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**Attachments**

December 2020 Minutes

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

On this the 17th day of December 2020 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 4:30 P.M. at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purposes as required by Title 5, Subchapter A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

**Councilmembers Present:**

Mayor Heidemann  
Councilmember Scott Garber  
Councilmember Sam Burke

**Citizen Members Present:**

Richard Weir  
Catherine Miller

**Staff Members Present:**

Bob Hart, City Manager  
Lee Ann Bunselmeyer, Director of Finance, Communication & Strategic Services  
Chris Rodriguez, Assistant Finance Director  
Becky Buck – Comptroller  
Diane Terrell – Eide Bailly  
Kevin Randolph – Eide Bailly  
Shelby Ebarb – Eide Bailly

**CALL TO ORDER**

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

**CONSENT AGENDA**

- 1) Consider and act on the 2020-2021 Authorized Broker/Dealer List for the City of Corinth.
- 2) Consider and act on minutes from the August 20, 2020 Regular Session.

**MOTION** made by Mayor Heidemann to approve the consent agenda and Councilmember Burke seconded the motion.

**AYES:** Heidemann, Garber, Burke

**NOES:** None

**MOTION CARRIED**

**BUSINESS AGENDA**

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

**No action required.**

4) Consider and act on the Fiscal Year 2019-2020 Annual Investment Report.

**MOTION** made by Councilmember Burke to accept the Fiscal Year 2019-2020 Annual Investment Report and Mayor Heidemann seconded the motion.

**AYES:** Heidemann, Garber, Burke

**NOES:** None

**MOTION CARRIED**

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

**MOTION** made by Councilmember Burke to accept the June 2020 Monthly Financials and Mayor Heidemann seconded the motion.

**AYES:** Heidemann, Garber, Burke

**NOES:** None

**MOTION CARRIED**

6) Review and discuss the Fiscal Year 2019-2020 Summary of Rebtable Arbitrage.

**No action required.**

**ADJOURN THE REGULAR MEETING**

Councilmember Garber adjourned the Regular Meeting at 5:17 pm.

**Finance Audit Committee Regular Session**

**Meeting Date:** 02/18/2021

**Title:** September 2020 Monthly Financials

**Submitted For:** Lee Ann Bunselmeyer, Director

**Submitted By:** Chris Rodriguez, Financial Services Manager

**Finance Review:** N/A

**Legal Review:** N/A

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**AGENDA ITEM**

Consider and act on the September 2020 Monthly Financials.

**AGENDA ITEM SUMMARY/BACKGROUND**

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

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

**RECOMMENDATION**

Staff recommends the acceptance of the monthly financial report.

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**Attachments**

Sept 2020 Monthly Financial Report

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# City of Corinth

## Monthly Financial Report

For the Period Ended September 2020

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### 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. The report includes the following information.

- The Financial Summary 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.

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

- The Capital Improvement Program Report contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures, and available fund balance.

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

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**City of Corinth**  
**General Fund**

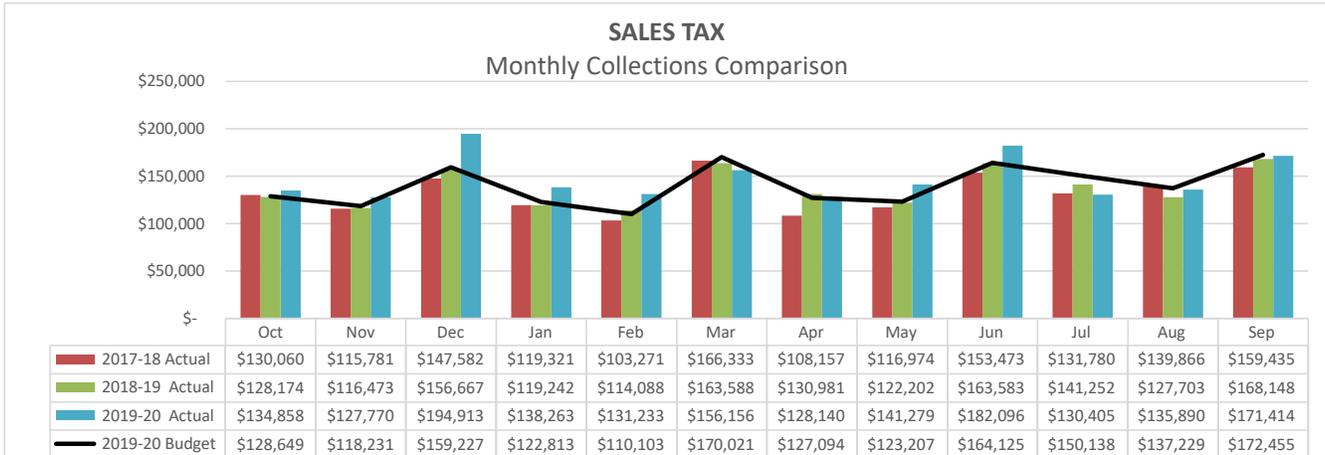
Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
Property Taxes	\$ 10,268,904	\$ 32,175	\$ 10,229,345	\$ (39,559)	99.6%	\$ 9,244,761
Delinquent Tax, Penalties & Interest	64,100	10,985	47,380	(16,720)	73.9%	77,116
Sales Tax	1,698,792	441,235	1,785,679	86,887	105.1%	1,672,402
Franchise Fees	1,110,500	254,031	1,152,864	42,364	103.8%	1,083,553
Utility Fees	17,500	-	72,291	54,791	413.1%	6,860
Traffic Fines & Forfeitures	742,975	49,628	495,144	(247,831)	66.6%	600,873
Development Fees & Permits	461,834	47,812	572,740	110,906	124.0%	446,961
Police Fees & Permits	593,027	1,978	590,984	(2,043)	99.7%	577,503
Recreation Program Revenue	224,974	2,188	52,707	(172,267)	23.4%	150,210
Fire Services	2,662,763	262,445	2,679,873	17,110	100.6%	2,709,304
Grants	1,117,901	146,012	569,951	(547,950)	51.0%	326,757
Investment Income	153,060	39	104,965	(48,095)	68.6%	176,943
Miscellaneous	44,305	1,523	39,143	(5,162)	88.3%	81,199
Transfers In	915,160	680,316	1,595,476	680,316	174.3%	954,496
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 20,075,795</b>	<b>\$ 1,930,366</b>	<b>\$ 19,988,543</b>	<b>\$ (87,252)</b>	<b>99.6%</b>	<b>\$ 18,108,939</b>
Use of Fund Balance	839,724	157,009	-	-		
<b>TOTAL RESOURCES</b>	<b>\$ 20,915,519</b>	<b>\$ 2,087,376</b>	<b>\$ 19,988,543</b>	<b>\$ (87,252)</b>		<b>\$ 18,108,939</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 14,151,049	\$ 1,583,851	\$ 13,416,607	\$ (734,442)	94.8%	\$ 12,370,877
Professional Fees	1,411,617	163,038	1,182,806	(228,811)	83.8%	1,229,172
Maintenance & Operations	1,008,017	79,353	840,130	(167,887)	83.3%	962,722
Supplies	506,147	38,683	347,415	(158,732)	68.6%	569,533
Utilities & Communications	715,586	90,281	611,695	(103,891)	85.5%	623,253
Vehicles/Equipment & Fuel	307,711	50,902	244,612	(63,099)	79.5%	301,473
Training	181,727	7,745	87,802	(93,925)	48.3%	146,839
Capital Outlay	768,535	42,024	55,743	(712,792)	7.3%	391,089
Transfer Out	1,865,130	31,500	1,865,130	-	100.0%	1,864,720
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,915,519</b>	<b>\$ 2,087,376</b>	<b>\$ 18,651,939</b>	<b>\$ (2,263,580)</b>	<b>89.2%</b>	<b>\$ 18,459,679</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,336,604</b>			<b>\$ (350,740)</b>

KEY TRENDS	
Resources	Expenditures
<p><b>Property Taxes</b> are received primarily in December &amp; January and become delinquent February 1st.</p> <p><b>Sales Tax</b> - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September revenues are remitted to the City in November. Sales Tax received in September represents July collections.</p> <p><b>Franchise Fees</b> - 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><b>Recreation revenue</b> includes special events, facility rentals and summer camp programs. Summer camp registration starts April 1st.</p> <p><b>Transfer In</b> includes \$753,581 cost allocation from the Utility Fund, \$100,208 cost allocation from the EDC Fund and \$61,371 cost allocation from Storm Drainage. The Transfer in includes \$680,316 from the Covid grant fund for public safety salaries.</p>	<p><b>Transfer Out</b> includes \$300,000 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$97,210 to the General Fund Vehicle Replacement Fund for the Enterprise Fleet Replacement Program, \$150,041 to the Tech Replacement Fund for the future purchases of computers, \$184,379 cost allocation to the Utility Fund, \$500,000 to the Capital Project Fund for the TIRZ, \$30,000 to the General Capital Fund for the joint Fire training field, \$172,000 to the General Capital Fund for the Public Safety radio replacement, \$250,000 to the General Asset Mgmt Fund.</p> <p><b>Capital Outlay</b> includes \$150,000 for Wetlands &amp; Flood Mitigation studies, \$16,500 for a Park mower, and \$4,800 for a trailer. The budget included \$700,000 for the Safe Routes to School grant, but was not spent.</p>

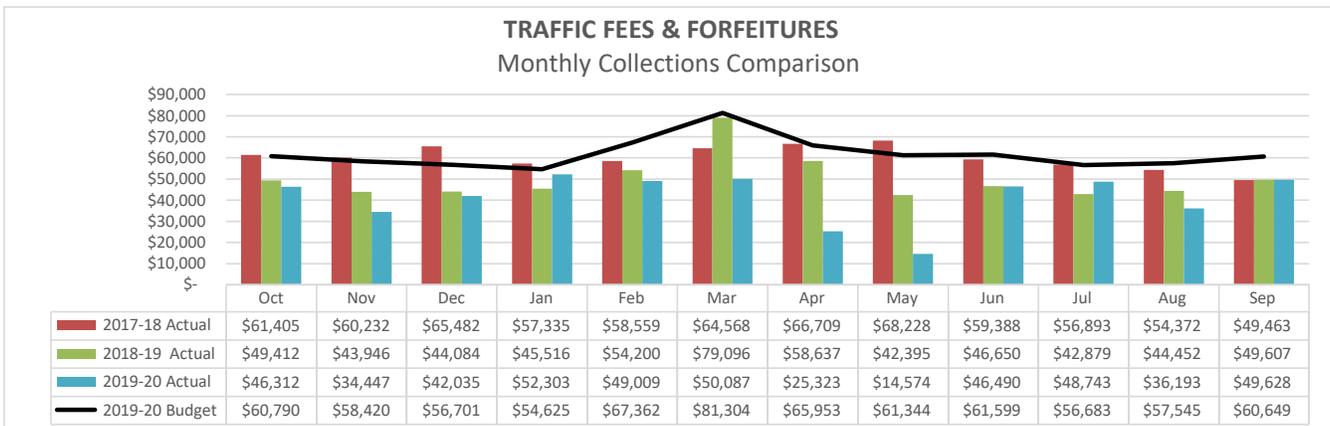


**City of Corinth**  
**General Fund**  
 Revenue Analysis  
 For the Period Ended September 2020



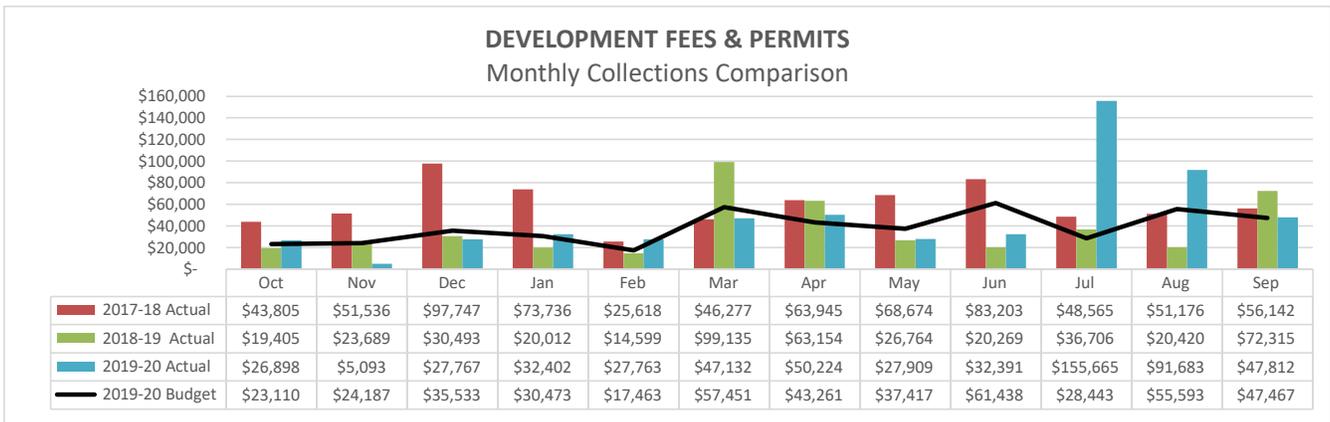
**SALES TAX VARIANCE**

Actual to Budget (%) **5.9%**      Current Yr to Prior Yr (%) **8.1%**  
 Actual to Budget (\$) **\$89,123**      Current Yr to Prior Yr (\$) **\$120,313**



**TRAFFIC FEES & FORFEITURES VARIANCE**

Actual to Budget (%) **-33.4%**      Current Yr to Prior Yr % **-17.6%**  
 Actual to Budget (\$) **(\$247,831)**      Current Yr to Prior Yr \$ **(\$105,729)**



**DEVELOPMENT FEES & PERMITS VARIANCE**

Actual to Budget (%) **24.0%**      Current Yr to Prior Yr (%) **28.1%**  
 Actual to Budget (\$) **\$110,906**      Current Yr to Prior Yr (\$) **\$125,779**



# City of Corinth

## Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
City Water Charges	\$ 2,862,813	\$ 198,752	\$ 2,424,982	\$ (437,831)	84.7%	\$ 2,843,266
Upper Trinity Water Charges*	5,623,256	582,824	5,465,064	(158,192)	97.2%	4,721,323
City Wastewater Disposal Charges	2,206,403	185,880	2,202,838	(3,565)	99.8%	2,276,861
Upper Trinity Wastewater Disposal Charges*	1,228,664	101,298	1,196,375	(32,289)	97.4%	1,136,051
Garbage Revenue	858,390	87,133	885,523	27,133	103.2%	765,496
Garbage Sales Tax Revenue	66,700	6,715	76,092	9,392	114.1%	66,234
Water Tap Fees	80,000	11,570	94,655	14,655	118.3%	99,140
Wastewater Tap Fees	55,000	8,672	74,298	19,298	135.1%	63,857
Service/Reconnect & Inspection Fees	70,000	2,885	54,545	(15,455)	77.9%	58,337
Penalties & Late Charges	160,000	16,367	86,635	(73,365)	54.1%	132,438
Investment Interest	37,525	-	27,646	(9,879)	73.7%	58,947
Credit Card Processing Fees	75,000	8,283	100,508	25,508	134.0%	86,529
Miscellaneous	12,000	-	2,542	(9,458)	21.2%	22,059
Transfers In	220,634	-	220,634	-	100.0%	1,740,791
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 13,556,385</b>	<b>\$ 1,210,380</b>	<b>\$ 12,912,336</b>	<b>\$ (644,049)</b>	<b>95.2%</b>	<b>\$ 14,071,329</b>
Use of Fund Balance	255,513	255,513	255,513			
<b>TOTAL RESOURCES</b>	<b>\$ 13,811,898</b>	<b>\$ 1,465,893</b>	<b>\$ 13,167,849</b>			<b>\$ 14,071,329</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 1,953,378	\$ 240,107	\$ 1,951,177	\$ (2,201)	99.9%	\$ 1,705,735
Professional Fees	1,068,350	107,223	1,049,788	(18,562)	98.3%	872,013
Maintenance & Operations	448,103	18,660	400,969	(47,134)	89.5%	335,755
Supplies	51,983	5,926	43,669	(8,314)	84.0%	113,032
Upper Trinity Region Water District	7,115,166	1,214,793	6,878,262	(236,904)	96.7%	6,720,873
Utilities & Communication	184,421	32,670	175,316	(9,105)	95.1%	187,568
Vehicles/Equipment & Fuel	61,226	9,278	58,341	(2,885)	95.3%	96,761
Training	18,409	815	13,792	(4,617)	74.9%	13,902
Capital Outlay	9,100	-	16,812	7,712	184.8%	13,907
Debt Service	1,464,498	-	1,464,498	-	100.0%	2,350,755
Transfers	1,437,264	45,000	1,437,264	-	100.0%	1,108,883
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,811,898</b>	<b>\$ 1,674,473</b>	<b>\$ 13,489,887</b>	<b>\$ (322,011)</b>	<b>97.7%</b>	<b>\$ 13,519,184</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ (208,580)</b>	<b>\$ (322,038)</b>			<b>\$ 552,145</b>

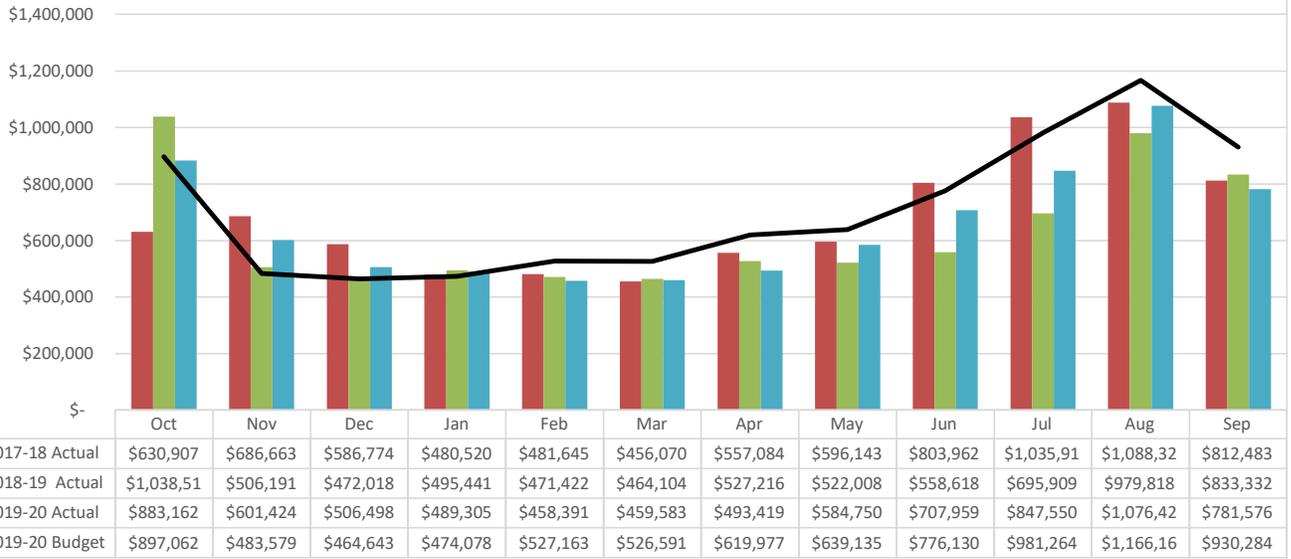
\* The water and sewer charges in October are for September services so there are no actuals for UTRWD.

KEY TRENDS	
Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p><b>Water and Wastewater Disposal Charges:</b> The FY 2019-20 budget is the third year that water rates are separated out by the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.</p> <p><b>Transfer In</b> includes The transfer in of \$184,379 for the cost allocation from the General Fund and \$36,255 from Storm Drainage.</p>	<p><b>Operating expenses</b> are dominated by contractual payments for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton.</p> <p><b>Debt Service</b> payments are processed in February and August.</p> <p><b>Capital Outlay</b> includes \$8,500 for a dump-bed trailer.</p> <p><b>Transfer Out</b> includes \$70,920 to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$50,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$17,763 to the Tech Replacement Fund for the future purchases of computers, \$753,581 cost allocation to the General Fund, \$250,000 to the Utility Asset Mgmt Reserve Fund and \$250,000 to the Utility Rate Stabilization Fund.</p>



**City of Corinth**  
**Water/Wastewater Fund**  
 Revenue Analysis  
 For the Period Ended September 2020

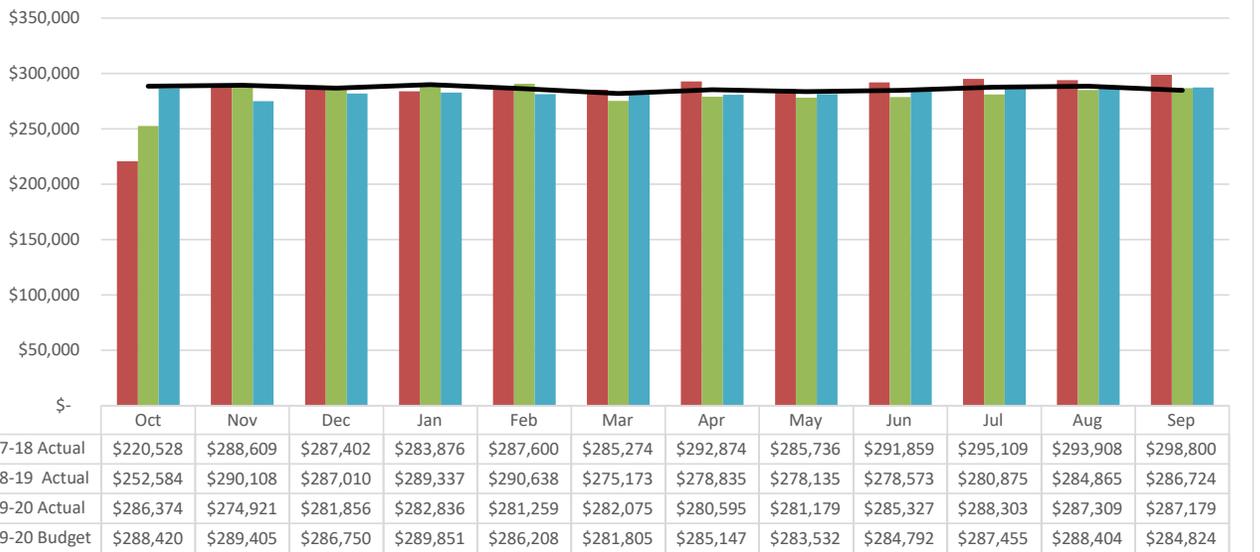
**WATER CHARGES**  
 Monthly Collections Comparison



**WATER CHARGES VARIANCE**

Actual to Budget (%)	<b>-7.0%</b>	Current Yr to Prior Yr (%)	<b>4.3%</b>
Actual to Budget (\$)	<b>(\$596,023)</b>	Current Yr to Prior Yr (\$)	<b>\$325,458</b>

**SEWER CHARGES**  
 Monthly Collections Comparison



**SEWER CHARGES VARIANCE**

Actual to Budget (%)	<b>-1.1%</b>	Current Yr to Prior Yr (%)	<b>0.8%</b>
Actual to Budget (\$)	<b>(\$37,379)</b>	Current Yr to Prior Yr (\$)	<b>\$26,356</b>

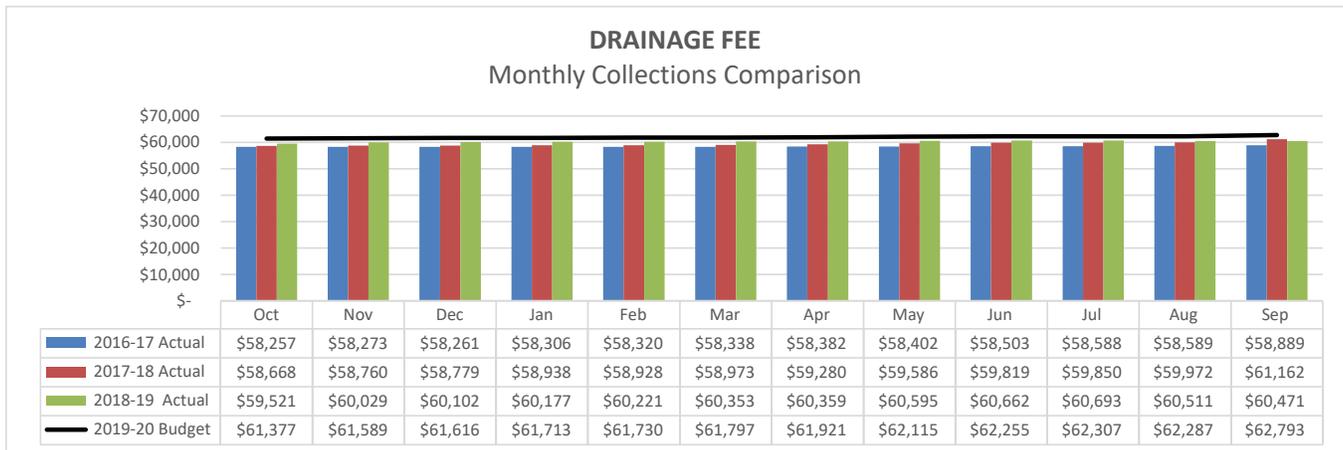


# City of Corinth

## Storm Water Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
Storm Water Utility Fee	\$ 743,500	\$ 60,890	\$ 725,679	\$ (17,821)	97.6%	\$ 723,694
Investment Interest	5,100	-	2,926	(2,174)	57.4%	7,071
Miscellaneous	6,500	-	11,931	5,431	183.5%	-
Transfer In	-	-	-	-	0.0%	-
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 755,100</b>	<b>\$ 60,890</b>	<b>\$ 740,536</b>	<b>\$ (14,564)</b>	<b>98.1%</b>	<b>\$ 730,765</b>
Use of Fund Balance	144,345	-	92,127			
<b>TOTAL RESOURCES</b>	<b>\$ 899,445</b>	<b>\$ 60,890</b>	<b>\$ 832,663</b>	<b>\$ (14,564)</b>		<b>\$ 730,765</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 198,945	\$ 25,261	\$ 196,437	\$ (2,508)	98.7%	\$ 183,148
Professional Fees	109,327	15,729	79,924	(29,403)	73.1%	86,613
Maintenance & Operations	24,701	61	6,777	(17,924)	27.4%	13,134
Supplies	7,042	1,186	3,808	(3,234)	54.1%	8,436
Utilities & Communication	4,464	266	2,964	(1,500)	66.4%	5,315
Vehicles/Equipment & Fuel	14,500	2,204	11,580	(2,920)	79.9%	13,744
Training	2,236	-	55	(2,181)	2.5%	-
Capital Outlay	24,507	-	24,507	-	100.0%	-
Debt Service	181,870	-	174,759	(7,111)	96.1%	354,347
Transfers	331,853	13,500	331,853	-	100.0%	507,364
<b>TOTAL EXPENDITURES</b>	<b>\$ 899,445</b>	<b>\$ 58,208</b>	<b>\$ 832,663</b>	<b>\$ (66,782)</b>	<b>92.6%</b>	<b>\$ 1,172,101</b>
Ending Fund Balance	\$ -	\$ 2,682	\$ -			\$ (441,336)



**DRAINAGE FEE VARIANCE**

Actual to Budget (%)  
Actual to Budget (\$)

**-2.9%**  
**(\$17,821)**

Current Yr to Prior Yr (%)  
Current Yr to Prior Yr (\$)

**0.3%**  
**\$1,984**

**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.

**Capital Outlay** includes \$31,500 for Lake Sharon engineering ( at Corinth Parkway), \$37,500 for Corinth Parkway engineering (at Lake Sharon) and \$51,000 for Blake Street engineering.

**Transfer Out** includes \$727 to the Tech Replacement Fund for the future purchases of computers, \$61,371 cost allocation to the General Fund, \$36,255 cost allocation to the Utility Fund, and \$100,000 to the Drainage Asset Mgmt Reserve Fund.

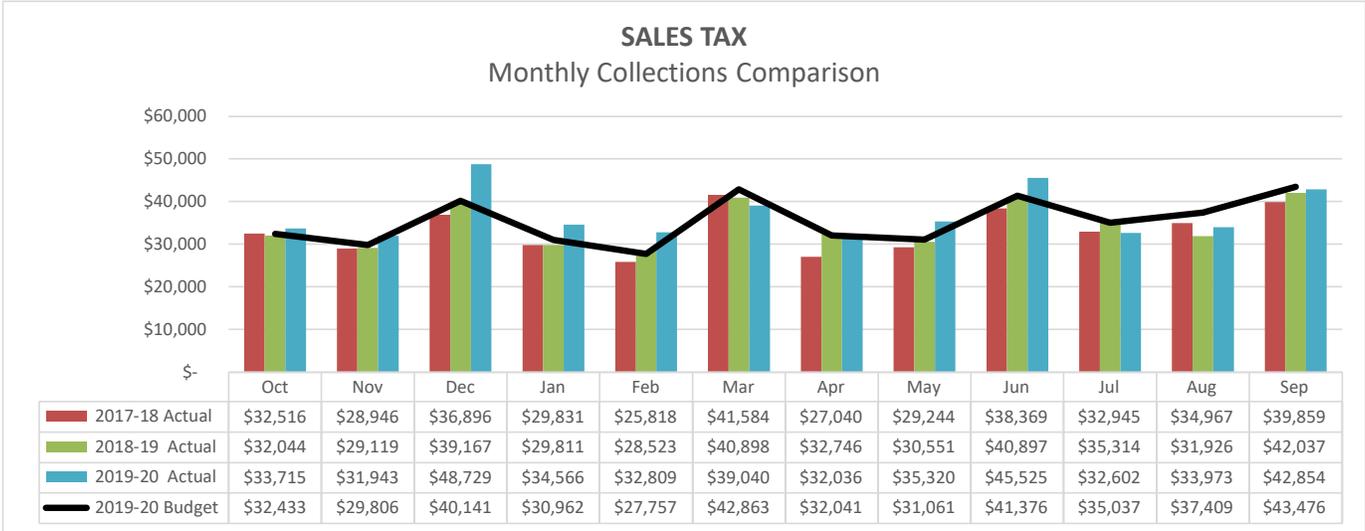


# City of Corinth

## Street Maintenance Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
Sales Tax (.25¢)	\$ 424,361	\$ 109,429	\$ 443,111	\$ 18,750	104.4%	\$ 413,032
Interest	7,140	-	13,014	5,874	182.3%	22,924
Miscellaneous Income	-	-	-	-	0.0%	-
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 431,501</b>	<b>\$ 109,429</b>	<b>\$ 456,126</b>	<b>\$ 24,625</b>	<b>105.7%</b>	<b>\$ 435,956</b>
Use of Fund Balance	301,577	301,577	226,379	-		
<b>TOTAL RESOURCES</b>	<b>\$ 733,078</b>	<b>\$ 411,006</b>	<b>\$ 682,505</b>			<b>\$ 435,956</b>
<b>EXPENDITURES</b>						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	630,842	462,322	580,469	(50,373)	92.0%	303,011
Capital Outlay	32,236	-	32,036	(200)	99.4%	55,000
Transfer Out	70,000	70,000	70,000	-	100.0%	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 733,078</b>	<b>\$ 532,322</b>	<b>\$ 682,505</b>	<b>\$ (50,573)</b>	<b>93.1%</b>	<b>\$ 358,011</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ (121,316)</b>	<b>\$ -</b>			<b>\$ 77,946</b>



**SALES TAX VARIANCE**

Actual to Budget (%) **4.4%**  
Actual to Budget (\$) **\$18,750**

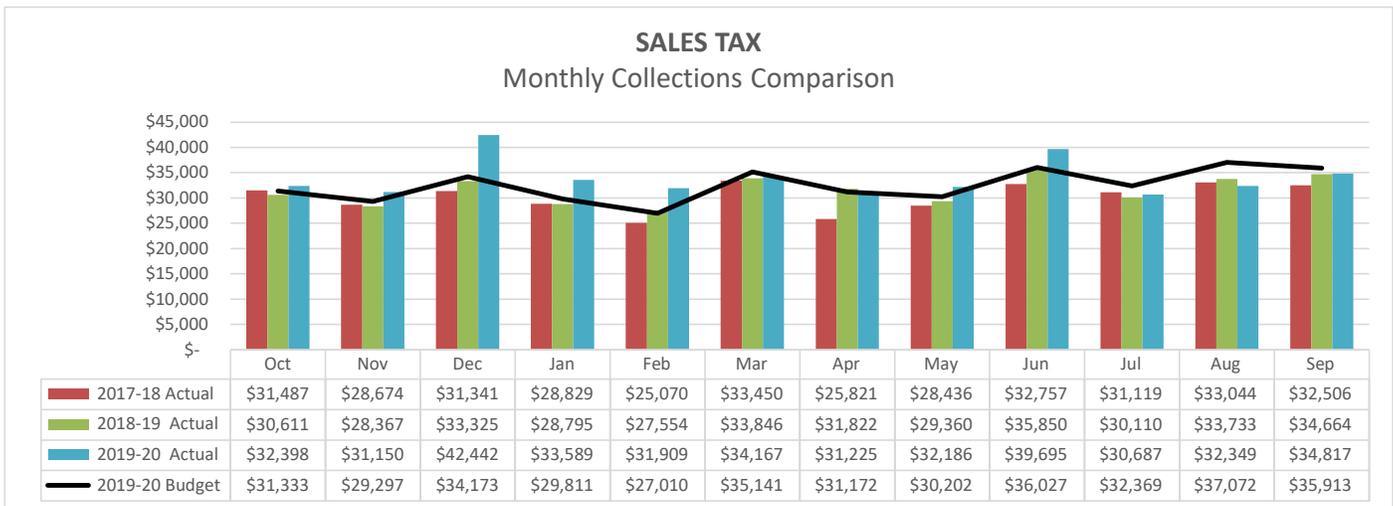
Current Yr to Prior Yr (%) **7.3%**  
Current Yr to Prior Yr (\$) **\$30,080**

KEY TRENDS	
<p><b>Resources</b> Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September revenues are remitted to the City in November. Sales Tax received in September represents July collections.</p>	<p><b>Expenditures</b> Capital Outlay includes \$14,000 for a street saw and \$70,000 for road condition software.</p>



**City of Corinth**  
**Crime Control & Prevention Sales Tax Fund**  
 Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
 For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to-Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
Sales Tax (.25¢)	\$ 389,520	\$ 97,853	\$ 406,616	\$ 17,096	104.4%	\$ 378,037
Investment Interest	2,000	219	5,608	3,608	280.4%	4,956
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 391,520</b>	<b>\$ 98,072</b>	<b>\$ 412,224</b>	<b>\$ 20,704</b>	<b>105.3%</b>	<b>\$ 382,993</b>
Use of Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 391,520</b>	<b>\$ 98,072</b>	<b>\$ 412,224</b>			<b>\$ 382,993</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 170,105	\$ 23,665	\$ 145,021	\$ (25,084)	85.3%	\$ 166,449
Maintenance & Operations	6,470	-	6,470	-	100.0%	4,220
Supplies	-	-	-	-	0.0%	-
Capital Outlay	37,387	37,387	37,387	(0)	100.0%	-
Capital Leases	163,266	15,517	163,261	(5)	100.0%	175,385
<b>TOTAL EXPENDITURES</b>	<b>\$ 377,228</b>	<b>\$ 76,569</b>	<b>\$ 352,139</b>	<b>\$ (25,089)</b>	<b>93.3%</b>	<b>\$ 346,054</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ 14,292</b>	<b>\$ 21,504</b>	<b>\$ 60,085</b>			<b>\$ 36,940</b>



<b>SALES TAX VARIANCE</b>	Actual to Budget (%)	<b>4.4%</b>	Current Yr to Prior Yr (%)	<b>7.6%</b>
	Actual to Budget (\$)	<b>\$17,096</b>	Current Yr to Prior Yr (\$)	<b>\$28,579</b>

KEY TRENDS	
<p><b>Resources</b>  <b>Sales Tax</b> - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September revenues are remitted to the City in November. Sales Tax received in September represents July collections.</p>	<p><b>Expenditures</b>  <b>Wages &amp; Benefits</b> - The budget reflects funding for two full-time police officers.  <b>Capital Leases</b> - The budget includes \$203,986 for the Enterprise Lease program for the replacement of patrol vehicles.</p>

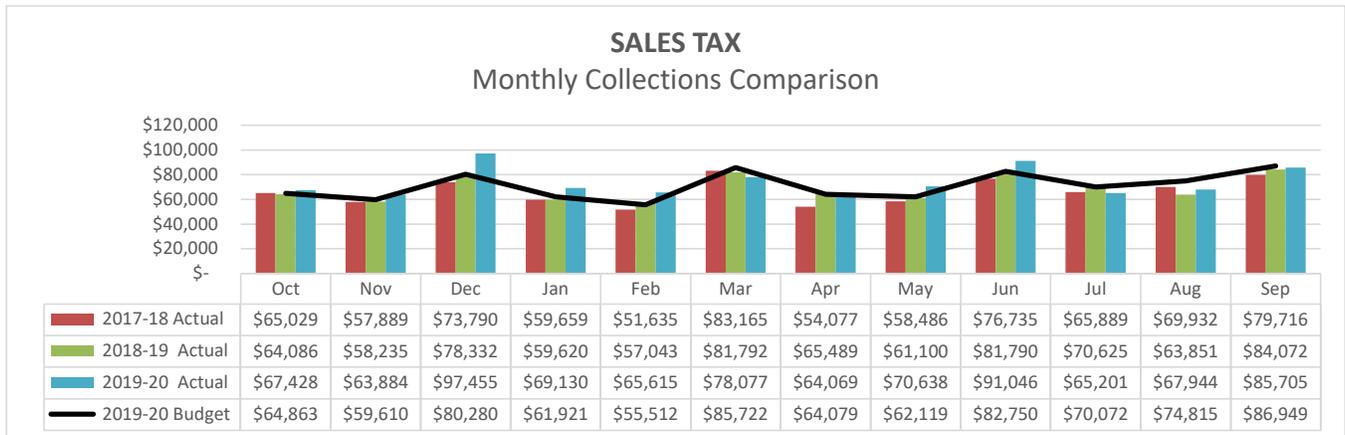


# City of Corinth

## Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
For the Period Ended September 2020

	Current Fiscal Year, 2019-2020					Prior Year
	Budget FY 2019-20	September 2020 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-19 Y-T-D Actual
<b>RESOURCES</b>						
Sales Tax (.50¢)	\$ 848,694	\$ 218,851	\$ 886,192	37,498	104.4%	\$ 826,036
Interest Income	200	67	560	360	280.1%	440
Investment Income	25,000	-	11,640	(13,360)	46.6%	60,273
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	1,990
<b>TOTAL ACTUAL RESOURCES</b>	<b>\$ 873,894</b>	<b>\$ 218,918</b>	<b>\$ 898,392</b>	<b>\$ 24,498</b>	<b>102.8%</b>	<b>\$ 888,740</b>
Use of Fund Balance	62,663	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 936,557</b>	<b>\$ 218,918</b>	<b>\$ 898,392</b>			<b>\$ 888,740</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 153,562	\$ 22,929	\$ 153,036	\$ (526)	99.7%	144,337
Professional Fees	219,195	63,541	87,228	(131,967)	39.8%	116,897
Maintenance & Operations	237,777	5,334	31,230	(206,547)	13.1%	124,333
Supplies	1,000	-	459	(541)	45.9%	6,718
Utilities & Communication	2,461	54	1,441	(1,020)	58.6%	2,259
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	21,277	524	3,023	(18,254)	14.2%	8,605
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	301,285	-	301,285	-	100.0%	105,200
<b>TOTAL EXPENDITURES</b>	<b>\$ 936,557</b>	<b>\$ 92,382</b>	<b>\$ 577,702</b>	<b>\$ (358,855)</b>	<b>61.7%</b>	<b>\$ 508,349</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 126,536</b>	<b>\$ 320,690</b>			<b>\$ 380,390</b>



<b>SALES TAX VARIANCE</b>	Actual to Budget (%)	<b>4.4%</b>	Current Yr to Prior Yr (%)	<b>7.3%</b>
	Actual to Budget (\$)	<b>\$37,498</b>	Current Yr to Prior Yr (\$)	<b>\$60,156</b>

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

#### Expenditures

**Transfer Out** includes \$1,077 to the Technology Replacement Fund for the future purchases of computers, \$50,000 to the Park Development Fund, and \$100,208 cost allocation to the General Fund.

**Capital Outlay** includes \$150,000 for a Wetlands and Flood Mitigation study.



**City of Corinth**  
**Fund Balance Summary**  
 For the Period Ended September 2020

	Unaudited Appropriable Fund Balance 9/30/19	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/20
<b>OPERATING FUNDS</b>					
100 General Fund	\$ 5,085,270	\$ 18,393,067	\$ 16,786,809	\$ (269,654)	\$ 6,421,874
110 Water/Wastewater Operations	4,025,206	12,691,702	12,052,623	(1,216,630)	3,447,655
120 Storm Water Utility	370,371	740,536	500,810	(331,853)	278,243
130 Economic Development Corporation	1,324,418	898,392	276,417	(301,285)	1,645,108
131 Crime Control & Prevention	532,490	412,224	352,139	-	592,575
132 Street Maintenance Sales Tax	1,350,905	456,126	612,505	(70,000)	1,124,526
	<u>\$ 12,688,660</u>	<u>\$ 33,592,047</u>	<u>\$ 30,581,304</u>	<u>\$ (2,189,422)</u>	<u>\$ 13,509,981</u>
<b>RESERVE FUNDS</b>					
200 General Debt Service Fund	\$ 342,712	\$ 2,692,707	\$ 2,919,258	\$ -	\$ 116,161
201 General Asset Mgmt Reserve Fund	-	2,689	-	250,000	252,689
202 Utility Asset Mgmt Reserve Fund	-	2,689	-	250,000	252,689
203 Drainage Asset Mgmt Reserve Fund	-	1,076	-	100,000	101,076
204 Rate Stabilization Fund	-	2,689	-	250,000	252,689
	<u>\$ 342,712</u>	<u>\$ 2,701,851</u>	<u>\$ 2,919,258</u>	<u>\$ 850,000</u>	<u>\$ 975,305</u>
<b>BOND/CAPITAL PROJECT FUNDS</b>					
193 Governmental Capital Projects	\$ 2,204,945	\$ 63,272	\$ 1,297,108	\$ 1,228,382	\$ 2,199,491
194 Water/Wastewater Capital Projects	473,138	17,963	38,385	429,522	882,239
195 Drainage Capital Projects	875,375	8,216	58,582	(713,247)	111,762
706 2016 C.O. - General Fund Capital Projects	1,079,394	12,203	310,002	-	781,594
708 2019 C.O. - General Fund Capital Projects	11,268,808	105,102	761,453	4,632,761	15,245,219
709 2017 C.O. - General Fund Capital Projects	838,578	845,578	1,918,701	-	(234,546)
803 2016 C.O. - Water Capital Projects	1,990,519	32,659	-	-	2,023,178
804 2017 C.O. - Water Capital Projects	107,761	987	76,745	-	32,003
805 2017 C.O. - Wastewater Capital Projects	316,324	1,609	297,760	-	20,172
806 2019 C.O. - Water Capital Projects	8,723,279	86,631	-	(3,658,000)	5,151,910
	<u>\$ 27,878,121</u>	<u>\$ 1,174,219</u>	<u>\$ 4,758,736</u>	<u>\$ 1,919,418</u>	<u>\$ 26,213,023</u>
<b>INTERNAL SERVICE FUNDS</b>					
300 General Replacement Fund	\$ 155,917	\$ 50,181	\$ 171,058	\$ 97,210	\$ 132,250
301 LCFD Replacement Fund	459,886	8,414	333,553	300,000	434,747
302 Technology Replacement Fund	182,220	5,861	86,399	176,571	278,253
310 Utility Replacement Fund	508,616	6,414	120,880	70,920	465,070
311 Utility Meter Replacement Fund	96,718	1,560	22,187	50,000	126,091
320 Insurance Claims and Risk Fund	272,146	20,808	-	-	292,955
	<u>\$ 1,675,503</u>	<u>\$ 93,238</u>	<u>\$ 734,076</u>	<u>\$ 694,701</u>	<u>\$ 1,729,366</u>
<b>SPECIAL PURPOSE FUNDS</b>					
400 Hotel-Motel Tax	\$ 200,523	\$ 73,887	\$ 58,070	\$ -	\$ 216,340
401 Keep Corinth Beautiful	30,258	5,563	6,637	-	29,185
404 County Child Safety Program	29,091	28,420	21,412	-	36,099
405 Municipal Court Security	89,957	12,521	4,864	-	97,614
406 Municipal Court Technology	29,501	15,840	3,457	(6,963)	34,921
420 Police Lease Fund	5,073	2,556	3,200	-	4,429
421 Police Donations	-	2,043	450	-	1,593
422 Police Confiscation - State	3,481	124	-	-	3,606
423 Police Confiscation - Federal	-	-	-	-	-
451 Parks Development	247,781	3,198	15,000	50,000	285,978
452 Community Park Improvement	15,912	6,006	995	-	20,923
453 Tree Mitigation Fund	304,946	3,260	7,402	-	300,804
460 Fire Donations	33,978	3,114	2,689	-	34,403
497 Festival Donations	9,055	18,123	-	-	27,178
	<u>\$ 999,558</u>	<u>\$ 174,654</u>	<u>\$ 124,176</u>	<u>\$ 43,037</u>	<u>\$ 1,093,073</u>
<b>GRANT FUNDS</b>					
522 Bullet Proof Vest Grant	\$ -	\$ -	\$ -	\$ -	\$ -
525 COVID 19 Grant	-	1,080,265	168,337	(680,316)	231,612
	<u>\$ -</u>	<u>\$ 1,080,265</u>	<u>\$ 168,337</u>	<u>\$ (680,316)</u>	<u>\$ 231,612</u>
<b>IMPACT FEE &amp; ESCROW FUNDS</b>					
610 Water Impact Fees	\$ 223,507	\$ 207,740	\$ -	\$ -	\$ 431,247
611 Wastewater Impact Fees	845,289	117,319	-	(696,000)	266,608
620 Storm Drainage Impact Fees	93,377	1,005	-	-	94,381
630 Roadway Impact Fees	866,776	216,112	-	-	1,082,887
699 Street Escrow	156,536	1,684	-	-	158,220
	<u>\$ 2,185,485</u>	<u>\$ 543,859</u>	<u>\$ -</u>	<u>\$ (696,000)</u>	<u>\$ 2,033,344</u>
<b>TOTAL ALL FUNDS</b>	<u>\$ 45,770,039</u>	<u>\$ 39,360,133</u>	<u>\$ 39,285,887</u>	<u>\$ (58,582)</u>	<u>\$ 45,785,703</u>



**City of Corinth**  
**Capital Projects**  
 For the Period Ended September 2020

	Fund-Dept	Project Name	Project #	Budget	Encumbrance	Expenditures	Available Balance
<b>DRAINAGE CAPITAL PROJECTS</b>							
2017 CO - Street	709-9800	Lynchburg Creek Flood Mitigation	DR 18-01	1,335,550	-	-	1,335,550
DRAINAGE CIP	195-9800	Lynchburg Drainage Plan	DR 18-01	233,035	58,543	174,492	-
DRAINAGE CIP	195-9801	Lynchburg Creek Watershed	DR 18-01	81,415	550	80,865	-
				<b>1,650,000</b>	<b>59,093</b>	<b>255,357</b>	<b>1,335,550</b>
DRAINAGE CIP	195-9802	Blake Street Engineering	DR 20-03	51,000	-	-	51,000
DRAINAGE CIP	195-9803	Lake Sharon Engineering (@ Corinth Pkwy)	DR 20-01	31,500	-	-	31,500
DRAINAGE CIP	195-9804	Corinth Pkwy Engineering (@ Lake Sharon)	DR 20-02	37,500	-	-	37,500
<b>WATER/WASTEWATER CAPITAL PROJECTS</b>							
W/WW CIP	194-9808	Magnolia Development		50,000	-	-	50,000
W/WW CIP	194-9807	I&I Testing 3A Lift Station		34,845	-	-	34,845
W/WW CIP	194-9805	Parkridge Sewer Line (LCMUA)	SS 19-01	600,000	47,760	38,385	513,855
2019 CO - Water	806-8094	Quail Run EST Offsite Water	WA 18-01	2,100,000	51,360	5,186	2,043,453
W/WW CIP	194-8897	L3 Sewer line Realignment	complete	72,625	-	72,625	-
W/WW CIP	194-8810	Huffines Infrastructure	complete	421,905	-	421,905	-
2016 CO - Water	803-8092	Quail Run Elevated Storage Tank	WA 18-02	2,100,000	-	169,272	1,930,728
2019 CO - Water	806-8092	Quail Run Elevated Storage Tank	WA 18-02	2,242,000	152,560	9,278	2,080,161
				<b>4,342,000</b>	<b>152,560</b>	<b>178,550</b>	<b>4,010,889</b>
<b>STREET CAPITAL PROJECTS</b>							
2016 CO - Street	706-4805	Lake Sharon/Dobbs Realignment	ST 18-01	1,200,589	227,997	718,603	253,990
2019 CO - Street	708-4805	Lake Sharon/Dobbs Realignment	ST 18-01	4,000,000	-	-	4,000,000
				<b>5,200,589</b>	<b>227,997</b>	<b>718,603</b>	<b>4,253,990</b>
2019 CO - Street	708-4806	Quail Run Realignment	ST 19-01	2,600,000	101,391	97,112	2,401,497
2019 CO - Street	708-4807	Parkridge (Church to Lake Sharon)	ST 19-02	2,700,000	-	-	2,700,000
2019 CO - Water	806-8095	Parkridge (Church to Lake Sharon Water Line)	ST 19-02	800,000	-	32,764	767,236
W/WW CIP	194-9806	Parkridge Collector Road Sewer Line	ST 19-02	96,000	-	-	96,000
				<b>3,596,000</b>	<b>-</b>	<b>32,764</b>	<b>3,563,236</b>
GF CIP	193-4800	Lake Sharon Extension to FM 2499		507,930	81,601	363,976	62,353
2019 CO - Street	708-4800	Lake Sharon Extension to FM 2499		1,358,000	631,704	726,296	-
2017 CO - Street	709-4800	Lake Sharon Extension to FM 2499		5,000,000	189,088	4,810,912	-
				<b>6,865,930</b>	<b>902,393</b>	<b>5,901,183</b>	<b>62,353</b>
<b>TIRZ/TOD CAPITAL PROJECTS</b>							
2019 CO - Street	708-1903	Wetlands & Flood Mitigation	TOD 20-04	1,000,000	-	-	1,000,000
2019 CO - Street	708-1902	Land Acquisition/Pavillion		2,839,211	-	-	2,839,211
GF CIP	193-1901	TOD West Land Acquisitions		1,605,941	-	1,005,941	600,000
GF CIP	193-1900	Tax Increment Refinancing Zone		500,000	43,500	2,500	454,000
<b>GENERAL CAPITAL PROJECTS</b>							
2016 CO	706-2000	Public Safety Facility/Fire Station		12,500,000	-	12,469,312	30,688
2017 CO	709-2000	Public Safety Facility/Fire Station		2,009,401	117,299	1,618,014	274,087
				<b>14,509,401</b>	<b>117,299</b>	<b>14,087,326</b>	<b>304,775</b>
2017 CO - Water	804-8093	Public Works Facility		750,000	19,447	730,553	-
2017 CO - WW	805-8093	Public Works Facility		750,000	4,862	743,284	1,854
				<b>1,500,000</b>	<b>24,309</b>	<b>1,473,837</b>	<b>1,854</b>
2016 CO	706-2300	Facility Renovation - Fire Station		150,000	-	84,793	65,207
GF CIP	193-1102	Incode Upgrade		60,125	-	43,561	16,564
GF CIP	193-1400	Planning & Development Software		279,666	21,931	232,865	24,869
GF CIP	193-1410	Comprehensive Plan Update		319,000	9,324	304,636	5,040
GF CIP	193-2200	Police Communication Upgrade		395,000	-	267,449	127,551
GF CIP	193-2300	Fire Communication Upgrade		549,000	-	344,925	204,075
GF CIP	193-2301	Fire Training Field		270,000	-	14,280	255,720
GF CIP	193-4804	Work Order/Asset Management Software		90,000	-	-	90,000
GF CIP	193-4808	Road Condition Software		70,000	-	-	70,000
GF CIP	193-4802	I35 Aesthetics	complete	143,153	-	143,153	-
GF CIP	193-4803	City Entrance Signs	complete	50,000	-	50,000.00	-
2016 CO	706-1004	Facility Renovation - City Hall	complete	349,411	-	349,411	-
GF CIP	193-2201	Police RFID	complete	48,380	-	48,379.73	-
GF CIP	193-1411	Climate Resiliency	complete	7,842	5,097	2,745	-
				<b>2,781,577</b>	<b>36,353</b>	<b>1,886,198</b>	<b>859,026</b>
<b>CIP Project Totals</b>				<b>\$ 52,390,024</b>	<b>\$ 1,764,016</b>	<b>\$ 26,177,473</b>	<b>\$ 24,448,534</b>

**BUSINESS ITEM 3.**

**Finance Audit Committee Regular Session**

**Meeting Date:** 02/18/2021  
**Title:** Annual Audit and Comprehensive Annual Report Discussion  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

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**AGENDA ITEM**

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

**AGENDA ITEM SUMMARY/BACKGROUND**

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. The audit of the city of Corinth's financial records for the year-ending September 30, 2020 was conducted by Eide Bailly, LLP. The audit firm issued an unqualified opinion on the financial statement, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

The Comprehensive Annual Financial Report is scheduled to be presented to the City Council on March 18, 2021.

**RECOMMENDATION**

Staff recommends approval of the Comprehensive Annual Financial Report and that it be forwarded to the City Council on March 18, 2021.

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**Attachments**

Adjusting Entries  
CAFR

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>		<b>CC.10</b>		
To book non-attest entry to record effect of GASB 68 entries on governmental activities.				
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		44,685.00	
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		173,784.00	
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		1,146,903.00	
990-0000-117201	NET PENSION ASSET		2,172,174.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		295,381.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		38,753.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		848,505.00	
990-0000-117202	DEFERRED INFLOWS OF RESOURCES		629,881.00	
990-1000-50305	TMRS GASB YE		132,999.00	
990-1100-50305	TMRS GASB YE		77,215.00	
990-1400-50305	TMRS GASB YE		86,814.00	
990-1500-50305	TMRS GASB YE		75,713.00	
990-1800-50305	TMRS GASB YE		57,367.00	
990-2200-50305	TMRS GASB YE		932,488.00	
990-2200-50305	TMRS GASB YE		12,594.00	
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			1,031,978.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			80,348.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			43,446.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			844,575.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			629,881.00
990-0000-117200	DEFERRED OUTFLOWS OF RESOURCES			12,594.00
990-0000-117202	DEFERRED INFLOWS OF RESOURCES			2,498,776.00
990-1000-50305	TMRS GASB YE			42,630.00
990-1000-50305	TMRS GASB YE			111,946.00
990-1100-50305	TMRS GASB YE			24,750.00
990-1100-50305	TMRS GASB YE			64,992.00
990-1400-50305	TMRS GASB YE			27,827.00
990-1400-50305	TMRS GASB YE			73,072.00
990-1500-50305	TMRS GASB YE			24,268.00
990-1500-50305	TMRS GASB YE			63,728.00
990-1800-50305	TMRS GASB YE			18,388.00
990-1800-50305	TMRS GASB YE			48,286.00
990-2200-50305	TMRS GASB YE			298,892.00
990-2200-50305	TMRS GASB YE			784,879.00
<b>Total</b>			<b>6,725,256.00</b>	<b>6,725,256.00</b>

<b>Adjusting Journal Entries JE # 2</b>		<b>CC.10</b>		
To book non-attest entry to record effect of GASB 68 entries on component unit.				
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		527.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		2,049.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		13,525.00	
130-0000-117202	DEFERRED INFLOWS - PENSION		3,483.00	
130-0000-117202	DEFERRED INFLOWS - PENSION		457.00	
130-0000-117202	DEFERRED INFLOWS - PENSION		10,006.00	
130-0000-117202	DEFERRED INFLOWS - PENSION		7,428.00	
130-0000-215020	NET PENSION LIABILITY		25,614.00	
130-1700-50305	TMRS EMPLOYER		16,067.00	

130-1700-50305	TMRS EMPLOYER	149.00	
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,169.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		947.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		512.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		9,959.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		7,428.00
130-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		149.00
130-0000-117202	DEFERRED INFLOWS - PENSION		29,466.00
130-1700-50305	TMRS EMPLOYER		5,150.00
130-1700-50305	TMRS EMPLOYER		13,525.00
<b>Total</b>		<b>79,305.00</b>	<b>79,305.00</b>

**Adjusting Journal Entries JE # 3**

**CC.10**

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

110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	6,208.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	24,145.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	159,350.00	
110-0000-117201	NET PENSION ASSET	301,800.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	41,040.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	5,384.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	117,889.00	
110-0000-117202	DEFERRED INFLOWS OF RESOURCES	87,515.00	
110-8801-50305	TMRS EMPLOYER	113,074.00	
110-8801-50305	TMRS EMPLOYER	1,750.00	
110-8802-50305	TMRS EMPLOYER	76,244.00	
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		143,382.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		11,163.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		6,036.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		117,344.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		87,515.00
110-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		1,750.00
110-0000-117202	DEFERRED INFLOWS OF RESOURCES		347,177.00
110-8801-50305	TMRS EMPLOYER		36,244.00
110-8801-50305	TMRS EMPLOYER		95,175.00
110-8802-50305	TMRS EMPLOYER		24,438.00
110-8802-50305	TMRS EMPLOYER		64,175.00
<b>Total</b>		<b>934,399.00</b>	<b>934,399.00</b>

**Adjusting Journal Entries JE # 4**

**CC.10**

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

120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	556.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	2,163.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES	14,274.00	
120-0000-117201	NET PENSION ASSET	27,034.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	3,676.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	483.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	10,561.00	
120-0000-117202	DEFERRED INFLOWS OF RESOURCES	7,839.00	
120-9800-50305	TMRS EMPLOYER	16,958.00	
120-9800-50305	TMRS EMPLOYER	157.00	
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		12,844.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		1,000.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		541.00

120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		10,511.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		7,839.00
120-0000-117200	DEFERRED OUTFLOWS OF RESOURCES		157.00
120-0000-117202	DEFERRED INFLOWS OF RESOURCES		31,099.00
120-9800-50305	TMRS EMPLOYER		5,436.00
120-9800-50305	TMRS EMPLOYER		14,274.00
<b>Total</b>		<b>83,701.00</b>	<b>83,701.00</b>

**Adjusting Journal Entries JE # 5**

**CC.20**

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

990-0000-117204	DEFERRED OUTFLOWS - OPEB	65,955.00	
990-0000-117204	DEFERRED OUTFLOWS - OPEB	9,389.00	
990-0000-117205	DEFERRED INFLOWS - OPEB	5,849.00	
990-0000-117205	DEFERRED INFLOWS - OPEB	3,603.00	
990-1000-50305	TMRS GASB YE	3,707.00	
990-1000-50305	TMRS GASB YE	669.00	
990-1100-50305	TMRS GASB YE	2,224.00	
990-1100-50305	TMRS GASB YE	401.00	
990-1400-50305	TMRS GASB YE	2,224.00	
990-1400-50305	TMRS GASB YE	401.00	
990-1500-50305	TMRS GASB YE	2,224.00	
990-1500-50305	TMRS GASB YE	401.00	
990-1800-50305	TMRS GASB YE	1,112.00	
990-1800-50305	TMRS GASB YE	201.00	
990-2200-50305	TMRS GASB YE	25,575.00	
990-2200-50305	TMRS GASB YE	4,615.00	
990-0000-117204	DEFERRED OUTFLOWS - OPEB		3,295.00
990-0000-117204	DEFERRED OUTFLOWS - OPEB		14,164.00
990-0000-117204	DEFERRED OUTFLOWS - OPEB		6,688.00
990-0000-117205	DEFERRED INFLOWS - OPEB		37,019.00
990-0000-214025	NET OPEB LIABILITY		57,995.00
990-1000-50305	TMRS GASB YE		939.00
990-1100-50305	TMRS GASB YE		563.00
990-1400-50305	TMRS GASB YE		563.00
990-1500-50305	TMRS GASB YE		563.00
990-1800-50305	TMRS GASB YE		282.00
990-2200-50305	TMRS GASB YE		6,479.00
<b>Total</b>		<b>128,550.00</b>	<b>128,550.00</b>

**Adjusting Journal Entries JE # 6**

**CC.20**

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

130-0000-117204	DEFERRED OUTFLOWS - OPEB	778.00	
130-0000-117204	DEFERRED OUTFLOWS - OPEB	111.00	
130-0000-117205	DEFERRED INFLOWS - OPEB	70.00	
130-0000-117205	DEFERRED INFLOWS - OPEB	42.00	
130-1700-50305	TMRS EMPLOYER	436.00	
130-1700-50305	TMRS EMPLOYER	79.00	
130-0000-117204	DEFERRED OUTFLOWS - OPEB		39.00
130-0000-117204	DEFERRED OUTFLOWS - OPEB		167.00
130-0000-117204	DEFERRED OUTFLOWS - OPEB		79.00
130-0000-117205	DEFERRED INFLOWS - OPEB		436.00
130-0000-214025	NET OPEB LIABILITY		684.00
130-1700-50305	TMRS EMPLOYER		111.00

<b>Total</b>	<b>1,516.00</b>	<b>1,516.00</b>
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**Adjusting Journal Entries JE # 7**

**CC.20**

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

110-0000-117204 DEFERRED OUTFLOWS - OPEB	9,164.00	
110-0000-117204 DEFERRED OUTFLOWS - OPEB	1,305.00	
110-0000-117205 DEFERRED INFLOWS - OPEB	812.00	
110-0000-117205 DEFERRED INFLOWS - OPEB	501.00	
110-8801-50305 TMRS EMPLOYER	3,091.00	
110-8801-50305 TMRS EMPLOYER	558.00	
110-8802-50305 TMRS EMPLOYER	2,060.00	
110-8802-50305 TMRS EMPLOYER	371.00	
110-0000-117204 DEFERRED OUTFLOWS - OPEB		458.00
110-0000-117204 DEFERRED OUTFLOWS - OPEB		1,968.00
110-0000-117204 DEFERRED OUTFLOWS - OPEB		929.00
110-0000-117205 DEFERRED INFLOWS - OPEB		5,144.00
110-0000-214025 NET OPEB LIABILITY		8,058.00
110-8801-50305 TMRS EMPLOYER		783.00
110-8802-50305 TMRS EMPLOYER		522.00
<b>Total</b>	<b>17,862.00</b>	<b>17,862.00</b>

**Adjusting Journal Entries JE # 8**

**CC.20**

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

120-0000-117204 DEFERRED OUTFLOWS - OPEB	821.00	
120-0000-117204 DEFERRED OUTFLOWS - OPEB	117.00	
120-0000-117205 DEFERRED INFLOWS - OPEB	72.00	
120-0000-117205 DEFERRED INFLOWS - OPEB	45.00	
120-9800-50305 TMRS EMPLOYER	462.00	
120-9800-50305 TMRS EMPLOYER	83.00	
120-0000-117204 DEFERRED OUTFLOWS - OPEB		41.00
120-0000-117204 DEFERRED OUTFLOWS - OPEB		176.00
120-0000-117204 DEFERRED OUTFLOWS - OPEB		83.00
120-0000-117205 DEFERRED INFLOWS - OPEB		461.00
120-0000-214025 NET OPEB LIABILITY		722.00
120-9800-50305 TMRS EMPLOYER		117.00
<b>Total</b>	<b>1,600.00</b>	<b>1,600.00</b>

<b>Total Adjusting Journal Entries</b>	<b>7,972,189.00</b>	<b>7,972,189.00</b>
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<b>Total All Journal Entries</b>	<b>7,972,189.00</b>	<b>7,972,189.00</b>
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**CORINTH**  
TEXAS

**New Look. New Vision.**

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# City of Corinth, Texas

**For Fiscal Year Ended September 30, 2020  
Comprehensive Annual  
Financial Report**



# CITY OF CORINTH, TX

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2020



Bob Hart  
City Manager

Department of  
Finance & Administrative Services

Lee Ann Bunselmeyer  
Director of Finance, Communication & Strategic Services

Becky Buck, CPA  
Comptroller



**CITY OF CORINTH, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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## **INTRODUCTORY SECTION**





March 18, 2021

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

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2020. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

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

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

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

## **INDEPENDENT AUDIT**

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2020, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

## **PROFILE OF THE GOVERNMENT**

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

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

Moving forward, the City seeks to reduce its dependence on property tax revenues and to increase the amount of sales and use tax revenues generated --- and in a prudent manner --- by encouraging lifestyle-focused development that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce, and result in sustainable outcomes.

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

## **LOCAL ECONOMY**

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

The city's estimated population for 2020 is 22,160. This estimate is based on current trends from the Corinth Economic Development Department.

The unemployment rate in Texas rose to 8.3% in September after dipping from the highest of 13.5% in April 2020 with the peak of COVID 19. The impact of the coronavirus recession varies widely across Texas. Denton

County unemployment rate was 6.4% compared to Dallas County's unemployment rate of 7.5%, and the nation's rate at 7.7%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 3.98% for the 2020 tax year over the 2019 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased by \$113,278 or 6% over the prior year's receipts. For fiscal year 2020-21, due to uncertainties of the impact of COVID-19, sales tax revenue is projected to remain flat at \$1.6 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw interest from apartment, restaurant and commercial developers. Of the 8.25% tax, the State retains 6.25%. It 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 City secured legislation to permit a sales tax election in order to partially fund the fire department through a Fire Control, Prevention and Emergency Services District. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax will become effective after one complete calendar quarter elapses from the date the Comptroller's office receives the notification of voter approval. The revenue projections in the FY2020-2021 assume an effective date of April 1, 2021.

## **MAJOR INITIATIVES**

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

**Broadband** is a priority for Corinth and the Lake Cities. Based on the recommendation of the Lake Cities Broadband Committee, the Cities of Corinth, Lake Dallas, Shady Shores, and Hickory Creek contracted Connected Nation to perform a Broadband study. Connected Nation is an organization that specializes in assisting communities in developing and providing the tools, resources, and methods that help create and implement solutions to their broadband and digital technology gaps.

The Connected Nation project will be completed in three phases, the first being field validation, mapping and data analysis survey. The second phase will consist of a Demand Survey of residents. The final stage of the project will focus on the development of a strategic plan that will assist the Lake Cities concerning future improvements in solving connectivity issues within the Lake Cities communities. The strategic plan component will begin in December 2020 with a goal to be completed in February 2021.

**Cybersecurity** continues to be a major concern and priority. The City completed a cybersecurity evaluation to ensure proper controls in 2019. During 2020, Staff implemented improvements identified in the plan. As a result the city is fully compliant with the elements set forth in HB 3834 – Cybersecurity Training and the training requirements emanating from the Texas Department of Information Resources. The City has also joined the North Texas Innovation Alliance as the foundational effort for a wide-ranging effort to implement smart cities strategies.

**Economic Development.** Encouraging development along the I-35E Corridor has been expressed in every future development discussion and format. The core economic development priorities for the future are for the implementation of a Tax Increment Reinvestment Zone (TIRZ). The principal focus will be to secure a DCTA rail stop. Consequently, the acquisition of land to facilitate the Transit Oriented District (TOD) will be paramount. Development of the TOD will necessitate drainage within Lynchburg Creek, and securing the

surplus TxDOT right-of-way at Corinth Parkway and I-35E. The rail stop would enable North Central Texas College (NCTC) to move students between the Denton and Lewisville campuses. Moreover, the proposed rail stop may assist Texas Health Resources (THR) as they convert their property to office space.

**Tax Increment Reinvestment Zone (TIRZ).** The City Council adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. The project plan is based on land use recommendations by Paris Rutherford (Catalyst Development) and a financial plan (designed by David Pettit Economic Development, LLC). The TIRZ is intended to fund the following initial infrastructure projects, within the TOD:

- DCTA rail stop study
- North Corinth Street realignment
- Construction of NCTC Way
- Main Street construction
- Pavilion and park open space
- Festival Way
- Lynchburg Drainage

Funding for the pavilion, capital and operations, will be through a short-term vehicle rental tax. This tax will need to be approved by voters in the May 2021 election.

**Fire Service Agreements.** Fire services are provided through a contract with the three cities in the Lake Cities area – Hickory Creek, Lake Dallas, and Shady Shores. The contract was renewed for a five-year period beginning October 2021. Key factors of the contract renewal include opening of fire house #3 in early 2020 and the expansion of the staff through the SAFER grant (nine firefighters). The SAFER grant is a three-year commitment to employ the firefighters ending on January 7, 2022 or just over three months beyond the current fire contract. This absorption of the SAFER grant positions is challenging following the legislative session and the adoption of SB 2 and its property tax revenue cap of 3.5%. The reduction of SAFER grant funding (revenues) of personnel costs from 75% the first two years to 35% the third year to 0% at the end of the grant period must be addressed by reserving fire personnel funding this year. Further, SB 2 restricts the City from reducing expenditures for Public Safety in the 2020-2021 budget from the 2019-2020 budget levels.

**2040 Comprehensive Plan,** adopted in July 2020, is a product of the community's vision and establishes the priorities and goals for future growth and guides zoning and land use decisions. The primary focus of the plan is the development of the Transit Oriented Development area.

Staff will pursue improvements to the City's development regulations with the guidance of the Planning and Zoning Commission and City Council. Planning & Development anticipates the creation of a Form Based Zoning District for the TOD areas. Staff will continue to build upon the Applicant/City relationship to provide quick and predictable development reviews and processing for timely market delivery.

Developers are currently targeting Corinth for development opportunities; with eight square miles, and vacant land along the critical I-35E corridor, the City must be ready. Further, staff has identified six tracts that will be a challenge to develop. Staff will work with landowners to identify land uses and strategies that will enable the land to be developed. All the sites are along or near I-35.

**Asset Management Plan (AMP).** Infrastructure is inextricably linked to the economic, social and environmental advancement of a community. In 2020, Corinth developed an Asset Management Plan (AMP) of the following asset classes: road system, bridges & culverts, buildings, storm water system, water system, wastewater system, machinery & equipment and vehicles. The asset classes analyzed in the plan had a valuation of over \$618 million, of which the water system comprised of 35%. Strategic asset management is critical in extracting the highest total value from public assets at the lowest lifecycle cost. The AMP created a detail plan of the state of infrastructure and provided asset management and financial strategies designed to develop an advanced asset management program and mitigate long-term funding gaps.

**Infrastructure Development:** The alignment of Lake Sharon Drive and Dobbs Road with access under I-35E is needed for economic development opportunities and to improve traffic flow within Corinth and the region. While the bridge is included as a TXDOT Phase II Improvements to I-35E, the City needs to align the two

connecting roads and secure the necessary right-of-way to connect to the future underpass, thereby completing the Corinth Parkway Loop. The City will also participate in a joint effort between Corinth, Shady Shores, and Lake Dallas to extend Dobbs Road from Shady Shores Road to Corinth Parkway. This extension will enable traffic to move from Shady Shores Road to FM 2499. Additionally, Quail Run Drive will be realigned in order to provide a 90-degree intersection and avoid conflict with the proposed on-ramp. Quail Run Drive will be done in conjunction with a 380 agreement with CoServ.

The Transit Oriented Development (TOD) will require transportation improvements including the realignment of North Corinth Street from Walton Street to Corinth Parkway, the construction of Main Street from Walton Street to Corinth Parkway, the construction of NCTC Way connecting the NCTC campus to I-35E, and the construction of Festival Way connecting North Corinth Street and Main Street. Funding for the TOD infrastructure and land acquisition will require the issuance of \$11 million in debt during the second quarter of the fiscal year. Staff is prepared to initiate the process with the City's financial consultant following adoption of the budget.

The Lake Sharon Drive extension has been funded and currently under construction, with completion in December 2020. This project was delayed because the contractor, MCM, Inc., filed for bankruptcy in early 2019.

As the Dobbs Road alignment is secured, the City will construct an elevated water storage tank. Land for the water tower and the accompanying water line easements has been donated by CoServ. This is contained in the 380-agreement referenced above.

The 2018 Americas Water Infrastructure Act enacted by Congress mandates water utility operators to perform and submit Risk and Resiliency, Emergency Response, and Cyber Security Plans. The City's will submit plans to TCEQ and American Water Works Association (AWWA) by June 2021.

Lynchburg Creek is a significant drainage feature in Corinth that feeds into Lake Lewisville, much of the drainage area is undeveloped. With the remapping, by FEMA, of the floodplain, 65 homes have been added to the floodplain. Jones Carter Engineering firm conducted a drainage study in 2018 and identified measures to mitigate the impact of the floodplain to remove some 70 homes from the floodplain. A grant application is pending with FEMA and staff anticipates funding approval during the fiscal year. Preliminary engineering is also underway to investigate potential solutions to drainage issues at Lake Sharon Drive near Corinth Parkway, Blake Street and Corinth Parkway, near Lake Sharon.

**Organizational Achievements.** Innovation is crucial to the continuing success of the organization. The City strives to be a leader in our industry and aims to improve the efficiency and effectiveness of our services. Below are several organizational achievements for the year.

The Corinth Utility Department earned special recognition from the Texas Commission on Environmental Quality by receiving three awards for outstanding and innovative operations. The department received the Outstanding Public Water System Award, which recognizes overall excellence in all aspects of operating a public water system. A water system must go above the minimum state requirements in protecting public health and ensuring a reliable operation to receive this recognition. Additionally, the City was awarded Outstanding Cross-Connection Control Recognition Award and the Proactive Water System Award to its list of accomplishments. To receive the Outstanding Cross-Connection Control Recognition Award, the utility department had to maintain an exceptional cross-connection program protecting the City's distribution system from contamination. This included successfully developing and implementing plumbing regulations, construction inspections, and backflow prevention. The Proactive Water System Award recognizes public water systems for using creative and effective ways to improve their operations, achieve compliance, and better serve their customers. The City received this award for its partnership with Upper Trinity Regional Water District in providing water conservation education and performing residential and commercial irrigation inspections. Additionally, the utility department installed smart water meters and created a water rebate incentive program to serve their customers better.

Corinth was named a 2020 Tree City USA by the Arbor Day Foundation in honor of its commitment to effective urban forest management. The Tree City USA program is sponsored by the Arbor Day Foundation in

partnership with the U.S. Forest Service and the National Association of State Foresters. The Arbor Day Foundation is a million-member nonprofit conservation and education organization with the mission to inspire people to plant, nurture, and celebrate trees.

Keep Texas Beautiful (KTB), a statewide grassroots environmental and community improvement non-profit organization named Corinth a Silver Star Affiliate, a designation granted to only 27 of KTB's nearly 300 affiliates. Silver Star recognition is the second highest status any community affiliate can achieve.

The EMSC State Partnership recognized the Lake Cities Fire Department at the GOLD Level of pediatric care readiness through the EMS Recognition Program. Gold Level is the highest level of recognition from the Baylor College of Medicine. This award places a spotlight on the delivery of high-quality emergency medical care for children, focusing on the unique needs of critically ill or injured pediatric patients and the challenges faced by EMS professionals in meeting those needs.

## **LONG TERM FINANCIAL PLAN**

The FY 2019-2020 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2020-2022 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2020 the General Fund's unassigned fund balance is \$6,278,671 or 30% of annual budgeted expenditures. The unrestricted fund balance for the Water/Wastewater Fund is \$4,949,413 or 36% of annual budgeted expenditures and the unrestricted fund balance for the Storm Drainage Fund is \$622,597 or 69% of budgeted expenditures for the fiscal year ended September 30, 2020.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In October 2020, Standard & Poor's Rating Services affirmed its "AA" rating and Moody's affirmed its "AA2" on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

## **BUDGETARY CONTROLS**

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

## **CASH MANAGEMENT POLICIES AND PRACTICES**

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

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 12 days. On September 30, 2020, the annualized yield on investments was 0.356%, compared to 2.116% for the same period in 2019. Funds available for investment at September 30, 2020 were \$42.4 million, which is an increase of \$0.2 million from 2019.

## **AWARDS AND ACKNOWLEDGEMENTS**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. This was the eleventh consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting procedures and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully Submitted,

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Bob Hart  
City Manager

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Lee Ann Bunselmeyer  
Director of Finance, Communication & Strategic  
Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Corinth  
Texas**

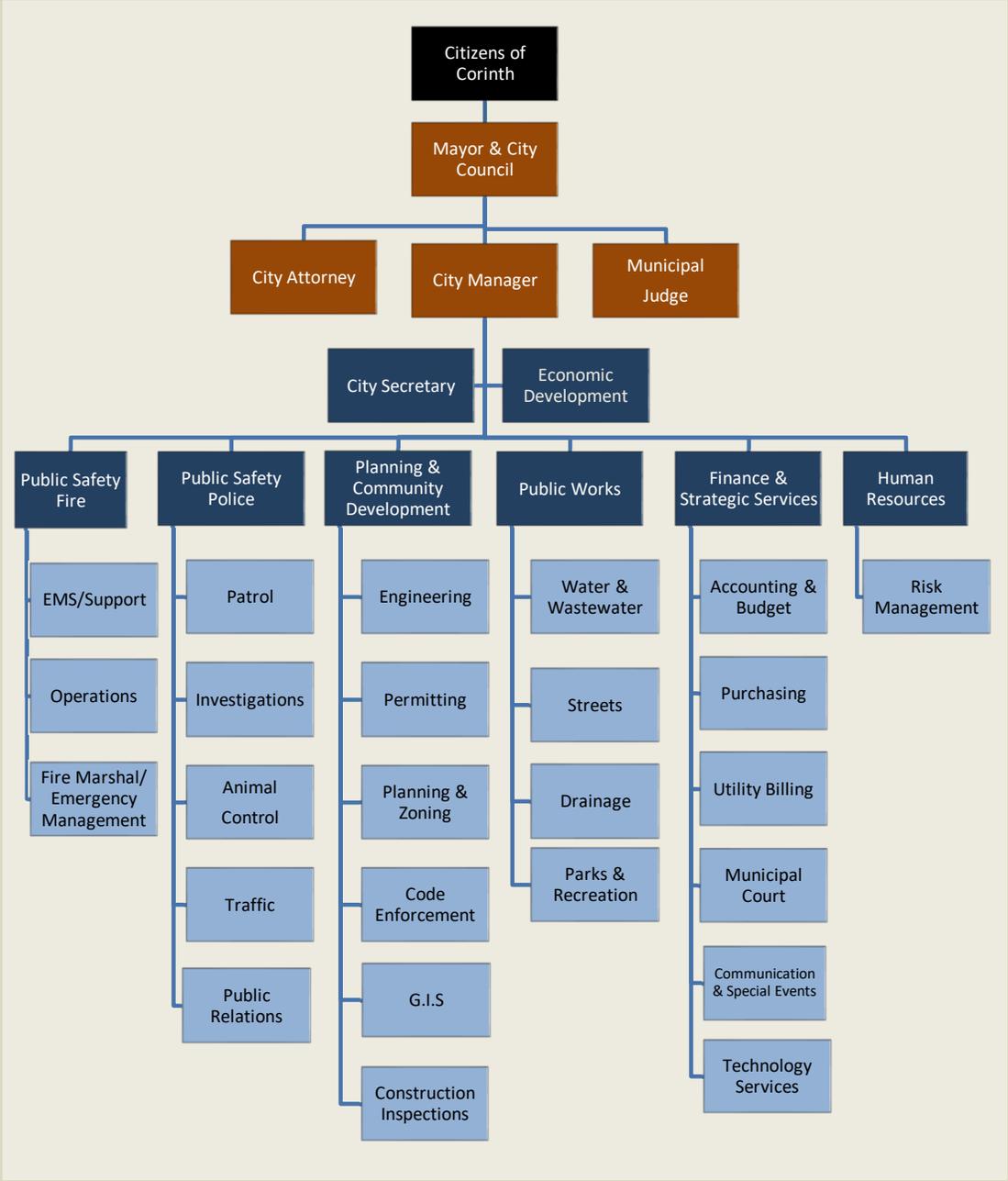
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# ORGANIZATIONAL CHART



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

**Elected Officials:**

Bill Heidemann  
Mayor

Sam Burke  
Mayor Pro Tem, Place I

Scott Garber  
Council Place II

Steve Holzwarth  
Council Place III

Tina Henderson  
Council Place IV

Kelly Pickens  
Council Place V

**Appointed Officials:**

Bob Hart, City Manager

Lana Wylie, City Secretary

Jason Alexander, Director of Economic Development

Jerry Garner, Chief of Police

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

Melissa Dolan, Interim Director of Public Works, Parks and Recreation,  
and Utility Operations

Helen-Eve Liebman, Director of Planning and Development Services

Michael Ross, Fire Chief

Guadalupe Ruiz, Director of Human Resources

## **FINANCIAL SECTION**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2020, 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, 2020, 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 supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Abilene, Texas  
February 22, 2021

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

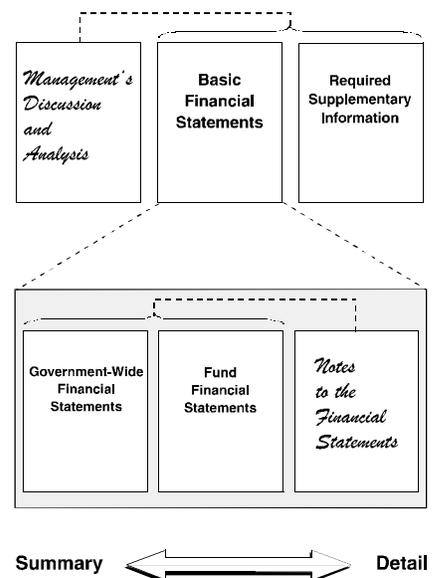
**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$72,692,131.
- Total net position increased \$1,432,957 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29,288,123, an increase of \$4,176,902 in comparison with the prior year. This net increase is primarily due to the bonds transferred of \$3.6 million from Water and Sewer fund and the expenditures associated with the construction of capital projects. Of the combined ending balances, \$6,044,123 or 21% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the general fund was \$6,278,671 or 37% of total general fund expenditures.
- Long term liabilities decreased to \$53,938,044 during fiscal year 2020. The decrease is due to the payment of bonds.

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

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

**Required Components of the City's Annual Financial Report**



**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

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

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

The *statement of net position* presents information on all of the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Corinth is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

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

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

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

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

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

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

The City of Corinth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as, on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

**Proprietary funds.** The City of Corinth maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Water Fund, both of which are considered to be major funds of the City.

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$72,692,131 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$58,535,054 or 80%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$4,106,819 or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,050,258 or 14%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$43,702,163 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

**City of Corinth's Changes in Fund Balance.** The City's governmental funds increased fund balance by \$4,176,902. The increase can be attributed to the transfer of bonds from Water and Sewer fund. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the \$2,316,235 net increase to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

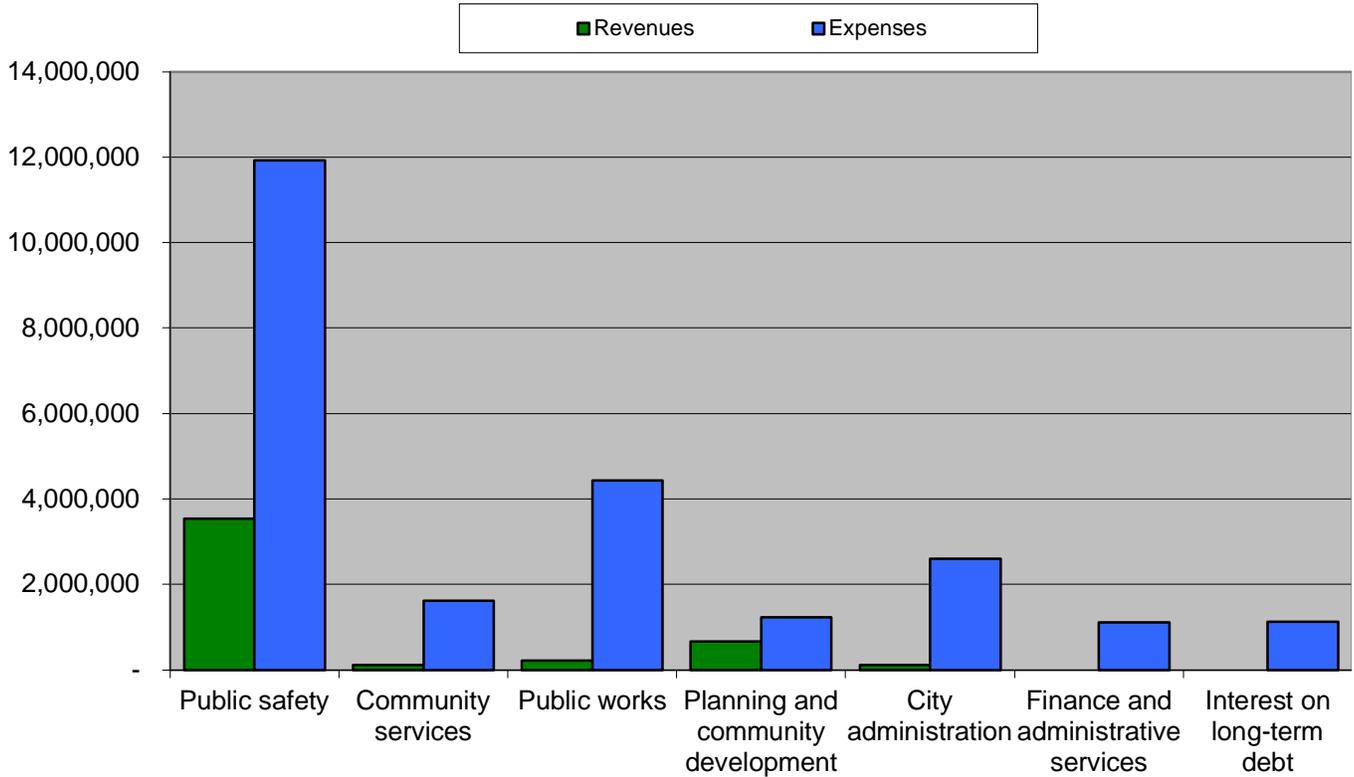
- Capital outlays are shown as expenditures in the fund financials statements, but they are shown as increases in capital assets in government-wide statements.
- Repayment of bond principal and capital leases are an expenditure in the governmental funds but not an expense in the statement of activities.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

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

**Governmental Activities.** Public safety, community services, public works, and planning and community development account for 80% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 20% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$12,974,859 or 49%, Charges for services accounted for \$4,604,822 or 17%, Sales tax received was \$2,635,407 or 10%, Franchise taxes provided \$1,195,130 or 5%, capital grants and contributions provided \$1,258,616 or 5% and operating grants and contributions provided \$1,528,396 or 6% for the governmental activities. The remaining 8% of revenue is made up of hotel occupancy tax, transfers, investment interest, gain on sale of capital assets, and other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

**Figure 2: Program Revenues v. Expenses**



**TABLE I**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and Other Assets	\$ 34,433,937	\$ 29,613,781	\$ 15,754,259	\$ 20,483,323	\$ 50,188,196	\$ 50,097,104
Capital assets	57,079,399	57,036,567	30,869,016	32,002,819	87,948,415	89,039,386
Total assets	91,513,336	86,650,348	46,623,275	52,486,142	138,136,611	139,136,490
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss from refunding	-	2,628	48,035	59,791	48,035	62,419
Deferred outflows - pension	1,376,771	2,654,221	216,898	410,284	1,593,669	3,064,505
Deferred outflows - OPEB	94,335	43,138	13,739	5,987	108,074	49,125
Total Deferred Outflows of Resources	1,471,106	2,699,987	278,672	476,062	1,749,778	3,176,049
<b>LIABILITIES</b>						
Long-term liabilities outstanding	42,350,829	42,943,603	13,718,369	18,764,530	56,069,198	61,708,133
Other liabilities	6,686,108	5,496,782	2,665,102	2,903,984	9,351,210	8,400,766
Total liabilities	49,036,937	48,440,385	16,383,471	21,668,514	65,420,408	70,108,899
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred gain on refunding	7,497	-	-	-	7,497	-
Deferred inflows - pension	1,506,310	820,054	204,890	101,001	1,711,200	921,055
Deferred inflows - OPEB	47,877	20,310	7,276	3,101	55,153	23,411
Total Deferred Inflows of Resources	1,561,684	840,364	212,166	104,102	1,773,850	944,466
<b>NET POSITION</b>						
Net investment in capital assets	34,592,990	33,452,733	23,942,064	24,556,072	58,535,054	58,008,805
Restricted	3,314,583	3,031,918	792,236	1,162,172	4,106,819	4,194,090
Unrestricted	4,478,248	3,584,935	5,572,010	5,471,344	10,050,258	9,056,279
Total Net Position	\$ 42,385,821	\$ 40,069,586	\$ 30,306,310	\$ 31,189,588	\$ 72,692,131	\$ 71,259,174

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

**Government-wide activities.** As shown above, governmental activities increased net position by \$2,316,235 and business-type activities decreased net position by \$883,278. A detailed examination of all the elements affecting net position can be found in Table II.

**TABLE II**

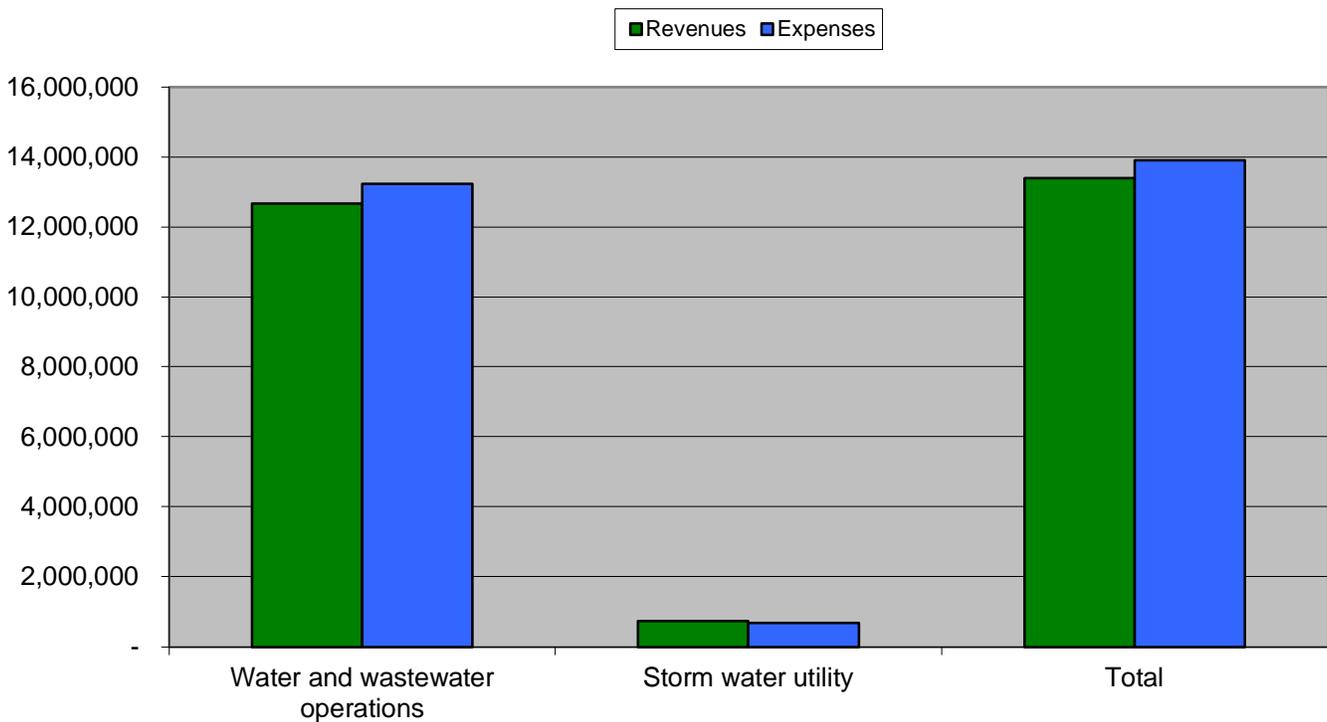
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 4,604,822	\$ 5,994,577	\$ 13,400,373	\$ 12,977,923	\$ 18,005,195	\$ 18,972,500
Operating grants and contributions	1,528,396	370,016	-	-	1,528,396	370,016
Capital grants and contributions	1,258,616	810,401	1,073,307	1,320,436	2,331,923	2,130,837
General revenues						
Property taxes	12,974,859	11,514,505	-	-	12,974,859	11,514,505
Sales taxes	2,635,407	2,463,471	-	-	2,635,407	2,463,471
Franchise taxes	1,195,130	1,083,553	-	-	1,195,130	1,083,553
Hotel taxes	71,707	82,835	-	-	71,707	82,835
Miscellaneous	10,436	(806)	1,269	28,674	11,705	27,868
Investment interest	335,182	455,456	203,839	263,798	539,021	719,254
Gain (loss) on sale of capital assets	54,204	-	389	76,071	54,593	76,071
Total Revenues	<u>24,668,759</u>	<u>22,774,008</u>	<u>14,679,177</u>	<u>14,666,902</u>	<u>39,347,936</u>	<u>37,440,910</u>
<b>Expenses:</b>						
Public safety	11,917,879	13,272,969	-	-	11,917,879	13,272,969
Community services	1,612,246	1,445,580	-	-	1,612,246	1,445,580
Public works	4,425,877	2,915,701	-	-	4,425,877	2,915,701
Planning and community development	1,229,618	1,169,750	-	-	1,229,618	1,169,750
City administration	2,592,272	2,660,731	-	-	2,592,272	2,660,731
Finance and administrative services	1,105,611	1,026,613	-	-	1,105,611	1,026,613
Interest on long-term debt	1,126,076	1,201,636	-	-	1,126,076	1,201,636
Water and wastewater	-	-	13,227,342	12,540,351	13,227,342	12,540,351
Storm drainage	-	-	678,058	664,736	678,058	664,736
Total Expenses	<u>24,009,579</u>	<u>23,692,980</u>	<u>13,905,400</u>	<u>13,205,087</u>	<u>37,914,979</u>	<u>36,898,067</u>
Increase (decrease) in net position before transfers, contributions and special items	659,180	(918,972)	773,777	1,461,815	1,432,957	542,843
Net transfers	1,657,055	80,370	(1,657,055)	(80,370)	-	-
Increase (decrease) in net position	<u>2,316,235</u>	<u>(838,602)</u>	<u>(883,278)</u>	<u>1,381,445</u>	<u>1,432,957</u>	<u>542,843</u>
Net position - beginning	40,069,586	40,908,188	31,189,588	29,808,143	71,259,174	70,716,331
Net position - ending	<u>\$ 42,385,821</u>	<u>\$ 40,069,586</u>	<u>\$ 30,306,310</u>	<u>\$ 31,189,588</u>	<u>\$ 72,692,131</u>	<u>\$ 71,259,174</u>

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Business-type Activities.** Business-type activities decreased the City's net position by \$883,278. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$12,662,764 and \$737,609, respectively, in revenue. Charges for services account for 91% of the revenue. Contributions of assets arising from new property development within the City, totaled \$1,073,307 or 7% in revenue. Less than 2% of revenue is made up of investment interest, miscellaneous revenue and gain on sale of capital assets.

Total revenue from water and wastewater sales and services was \$13,400,373; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for \$13,227,342 of the total business-type expenses of \$13,905,400. The remaining \$678,058 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$737,609 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

**Figure 3: Program Revenues v. Expenses**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29,288,123 an increase of \$4,176,902 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net increase in the General Fund balance of \$1,336,605, a net increase in the Debt Service Fund of \$26,139, a net decrease of \$1,162,254 in other governmental funds, a net increase of \$3,976,412 in the 2019 CO Fund.

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

Of the combined total governmental fund balances of \$29,288,123, \$6,044,123 reflects the General Fund and Other Governmental Funds *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to \$368,852, \$3,915,890 and \$15,245,220, respectively. The fund balance that is designated as *committed*, \$3,570,833 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$16,513, and inventories, \$126,692.

*General Fund.* The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$6,278,671 while total fund balance reached \$6,421,876. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 37% of total General Fund expenditures, while total fund balance represents 38% of that same amount.

This year, in the General Fund, revenues were less than expected by a total of \$767,562. Property taxes, traffic fines and forfeitures, police fee and permits, parks and recreation fees, interest income, grants and miscellaneous income were less than budget by \$56,278, \$247,829, \$2,043, \$172,268, \$48,096, \$547,950, and \$5,162, respectively. Sales tax, franchise tax, utility fees, development fees and permits, and fire services were above budget by \$86,888, \$42,365, \$54,791, \$110,908, and \$17,111, respectively. The City budgeted for no growth in fiscal year 2020. While revenues were under budget by \$767,562, expenditures were under budget by \$2,763,575. The net effect at year end was an increase of \$1,336,605 of revenues over expenditures in the General Fund.

*Debt Service Fund.* As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$368,852, all of which is restricted for the payment of debt service.

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

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

- The Corinth Crime Control and Prevention District is a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$17,096 more than budgeted, interest earnings were more than budgeted by \$3,608 and expenditures were \$25,088 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$60,084.
- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$18,750 interest earnings were more than budgeted by \$5,874 and expenditures were less than budget by \$50,574. These combined decreased actual fund balance by \$226,379.

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

Water and Wastewater fund assets of \$41,343,099 and deferred outflows of resources of \$245,776 exceeded liabilities of \$15,198,851 and deferred inflows of resources of \$193,379, reporting net position of \$26,196,645. The net non-operating revenues and expenses were (\$333,147) which included investment interest, debt service interest, miscellaneous income, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

non-operating expenses was \$190,617 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from \$4,176,715 in fiscal year 2019 to \$4,949,413 for fiscal year 2020.

Storm Water utility fund assets of \$5,280,176 and deferred outflows of \$32,896 exceeded liabilities of \$1,184,620 and deferred inflows of resources of \$18,787, leaving total net position of \$4,109,665. Total net position decreased \$674,984, unrestricted net position increased from \$1,294,629 to \$622,597. The storm water utility reported operating income of \$737,609 in fiscal year 2020. Net non-operating revenues and expenses were (\$19,854) which includes \$13,222 in interest income and \$33,076 in interest expense.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

For fiscal year 2019-2020, General Fund actual expenditures (including transfers) were \$18,651,944 compared to the final budget of \$20,915,519. The \$2,763,575 expenditure variance was due to reduced costs of \$666,269 for Public Safety, \$236,039 in Planning and Community Development, \$413,916 in Community Services, \$656,845 in City Administration, \$14,574 in Finance and Administrative Services, and \$775,932 in Public Works. Actual revenue (including transfers) was \$19,988,549 compared to the final budget of \$20,075,795. Of the \$767,562 revenue variance, approximately \$247,829 was for decreased in traffic fines and forfeitures, \$547,950 decrease in grants, \$172,268 in parks and recreation fees, and \$72,975 increase in property, sales and franchise taxes and an increase in development fees and permits in the amount of \$110,908.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$87,948,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,539,903	\$ 6,238,012	\$ 534,004	\$ 524,330	\$ 8,073,907	\$ 6,762,342
CIP	6,537,743	3,842,490	534,454	1,567,110	7,072,197	5,409,600
Buildings	13,786,899	14,269,168	1,511,078	84,485	15,297,977	14,353,653
Machinery and equipment	4,741,879	5,435,139	403,601	476,768	5,145,480	5,911,907
Infrastructure	24,472,975	27,251,758	27,885,879	29,350,126	52,358,854	56,601,884
Total capital assets	\$ 57,079,399	\$ 57,036,567	\$ 30,869,016	\$ 32,002,819	\$ 87,948,415	\$ 89,039,386

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$46,250,004 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled \$2,375,000. Total outstanding debt decreased by \$2,640,304 in fiscal year 2020 due to payment of bonds (see Note 6).

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 4,424,982	\$ 5,458,611	\$ 5,015,020	\$ 5,791,392	\$ 9,440,002	\$ 11,250,003
Certificates of Obligation	29,294,538	26,134,070	7,515,464	11,240,931	36,810,002	37,375,001
Capital Lease Obligation	2,085,345	2,332,394	151,982	170,237	2,237,327	2,502,631
Total outstanding debt	\$ 35,804,865	\$ 33,925,075	\$ 12,682,466	\$ 17,202,560	\$ 48,487,331	\$ 51,127,635

**CITY OF CORINTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 55.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "Aa2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 19.56 percent.

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

The City continues to rely heavily on property tax to support its continuing operations. Certified property values increased 3.98% for the 2020 tax year over the 2019 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2019-2020 also increased by 6% over the prior year's receipts. Although the COVID-19 pandemic had an organizational impact, the financial impact was minimal on affecting Traffic Fines & Forfeitures. All other revenues remained firm. The City secured legislation to permit a sales tax election in order to partially fund the fire department through a Fire Control, Prevention and Emergency Services District. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax was approved by the voters and becomes effective in April 2021. The City adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. The TIRZ is intended to fund the initial infrastructure projects, including a park and pavilion. The city will seek voter approval for a short-term vehicle rental tax in May 2021 to help fund the pavilion.

The City Council approved a tax rate of \$.54500 for fiscal year 2020. General operations and maintenance will receive \$.43211 of the total and the remaining \$.11289 will fund long-term debt of the City.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

## **BASIC FINANCIAL STATEMENTS**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation
<b>Assets</b>				
Cash and cash equivalents	\$ 6,132,701	\$ 4,843,426	\$ 10,976,127	\$ 249,142
Investments	23,754,060	8,971,976	32,726,036	1,390,160
Receivables (net of allowance)				
Accounts	4,403,971	1,812,988	6,216,959	155,471
Inventories	126,692	125,869	252,561	-
Prepaid items	16,513	-	16,513	-
Capital assets not being depreciated				
Land	7,539,903	534,004	8,073,907	2,954,666
Construction in progress	6,537,743	534,454	7,072,197	-
Capital assets (net of accumulated depreciation)				
Buildings	13,786,899	1,511,078	15,297,977	-
Machinery and equipment	4,741,879	403,601	5,145,480	-
Infrastructure	24,472,975	27,885,879	52,358,854	-
Total assets	<u>91,513,336</u>	<u>46,623,275</u>	<u>138,136,611</u>	<u>4,749,439</u>
<b>Deferred Outflows of Resources</b>				
Deferred loss from refunding	-	48,035	48,035	-
Deferred outflows - pension	1,376,771	216,898	1,593,669	18,675
Deferred outflows - OPEB	94,335	13,739	108,074	1,161
Total deferred outflows of resources	<u>1,471,106</u>	<u>278,672</u>	<u>1,749,778</u>	<u>19,836</u>
<b>Liabilities</b>				
Accounts payable	1,051,864	819,280	1,871,144	61,315
Accrued liabilities	576,566	84,272	660,838	6,605
Accrued interest payable	207,880	67,818	275,698	-
Municipal court bonds	8,635	-	8,635	-
Customer meter deposits	-	648,285	648,285	-
Other liabilities	1,829,569	-	1,829,569	-
Unearned revenues	231,612	-	231,612	-
Noncurrent liabilities				
Due within one year	2,779,982	1,045,447	3,825,429	14,648
Due in more than one year	37,105,738	13,006,877	50,112,615	-
Net pension liability	4,880,783	663,733	5,544,516	63,649
Total OPEB liability	364,308	47,759	412,067	4,566
Total liabilities	<u>49,036,937</u>	<u>16,383,471</u>	<u>65,420,408</u>	<u>150,783</u>

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

City of Corinth, Texas  
Statement of Net Position (Exhibit A-1)  
September 30, 2020

Deferred Inflows of Resources				
Deferred gain on refunding	7,497	-	7,497	-
Deferred inflows - pension	1,506,310	204,890	1,711,200	18,067
Deferred inflows - OPEB	<u>47,877</u>	<u>7,276</u>	<u>55,153</u>	<u>592</u>
Total deferred inflows of resources	<u>1,561,684</u>	<u>212,166</u>	<u>1,773,850</u>	<u>18,659</u>
Net Position				
Net investment in capital assets	34,592,990	23,942,064	58,535,054	2,954,666
Restricted for capital projects	-	792,236	792,236	-
Restricted for specific programs	3,134,296	-	3,134,296	-
Restricted for debt service	180,287	-	180,287	-
Restricted for economic development	-	-	-	1,645,167
Unrestricted	<u>4,478,248</u>	<u>5,572,010</u>	<u>10,050,258</u>	<u>-</u>
Total net position	<u>\$ 42,385,821</u>	<u>\$ 30,306,310</u>	<u>\$ 72,692,131</u>	<u>\$ 4,599,833</u>

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 11,917,879	\$ 3,533,674	\$ 1,425,393	\$ -
Community services	1,612,246	102,516	67,841	-
Public works	4,425,877	203,658	-	1,258,616
Planning and community development	1,229,618	664,502	-	-
City administration	2,592,272	100,472	35,162	-
Finance and administrative services	1,105,611	-	-	-
Interest on long-term debt	1,126,076	-	-	-
Total governmental activities	<u>24,009,579</u>	<u>4,604,822</u>	<u>1,528,396</u>	<u>1,258,616</u>
Business-type activities				
Water and sewer	13,227,342	12,662,764	-	934,546
Storm drainage	678,058	737,609	-	138,761
Total business-type activities	<u>13,905,400</u>	<u>13,400,373</u>	<u>-</u>	<u>1,073,307</u>
Total primary government	<u><u>37,914,979</u></u>	<u><u>18,005,195</u></u>	<u><u>1,528,396</u></u>	<u><u>2,331,923</u></u>
Component Unit				
Corinth Economic Development Corporation	<u>\$ 575,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Investment income				
Other income				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
\$ (6,958,812)	\$ -	\$ (6,958,812)	
(1,441,889)	-	(1,441,889)	
(2,963,603)	-	(2,963,603)	
(565,116)	-	(565,116)	
(2,456,638)	-	(2,456,638)	
(1,105,611)	-	(1,105,611)	
<u>(1,126,076)</u>	<u>-</u>	<u>(1,126,076)</u>	
<u>(16,617,745)</u>	<u>-</u>	<u>(16,617,745)</u>	
-	369,968	369,968	
-	198,312	198,312	
<u>-</u>	<u>568,280</u>	<u>568,280</u>	
<u>(16,617,745)</u>	<u>568,280</u>	<u>(16,049,465)</u>	
			<u>\$ (575,653)</u>
12,974,859	-	12,974,859	-
2,635,407	-	2,635,407	886,192
1,195,130	-	1,195,130	-
71,707	-	71,707	-
335,182	203,839	539,021	12,205
10,436	1,269	11,705	-
54,204	389	54,593	-
1,657,055	(1,657,055)	-	-
<u>18,933,980</u>	<u>(1,451,558)</u>	<u>17,482,422</u>	<u>898,397</u>
2,316,235	(883,278)	1,432,957	322,744
<u>40,069,586</u>	<u>31,189,588</u>	<u>71,259,174</u>	<u>4,277,089</u>
<u>\$ 42,385,821</u>	<u>\$ 30,306,310</u>	<u>\$ 72,692,131</u>	<u>\$ 4,599,833</u>

	General	Debt Service	2019 CO Street Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 74,995	\$ 367,482	\$ 124,269
Investments	5,358,620	135	15,845,883
Receivables (net of allowance)			
Property taxes	74,108	20,294	-
Sales taxes	307,304	-	-
Accounts	36,316	431	-
Interest	4,943	-	1,550
Warrants	2,118,401	-	-
Ambulance	315,040	-	-
Miscellaneous	498,983	-	-
Due from other governments	846,946	425	-
Inventories	126,692	-	-
Prepaid items	16,513	-	-
<b>Total assets</b>	<b>\$ 9,778,861</b>	<b>\$ 388,767</b>	<b>\$ 15,971,702</b>
<b>Liabilities</b>			
Accounts payable	\$ 228,454	\$ 600	\$ 726,482
Accrued liabilities	567,435	-	-
Municipal court bonds	8,635	-	-
Other liabilities	1,124,208	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>1,928,732</b>	<b>600</b>	<b>726,482</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	1,428,253	19,315	-
<b>Total deferred inflows of resources</b>	<b>1,428,253</b>	<b>19,315</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	143,205	-	-
Restricted	-	368,852	15,245,220
Committed	-	-	-
Unassigned	6,278,671	-	-
<b>Total fund balances</b>	<b>6,421,876</b>	<b>368,852</b>	<b>15,245,220</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,778,861</b>	<b>\$ 388,767</b>	<b>\$ 15,971,702</b>

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

City of Corinth, Texas  
 Balance Sheet – Governmental Funds (Exhibit A-3)  
 September 30, 2020

Other Governmental Funds	Total Governmental Funds
\$ 5,565,955 2,549,422  - 143,993 - 596 - - 34,641  - - -	\$ 6,132,701 23,754,060  94,402 451,297 36,747 7,089 2,118,401 315,040 533,624  847,371 126,692 16,513
\$ 8,294,607	\$ 34,433,937
\$ 96,328 9,131 - 705,361 231,612 <u>1,042,432</u>	\$ 1,051,864 576,566 8,635 1,829,569 231,612 <u>3,698,246</u>
-	1,447,568
-	1,447,568
- 3,915,890 3,570,833 (234,548) <u>7,252,175</u>	143,205 19,529,962 3,570,833 6,044,123 <u>29,288,123</u>
\$ 8,294,607	\$ 34,433,937

City of Corinth, Texas  
 Reconciliation to the Balance Sheet of Governmental Funds to the Statement of Net Position (Exhibit A-4)  
 September 30, 2020

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Total Fund Balances - Governmental Funds \$ 29,288,123

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 57,079,399

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:

Capital leases payable	(2,085,345)
Bonds payable	(36,420,381)
Accrued compensated absences	(1,379,994)

Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements. (7,497)

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. (207,880)

Included in liabilities is the recognition of the City's net pension liability in the amount of \$4,880,783, a deferred inflow of resources of \$1,506,310 and a deferred outflow of resources of \$1,376,771. This results in a decrease in net position. (5,010,322)

Included in liabilities is the recognition of the City's total OPEB liability in the amount of \$364,308, a deferred inflow of resources of \$47,877, and a deferred outflow of resources of \$94,335. This results in a decrease in net position. (317,850)

Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$87,600, net fines, fees and court costs receivable of \$995,530, net fees for ambulance receivables of \$315,040, franchise tax receivable for \$42,265, and net receivables for other items of \$7,133 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position. 1,447,568

Net Position of Governmental Activities \$ 42,385,821

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

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	General	Debt Service	2019 CO Street Fund
<b>Revenues</b>			
Taxes			
Property	\$ 10,276,726	\$ 2,680,972	\$ -
Sales	1,785,680	-	-
Hotel occupancy tax	-	-	-
Franchise	1,152,865	-	-
Escrow and impact fees	-	-	-
Utility fees	72,291	-	-
Traffic fines and forfeitures	495,146	-	-
Development fees and permits	572,742	-	-
Police fees and permits	21,407	-	-
Parks and recreation fees	52,706	-	-
Fire services	2,679,874	-	-
Donations	-	-	-
Interest income	104,964	14,424	105,102
Grants	569,951	-	-
Miscellaneous income	39,143	-	-
Charges for services	669,786	-	-
<b>Total revenues</b>	<b>18,493,281</b>	<b>2,695,396</b>	<b>105,102</b>
<b>Expenditures</b>			
Current			
Public safety	10,452,489	-	-
Community services	1,425,287	-	-
Public works	775,592	-	-
Planning and community development	955,335	-	-
City administration	2,070,073	-	-
Finance and administrative services	1,108,038	-	-
Debt service			
Principal	-	1,531,162	-
Interest	-	1,386,781	-
Bond fees	-	1,314	-
Capital outlay	-	-	761,451
<b>Total expenditures</b>	<b>16,786,814</b>	<b>2,919,257</b>	<b>761,451</b>
Excess (Deficiency) of Revenues over (under) Expenditures	1,706,467	(223,861)	(656,349)
<b>Other Financing Sources (Uses)</b>			
Issuance of capital leases	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	(1,865,130)	-	(600,000)
Transfers in	1,495,268	250,000	5,232,761
<b>Total other financing sources (uses)</b>	<b>(369,862)</b>	<b>250,000</b>	<b>4,632,761</b>
Net Change in Fund Balance	1,336,605	26,139	3,976,412
Fund Balance -			
October 1 (Beginning)	5,085,271	342,713	11,268,808
Fund Balance -			
September 30 (Ending)	<u>\$ 6,421,876</u>	<u>\$ 368,852</u>	<u>\$ 15,245,220</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 (Exhibit A-5)  
Year Ended September 30, 2020

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 12,957,698
849,727	2,635,407
71,707	71,707
-	1,152,865
203,658	203,658
-	72,291
29,585	524,731
-	572,742
28,160	49,567
6,046	58,752
-	2,679,874
1,095,664	1,095,664
110,692	335,182
852,917	1,422,868
17,837	56,980
-	669,786
<u>3,265,993</u>	<u>24,559,772</u>
215,889	10,668,378
31,718	1,457,005
580,468	1,356,060
250,456	1,205,791
321,446	2,391,519
-	1,108,038
512,984	2,044,146
88,133	1,474,914
-	1,314
3,633,204	4,394,655
<u>5,634,298</u>	<u>26,101,820</u>
(2,368,305)	(1,542,048)
267,714	267,714
54,204	54,204
(1,300,571)	(3,765,701)
2,184,704	9,162,733
<u>1,206,051</u>	<u>5,718,950</u>
(1,162,254)	4,176,902
<u>8,414,429</u>	<u>25,111,221</u>
<u>\$ 7,252,175</u>	<u>\$ 29,288,123</u>

City of Corinth, Texas  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental  
 Funds to the Statement of Activities (Exhibit A-6)  
 Year Ended September 30, 2020

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Net Change in Fund Balances - Total Governmental Funds	\$	4,176,902
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.		4,490,596
Developer contributions increase capital assets in the government-wide financial statements.		269,407
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(4,717,171)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bonds payable transferred in from Water and Sewer Fund	(3,658,000)	
Bond premium transferred in from Water and Sewer Fund	(81,977)	
Issuance of capital lease	(267,714)	
Bond principal repayments	1,531,161	
Capital lease principal repayment	514,763	
Amortization of bond premium	229,282	
Amortization of deferred gain on bond refunding	1,249	
Amortization of deferred loss on bond refunding	<u>(11,374)</u>	
		(1,742,610)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(249,585)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is an increase in net position.		129,217
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,146,903. 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 \$938,435.		208,468
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$9,389. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$43,754.		(34,365)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in a decrease in net position.		<u>(214,624)</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,316,235</u></u>

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

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
<b>Assets</b>			
Current assets			
Cash	\$ 4,458,071	\$ 385,355	\$ 4,843,426
Investments	8,637,355	334,621	8,971,976
Receivables (net of allowance)			
Accounts	1,724,938	83,153	1,808,091
Interest	4,128	-	4,128
Miscellaneous	769	-	769
Inventories	117,261	8,608	125,869
Total current assets	<u>14,942,522</u>	<u>811,737</u>	<u>15,754,259</u>
Non-current assets			
Capital assets			
Land	522,004	12,000	534,004
Construction in progress	279,097	255,357	534,454
Buildings	1,760,933	-	1,760,933
Machinery and equipment	1,369,287	296,034	1,665,321
Infrastructure	45,437,115	6,713,867	52,150,982
Less accumulated depreciation	<u>(22,967,859)</u>	<u>(2,808,819)</u>	<u>(25,776,678)</u>
Total capital assets (net of accumulated depreciation)	<u>26,400,577</u>	<u>4,468,439</u>	<u>30,869,016</u>
Total assets	<u>41,343,099</u>	<u>5,280,176</u>	<u>46,623,275</u>
Deferred Outflows of Resources			
Deferred charge on refunding	41,537	6,498	48,035
Deferred outflows - pension	191,621	25,277	216,898
Deferred outflows - OPEB liability	12,618	1,121	13,739
Total deferred outflows of resources	<u>245,776</u>	<u>32,896</u>	<u>278,672</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	809,439	9,841	819,280
Accrued liabilities	77,177	7,095	84,272
Accrued interest payable	62,020	5,798	67,818
Customer deposits	648,285	-	648,285
Current portion of capital leases	33,997	8,593	42,590
Current portion of compensated absences	65,141	4,704	69,845
Current portion of bonds	788,203	144,809	933,012
Total current liabilities	<u>2,484,262</u>	<u>180,840</u>	<u>2,665,102</u>

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

City of Corinth, Texas  
Statement of Net Position – Proprietary Funds (Exhibit A-7)  
September 30, 2020

Non-current liabilities			
Capital leases	83,448	25,944	109,392
Compensated absences	82,512	281	82,793
Net pension liability	592,666	71,067	663,733
Total OPEB liability	44,175	3,584	47,759
General obligation bonds	11,911,788	902,904	12,814,692
Total noncurrent liabilities	<u>12,714,589</u>	<u>1,003,780</u>	<u>13,718,369</u>
Total liabilities	<u>15,198,851</u>	<u>1,184,620</u>	<u>16,383,471</u>
Deferred Inflows of Resources			
Deferred inflows - pension	186,720	18,170	204,890
Deferred inflows - OPEB	6,659	617	7,276
Total deferred inflows of resources	<u>193,379</u>	<u>18,787</u>	<u>212,166</u>
Net Position			
Net investment in capital assets	20,549,377	3,392,687	23,942,064
Restricted for capital projects	697,855	94,381	792,236
Unrestricted	4,949,413	622,597	5,572,010
Total net position	<u>\$ 26,196,645</u>	<u>\$ 4,109,665</u>	<u>\$ 30,306,310</u>

City of Corinth, Texas  
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)  
Year Ended September 30, 2020

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 7,890,046	\$ -	\$ 7,890,046
Sewer disposal	3,399,213	-	3,399,213
Storm drainage fees	-	725,679	725,679
Garbage	961,614	-	961,614
Penalties and reconnect fees	102,910	-	102,910
Tap fees	168,953	-	168,953
Service fees	101,758	-	101,758
Inspections	38,270	11,930	50,200
Total Operating Revenues	<u>12,662,764</u>	<u>737,609</u>	<u>13,400,373</u>
Operating Expenses			
Wages and benefits	1,926,988	194,272	2,121,260
Professional services and contracts	1,088,174	79,924	1,168,098
Upper Trinity contract fees	6,876,639	-	6,876,639
Maintenance and operations	423,155	6,776	429,931
Supplies	43,668	3,807	47,475
Utilities and communication	176,938	2,965	179,903
Vehicles/equipment and fuel	58,341	11,580	69,921
Travel and training	13,793	55	13,848
Depreciation	2,094,224	345,603	2,439,827
Total Operating Expenses	<u>12,701,920</u>	<u>644,982</u>	<u>13,346,902</u>
Operating (Loss) Income	<u>(39,156)</u>	<u>92,627</u>	<u>53,471</u>
Nonoperating Revenues (Expenses)			
Interest income	190,617	13,222	203,839
Miscellaneous income (expense)	1,269	-	1,269
Gain on sale of capital assets	389	-	389
Interest expense	(525,422)	(33,076)	(558,498)
Total Nonoperating (Expenses) Revenues	<u>(333,147)</u>	<u>(19,854)</u>	<u>(353,001)</u>
(Loss) Income Before Contributions and Transfers	<u>(372,303)</u>	<u>72,773</u>	<u>(299,530)</u>
Contributions and Transfers			
Special assessment - water and sewer impact fees	314,922	-	314,922
Capital contributions	619,624	138,761	758,385
Transfers in	5,762,046	439,467	6,201,513
Transfers out	(6,532,583)	(1,325,985)	(7,858,568)
Total Contributions and Transfers	<u>164,009</u>	<u>(747,757)</u>	<u>(583,748)</u>
Change in Net Position	(208,294)	(674,984)	(883,278)
Net Position, Beginning	<u>26,404,939</u>	<u>4,784,649</u>	<u>31,189,588</u>
Net Position, Ending	<u>\$ 26,196,645</u>	<u>\$ 4,109,665</u>	<u>\$ 30,306,310</u>

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

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 13,136,966	\$ 747,235	\$ 13,884,201
Payments to or on behalf of employees	(1,916,721)	(191,752)	(2,108,473)
Payments to Upper Trinity for contract fees	(6,876,639)	-	(6,876,639)
Payments to suppliers	(1,974,798)	(99,252)	(2,074,050)
<b>Net Cash Provided by Operating Activities</b>	<b>2,368,808</b>	<b>456,231</b>	<b>2,825,039</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers out	(6,532,583)	(1,325,985)	(7,858,568)
Transfers in	5,762,046	439,467	6,201,513
Payments to/from other funds	(227,767)	227,767	-
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>(998,304)</b>	<b>(658,751)</b>	<b>(1,657,055)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of capital assets	(443,836)	(58,582)	(502,418)
Principal paid on bonds	(642,458)	(119,404)	(761,862)
Principal paid on capital leases	(57,492)	(5,984)	(63,476)
Interest paid on bonds	(846,321)	(52,738)	(899,059)
Proceeds from sale of assets	389	-	389
Special assessments- impact fees	314,922	-	314,922
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(1,674,796)</b>	<b>(236,708)</b>	<b>(1,911,504)</b>
<b>Cash Flows from Investing Activities</b>			
Decrease (increase) in short-term investments	1,749,260	(2,841)	1,746,419
Interest received	230,292	13,222	243,514
<b>Net Cash Provided by Investing Activities</b>	<b>1,979,552</b>	<b>10,381</b>	<b>1,989,933</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,675,260</b>	<b>(428,847)</b>	<b>1,246,413</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>2,782,811</b>	<b>814,202</b>	<b>3,597,013</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 4,458,071</b>	<b>\$ 385,355</b>	<b>\$ 4,843,426</b>

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

City of Corinth, Texas  
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)  
Year Ended September 30, 2020

	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating (loss) income	\$ (39,156)	\$ 92,627	\$ 53,471
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	2,094,224	345,603	2,439,827
(Increase) decrease in accounts receivable	463,902	9,626	473,528
(Increase) decrease in inventories	(23,175)	322	(22,853)
Increase (decrease) in accounts payable	(147,554)	5,533	(142,021)
Increase (decrease) in customer deposits	10,300	-	10,300
Increase (decrease) in accrued liabilities	10,267	2,520	12,787
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Cash Provided by Operating Activities	<u>\$ 2,368,808</u>	<u>\$ 456,231</u>	<u>\$ 2,825,039</u>
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	\$ 619,624	\$ 138,761	\$ 758,385
Vehicles acquired through capital leases	20,714	24,507	45,221
Bond payable transferred to governmental activities	3,739,977	-	3,739,977

## Note 1 - Reporting Entity

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

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

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

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

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

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

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

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

## **Note 2 - Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

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

## **Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary fund types:

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

Additionally, the City reports the following fund types:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

##### **Cash and Cash Equivalents**

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

##### **Investments**

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

### **Fair Value Measurements**

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

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

### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$1,674,568 for General Fund, \$8,091 for Debt Service Fund, \$80,632 for Water and Sewer Fund and \$179 for Storm Drainage Fund.

### **Inventory**

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

### **Pensions**

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

### **OPEB**

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

### **Deferred Outflows/Inflows of Resources**

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

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

**Capital Assets**

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

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

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

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

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

**Long-term Obligations**

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

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

### **Compensated Absences**

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

### **Use of Estimates**

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

### **Property Taxes**

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2020, was \$.54500 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 \$126,692 and \$16,513 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund at September 30, 2020.
- *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 \$368,852 as of September 30, 2020. Fund balance restricted for future capital projects included the 2019 CO Street Fund and totaled \$15,245,220. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, and Roadway Impact Fee and totaled \$592,573, \$1,124,526, \$216,340, \$29,185, \$36,098, \$97,614, \$34,921, \$3,605, \$285,978, \$20,923, \$300,804 and \$391,729, respectively, as of September 30, 2020. Capital project fund balance restricted for future capital projects included 2016 CO Fund and totaled \$781,594 as of September 30, 2020.
- *Committed* fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue totaling \$361,562 as of September 30, 2020. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, Street Escrow and LCFD Public Property and totaled \$2,199,492, \$132,250, \$434,747, \$278,253, \$158,220 and \$6,309, respectively, as of September 30, 2020.

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

#### **Minimum fund balance policy**

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

#### **Flow Assumptions**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

### **Note 5 - Stewardship, Compliance and Accountability**

#### **Budgetary Information**

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

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

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

**Note 6 - Detailed Notes on All Funds**

**Cash and Investments**

*Custodial Credit Risk.* Cash deposits of the City and CEDC at September 30, 2020, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank.

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

Following are the City's investments at September 30, 2020, including classification by level, within the fair value hierarchy:

**Primary Government**

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&amp;P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>	
TexSTAR	\$ 24,753,845	N/A	AAAm	< 60 days	None	
				<u>Investment Maturity in Years</u>		
<u>Other Investments</u>				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
U.S. Government Backed Securities	7,972,056	Level 2	AA+	\$ 1,722,056	\$ 6,250,000	\$ -
Money market	135	Level 1	N/A	135	-	-
Total	<u>7,972,191</u>			<u>\$ 1,722,191</u>	<u>\$ 6,250,000</u>	<u>\$ -</u>
Total Investments	<u>\$ 32,726,036</u>					

**CEDC**

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&amp;P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>	
TexPool	\$ 590,160	N/A	AAAm	< 60 days	None	
				<u>Investment Maturity in Years</u>		
<u>Other Investments</u>				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
U.S. Government Backed Securities	500,000	Level 2	AA+	\$ -	\$ 500,000	\$ -
Money market	300,000	Level 1	N/A	300,000	-	-
Total	<u>800,000</u>					
Total Investments	<u>\$ 1,390,160</u>			<u>\$ 300,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>

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

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

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

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

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

*Credit Risk.* State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2020, the City's investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor's.

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

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

**Capital Assets**

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 6,238,012	\$ 1,301,891	\$ -	\$ -	\$ 7,539,903
Construction in progress	3,842,490	2,695,253	-	-	6,537,743
Total assets not being depreciated	<u>10,080,502</u>	<u>3,997,144</u>	<u>-</u>	<u>-</u>	<u>14,077,646</u>
Capital assets, being depreciated:					
Buildings	17,475,834	23,764	-	-	17,499,598
Machinery and equipment	11,917,546	469,688	-	227,539	12,159,695
Infrastructure	97,796,689	269,407	-	-	98,066,096
Total capital assets being depreciated	<u>127,190,069</u>	<u>762,859</u>	<u>-</u>	<u>227,539</u>	<u>127,725,389</u>
Less accumulated depreciation					
Buildings	3,206,666	506,033	-	-	3,712,699
Machinery and equipment	6,482,407	1,162,948	-	227,539	7,417,816
Infrastructure	70,544,931	3,048,190	-	-	73,593,121
Total accumulated depreciation	<u>80,234,004</u>	<u>4,717,171</u>	<u>-</u>	<u>227,539</u>	<u>84,723,636</u>
Total capital assets being depreciated, net	<u>46,956,065</u>	<u>(3,954,312)</u>	<u>-</u>	<u>-</u>	<u>43,001,753</u>
Governmental activities capital assets, net	<u>\$ 57,036,567</u>	<u>\$ 42,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,079,399</u>

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated					
Land	\$ 524,330	\$ 9,674	\$ -	\$ -	\$ 534,004
Construction in progress	1,567,110	475,932	(1,508,588)	-	534,454
Total assets not being depreciated	<u>2,091,440</u>	<u>485,606</u>	<u>(1,508,588)</u>	<u>-</u>	<u>1,068,458</u>
Capital assets, being depreciated:					
Buildings	252,345	-	1,508,588	-	1,760,933
Machinery and equipment	1,603,288	62,033	-	-	1,665,321
Infrastructure	51,401,114	758,385	-	8,517	52,150,982
Total capital assets being depreciated	<u>53,256,747</u>	<u>820,418</u>	<u>1,508,588</u>	<u>8,517</u>	<u>55,577,236</u>
Less accumulated depreciation					
Buildings	167,860	81,995	-	-	249,855
Machinery and equipment	1,126,520	135,200	-	-	1,261,720
Infrastructure	22,050,988	2,222,632	-	8,517	24,265,103
Total accumulated depreciation	<u>23,345,368</u>	<u>2,439,827</u>	<u>-</u>	<u>8,517</u>	<u>25,776,678</u>
Total capital assets being depreciated, net	<u>29,911,379</u>	<u>(1,619,409)</u>	<u>1,508,588</u>	<u>-</u>	<u>29,800,558</u>
Business activities capital assets, net	<u>\$ 32,002,819</u>	<u>\$ (1,133,803)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,869,016</u>
	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>CEDC</b>					
Capital assets, not being depreciated					
Land	\$ 2,954,666	\$ -	\$ -	\$ -	\$ 2,954,666
Total assets not being depreciated	<u>2,954,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,954,666</u>
CEDC capital assets, net	<u>\$ 2,954,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954,666</u>

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

Governmental activities	
Public safety	\$ 1,207,506
Community services	162,150
Public works	3,070,605
Planning and community development	18,379
City administration	257,981
Finance and administrative services	550
Total depreciation expense - Governmental activities	\$ 4,717,171
Business-type activities	
Water and sewer	\$ 2,094,224
Storm drainage	345,603
Total depreciation expense - Business-type activities	\$ 2,439,827

**Interfund Transfers**

The composition of interfund transfers in/out as of September 30, 2020, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	\$ 1,495,268	\$ 1,865,130	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	250,000	-	Administrative Transfer
2019 CO Street	5,232,761	600,000	Capital Projects Reallocation
Other Governmental	2,184,704	1,300,571	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	5,762,046	6,532,583	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
Storm Drainage	439,467	1,325,985	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
	15,364,246	11,624,269	
	-	3,739,977	Transfer of bonds payable and premium from Water and Sewer to governmental activities
	\$ 15,364,246	\$ 15,364,246	

**Long-term Obligations**

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

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

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

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

	Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Certificates of obligation	\$ 26,134,070	\$ 3,658,000	\$ (497,532)	\$ 29,294,538	\$ 647,878
General obligation bonds	5,458,611	-	(1,033,629)	4,424,982	595,310
Bond premiums/discounts (net)	2,848,166	81,977	(229,282)	2,700,861	224,084
Compensated absences	1,130,409	1,478,558	(1,228,973)	1,379,994	830,244
Capital lease obligation	2,332,394	267,714	(514,763)	2,085,345	482,466
Total governmental activities	<u>\$ 37,903,650</u>	<u>\$ 5,486,249</u>	<u>\$ (3,504,179)</u>	<u>\$ 39,885,720</u>	<u>\$ 2,779,982</u>
<b>Business-type activities</b>					
Certificates of obligation	\$ 11,240,931	\$ (3,658,000)	\$ (67,467)	\$ 7,515,464	\$ 117,122
General obligation bonds	5,791,392	-	(776,372)	5,015,020	674,689
Bond premiums/discounts (net)	1,441,862	(81,977)	(142,665)	1,217,220	141,201
Compensated absences	133,236	123,796	(104,394)	152,638	69,845
Capital lease obligation	170,237	45,221	(63,476)	151,982	42,590
Total business type activities	<u>18,777,658</u>	<u>(3,570,960)</u>	<u>(1,154,374)</u>	<u>14,052,324</u>	<u>1,045,447</u>
Primary government	<u>\$ 56,681,308</u>	<u>\$ 1,915,289</u>	<u>\$ (4,658,553)</u>	<u>\$ 53,938,044</u>	<u>\$ 3,825,429</u>
<b>CEDC</b>					
Compensated absences	\$ 9,601	\$ 5,047	\$ -	\$ 14,648	\$ 14,648
	<u>\$ 9,601</u>	<u>\$ 5,047</u>	<u>\$ -</u>	<u>\$ 14,648</u>	<u>\$ 14,648</u>

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

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2020	Business Type Amount Outstanding 9/30/2020
Certificates of Obligation	4/21/2016	\$ 13,275,000	2.00%-5.00%	2/15/2036	\$ 11,609,662	\$ 1,260,338
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	4,424,982	5,015,020
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	3,272,076	1,462,926
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	14,412,800	4,792,200
					<u>\$ 33,719,520</u>	<u>\$ 12,530,484</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2021	\$ 1,243,188	\$ 1,321,508	\$ 2,564,696
2022	1,807,095	1,269,720	3,076,815
2023	1,892,004	1,181,582	3,073,586
2024	1,973,040	1,096,328	3,069,368
2025	2,058,587	1,017,177	3,075,764
2026-2030	9,410,508	3,731,085	13,141,593
2031-2035	9,831,170	1,831,031	11,662,201
2036-2039	5,503,928	307,276	5,811,204
Total	<u>\$ 33,719,520</u>	<u>\$ 11,755,707</u>	<u>\$ 45,475,227</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2021	\$ 791,811	\$ 523,885	\$ 1,315,696
2022	947,905	470,273	1,418,178
2023	992,996	423,362	1,416,358
2024	1,041,960	375,797	1,417,757
2025	1,091,413	328,517	1,419,930
2026-2030	3,579,492	995,965	4,575,457
2031-2035	2,418,830	483,544	2,902,374
2036-2039	1,666,077	99,658	1,765,735
Total	<u>\$ 12,530,484</u>	<u>\$ 3,701,001</u>	<u>\$ 16,231,485</u>

**Capital Leases Payable**

The City leases various equipment under capital lease. Related amortization expense is included in depreciation expense. The following is an analysis of the leased assets included in capital assets at September 30, 2020:

Equipment	\$ 4,046,258
Less accumulated depreciation	<u>(1,384,385)</u>
Net value	<u>\$ 2,661,873</u>

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2020:

<u>Year Ending</u>	
2021	\$ 612,678
2022	612,677
2023	548,955
2024	286,701
2025	182,374
2026-2028	<u>273,147</u>
Total minimum lease payments	2,516,532
Less amount representing interest	<u>(279,205)</u>
Present value of minimum lease payments	<u>\$ 2,237,327</u>

**Note 7 - Defined Benefit Pension Plan**

**Plan Description**

The City participates as one of 888 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](http://www.tmrs.com).

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

**Benefits Provided**

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

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

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

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	139
Active employees	163
Total	388

**Contributions**

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.3% and 15.34% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$1,842,075, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.65% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	<u>100.00%</u>	

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

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
<b>Entity-Wide</b>			
Balance at 12/31/2018	\$ 41,421,778	\$ 33,286,991	\$ 8,134,787
Changes for the year:			
Service cost	1,974,459	-	1,974,459
Interest	2,830,658	-	2,830,658
Change in benefit terms	-	-	-
Difference between expected and actual experience	51,976	-	51,976
Change in assumptions	202,141	-	202,141
Contributions - employer	-	1,708,397	(1,708,397)
Contributions - employee	-	754,021	(754,021)
Net investment income	-	5,153,390	(5,153,390)
Benefit payments, including refunds of contributions	(946,673)	(946,673)	-
Administrative expense	-	(29,078)	29,078
Other changes	-	(874)	874
Net changes	4,112,561	6,639,183	(2,526,622)
Balance at 12/31/2019	\$ 45,534,339	\$ 39,926,174	\$ 5,608,165

	Increase (Decrease)		
	Total Pension	Plan	Net Pension
	Liability	Fiduciary	Liability/
<b>Primary Government</b>	(a)	Net Position	(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 40,977,287	\$ 32,931,763	\$ 8,045,524
Changes for the year:			
Service cost	1,952,050	-	1,952,050
Interest	2,798,532	-	2,798,532
Change in benefit terms	-	-	-
Difference between expected and actual experience	51,386	-	51,386
Change in assumptions	199,847	-	199,847
Contributions - employer	-	1,689,008	(1,689,008)
Contributions - employee	-	745,463	(745,463)
Net investment income	-	5,096,566	(5,096,566)
Benefit payments, including refunds of contributions	(935,929)	(935,929)	-
Administrative expense	-	(28,748)	28,748
Other changes	-	534	(534)
Net changes	4,065,886	6,566,894	(2,501,008)
Balance at 12/31/2019	\$ 45,043,173	\$ 39,498,657	\$ 5,544,516

	Increase (Decrease)		
	Total Pension	Plan	Net Pension
	Liability	Fiduciary	Liability/
<b>CEDC</b>	(a)	Net Position	(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 444,491	\$ 355,228	\$ 89,263
Changes for the year:			
Service cost	22,409	-	22,409
Interest	32,126	-	32,126
Change in benefit terms	-	-	-
Difference between expected and actual experience	590	-	590
Change in assumptions	2,294	-	2,294
Contributions - employer	-	19,389	(19,389)
Contributions - employee	-	8,558	(8,558)
Net investment income	-	56,824	(56,824)
Benefit payments, including refunds of contributions	(10,744)	(10,744)	-
Administrative expense	-	(330)	330
Other changes	-	(1,408)	1,408
Net changes	46,675	72,289	(25,614)
Balance at 12/31/2019	\$ 491,166	\$ 427,517	\$ 63,649

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 13,632,771	\$ 5,608,165	\$ (820,737)
Reported by Governmental Activities	11,864,593	4,880,783	(714,287)
Reported by Business-Type Activities	1,613,455	663,733	(97,135)
Reported by Component Unit, CEDC	154,723	63,649	(9,315)
	<u>\$ 13,632,771</u>	<u>\$ 5,608,165</u>	<u>\$ (820,737)</u>

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

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,584,939.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 126,686	\$ 515,329	\$ 124,252	\$ 509,480	\$ 2,434	\$ 5,849
Changes in actuarial assumptions	151,606	27,044	148,890	26,737	2,716	307
Difference between projected and actual investment earnings	-	1,186,894	-	1,174,983	-	11,911
Contributions subsequent to the measurement date	1,334,052	-	1,320,527	-	13,525	-
Total	<u>\$ 1,612,344</u>	<u>\$ 1,729,267</u>	<u>\$ 1,593,669</u>	<u>\$ 1,711,200</u>	<u>\$ 18,675</u>	<u>\$ 18,067</u>

\$1,334,052 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2021	\$ (497,952)	\$ (493,519)	\$ (4,433)
2022	(466,474)	(462,321)	(4,153)
2023	94,753	93,909	844
2024	(581,302)	(576,127)	(5,175)
	<u>\$ (1,450,975)</u>	<u>\$ (1,438,058)</u>	<u>\$ (12,917)</u>

**Note 8 - Other Post Employment Benefits**

**Plan Description**

The City also participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

**Benefits Provided**

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>163</u>
Total	245

**Contributions**

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

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

	<u>2020</u>
Employer rate	0.13%
Employer contributions	\$ 15,284

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 11.50%, including inflation
Discount rate	2.75%

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2019 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 2.75% was based on the 20-Year Municipal GO AA Index as of December 31, 2019.

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

At September 30, 2020, the City reported a total OPEB liability of \$416,633 measured at December 31, 2019. For the year ended September 30, 2020, the City recognized OPEB expense of \$45,269.

As of December 31, 2019, the discount rate used in the development of the total OPEB liability was 2.75% compared to 3.71% as of December 31, 2018.

Changes in the total OPEB liability for the measurement year ended December 31, 2019 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability		
	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2018	\$ 349,174	\$ 345,292	\$ 3,882
Changes for the year:			
Service cost	22,621	22,373	248
Interest on total OPEB liability	13,334	13,188	146
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(43,060)	(42,588)	(472)
Effect of assumption changes or inputs	76,718	75,932	786
Benefit payments*	(2,154)	(2,130)	(24)
Balance as of December 31, 2019	<u>\$ 416,633</u>	<u>\$ 412,067</u>	<u>\$ 4,566</u>

\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**Discount Rate Sensitivity Analysis**

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's total OPEB liability	\$ 520,570	\$ 416,633	\$ 337,913
Reported by Governmental Activities	455,192	364,308	295,474
Reported by Business-Type Activities	59,673	47,759	38,735
Reported by Component Unit, CEDC	5,705	4,566	3,704
	<u>\$ 520,570</u>	<u>\$ 416,633</u>	<u>\$ 337,913</u>

At December 31, 2019, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 17,821	\$ 36,257	\$ 17,626	\$ 35,860	\$ 195	\$ 397
Changes in actuarial assumptions	80,492	19,488	79,637	19,293	855	195
Contributions subsequent to the measurement date	10,922	-	10,811	-	111	-
<b>Total</b>	<b>\$ 109,235</b>	<b>\$ 55,745</b>	<b>\$ 108,074</b>	<b>\$ 55,153</b>	<b>\$ 1,161</b>	<b>\$ 592</b>

Deferred outflows of resources related to OPEB resulting from contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2021 in the amount of \$10,922. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2021	\$ 9,314	\$ 9,266	\$ 48
2022	9,314	9,266	48
2023	9,314	9,266	48
2024	7,788	7,740	48
2023	5,082	5,034	48
Thereafter	1,756	1,724	32
	<b>\$ 42,568</b>	<b>\$ 42,296</b>	<b>\$ 272</b>

**Note 9 - Risk Management**

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

**Note 10 - Commitments and Contingencies**

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

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$11,392,961.

The world-wide coronavirus pandemic has resulted in certain risk and uncertainties to the public in general and the City. The City is closely monitoring their operations, liquidity, and resources, and is actively working to minimize the current and future impact of this unprecedented situation.

**Upper Trinity Regional Water District (UTRWD)**

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

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

City of Corinth, Texas  
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)  
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes				
Property	\$ 10,333,004	\$ 10,333,004	\$ 10,276,726	\$ (56,278)
Sales	1,698,792	1,698,792	1,785,680	86,888
Franchise	1,110,500	1,110,500	1,152,865	42,365
Utility fees	17,500	17,500	72,291	54,791
Traffic fines and forfeitures	742,975	742,975	495,146	(247,829)
Development fees and permits	461,834	461,834	572,742	110,908
Police fees and permits	23,450	23,450	21,407	(2,043)
Parks and recreation fees	224,974	224,974	52,706	(172,268)
Fire services	2,662,763	2,662,763	2,679,874	17,111
Interest income	153,060	153,060	104,964	(48,096)
Grants	1,117,901	1,117,901	569,951	(547,950)
Miscellaneous income	44,305	44,305	39,143	(5,162)
Charges for services	669,785	669,785	669,786	1
Total revenues	<u>19,260,843</u>	<u>19,260,843</u>	<u>18,493,281</u>	<u>(767,562)</u>
<b>Expenditures</b>				
Current				
Public safety	11,118,758	11,118,758	10,452,489	666,269
Community services	1,848,203	1,839,203	1,425,287	413,916
Public works	1,574,024	1,551,524	775,592	775,932
Planning and community development	1,211,108	1,191,374	955,335	236,039
City administration	2,819,283	2,726,918	2,070,073	656,845
Finance and administrative services	1,110,513	1,122,612	1,108,038	14,574
Total expenditures	<u>19,681,889</u>	<u>19,550,389</u>	<u>16,786,814</u>	<u>2,763,575</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(421,046)</u>	<u>(289,546)</u>	<u>1,706,467</u>	<u>1,996,013</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,183,630)	(1,365,130)	(1,865,130)	(500,000)
Transfers in	814,952	814,952	1,495,268	680,316
Total Financing Sources (Uses)	<u>(368,678)</u>	<u>(550,178)</u>	<u>(369,862)</u>	<u>180,316</u>
Net Change in Fund Balance	(789,724)	(839,724)	1,336,605	2,176,329
Fund Balance - October 1 (Beginning)	<u>5,085,271</u>	<u>5,085,271</u>	<u>5,085,271</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 4,295,547</u>	<u>\$ 4,245,547</u>	<u>\$ 6,421,876</u>	<u>\$ 2,176,329</u>

City of Corinth, Texas  
Schedule of Changes in Net Pension Liability and Related Ratios –  
Texas Municipal Retirement System (Exhibit B-2)  
Year Ended September 30, 2020

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
<b>Total Pension Liability</b>						
Service cost	\$ 1,974,459	\$ 1,740,727	\$ 1,674,666	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
Interest on total pension liability	2,830,658	2,631,469	2,468,757	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	51,976	(461,003)	(628,235)	409,560	(356,486)	(293,384)
Change of assumptions	202,141	-	-	-	(252,429)	-
Benefit payments/refunds of contributions	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Net change in total pension liability	4,112,561	2,703,628	2,447,424	3,393,227	2,385,780	2,291,463
Total pension liability, beginning	41,421,778	38,718,150	36,270,726	32,877,499	30,491,719	28,200,256
Total pension liability, ending (a)	<u>\$ 45,534,339</u>	<u>\$ 41,421,778</u>	<u>\$ 38,718,150</u>	<u>\$ 36,270,726</u>	<u>\$ 32,877,499</u>	<u>\$ 30,491,719</u>
<b>Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,708,397	\$ 1,521,211	\$ 1,412,999	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
Contributions - Employee	754,021	673,954	642,690	650,021	648,976	604,376
Net investment income	5,153,390	(999,066)	3,942,063	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Administrative expenses	(29,078)	(19,289)	(20,406)	(19,521)	(21,823)	(13,183)
Other	(874)	(1,008)	(1,034)	(1,052)	(1,078)	(1,084)
Net change in fiduciary net position	6,639,183	(31,763)	4,908,548	2,834,603	1,294,116	2,208,360
Fiduciary net position, beginning	33,286,991	33,318,754	28,410,206	25,575,603	24,281,487	22,073,127
Fiduciary net position, ending (b)	<u>\$ 39,926,174</u>	<u>\$ 33,286,991</u>	<u>\$ 33,318,754</u>	<u>\$ 28,410,206</u>	<u>\$ 25,575,603</u>	<u>\$ 24,281,487</u>
Net pension liability (asset), ending = (a) - (b)	<u>5,608,165</u>	<u>8,134,787</u>	<u>5,399,396</u>	<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	87.68%	80.36%	86.05%	78.33%	77.79%	79.63%
Pensionable covered payroll	\$ 10,771,734	\$ 9,627,913	\$ 9,181,285	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
Net pension liability as a percentage of covered payroll	52.06%	84.49%	58.81%	87.65%	78.92%	71.93%

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

City of Corinth, Texas  
 Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-3)  
 Year Ended September 30, 2020

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Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 1,188,806	\$ 1,188,806	\$ -	\$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%

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

City of Corinth, Texas  
Schedule of Changes in Total OPEB Liability and Related Ratios –  
Supplemental Death Benefits Plan (Exhibit B-4)  
Year Ended September 30, 2020

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability			
Service cost	\$ 22,621	\$ 22,144	\$ 18,363
Interest on total OPEB liability	13,334	10,940	10,314
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(43,060)	25,487	-
Change of assumptions	76,718	(27,870)	28,959
Benefit payments	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	<u>67,459</u>	<u>28,775</u>	<u>55,800</u>
Total OPEB liability, beginning	<u>349,174</u>	<u>320,399</u>	<u>264,599</u>
Total OPEB liability, ending	<u>\$ 416,633</u>	<u>\$ 349,174</u>	<u>\$ 320,399</u>
Covered payroll	\$ 10,771,734	\$ 9,627,913	\$ 9,181,285
Total OPEB liability as a percentage of covered payroll	3.87%	3.63%	3.49%

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

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

**Note A: Net Pension Liability – Texas Municipal Retirement System**

**Assumptions**

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

<b>Valuation date</b>	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
<b>Actuarial cost method</b>	Entry age normal
<b>Amortization method</b>	Level percentage of payroll, closed
<b>Remaining amortization period</b>	25 years
<b>Asset valuation method</b>	10-year smoothed market; 12% soft corridor
<b>Inflation</b>	2.50%
<b>Salary increases</b>	3.50% to 11.50%, including inflation
<b>Investment rate of return</b>	6.75%
<b>Retirement age</b>	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
<b>Mortality</b>	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>

**Notes:**

There were no benefit changes during the year.

**Note B: Total OPEB Liability – Texas Municipal Retirement System**

Summary of actuarial assumptions:

<b>Actuarial cost method</b>	Entry age normal
<b>Inflation</b>	2.50%
<b>Discount rate</b>	2.75%
<b>Salary increases</b>	3.50% to 11.50%, including inflation
<b>Retirees' share- benefit-related costs</b>	\$0
 <b>Administrative expenses</b>	 All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
 <b>Mortality rate- service retirees</b>	 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
 <b>Mortality rate- disabled retirees</b>	 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

**Note C: Budgetary Process**

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

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. No significant budget amendments occurred during the year ended September 30, 2020.
- g. All budget appropriations lapse at year end.

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## COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS

### Nonmajor Governmental Funds

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

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

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

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

City of Corinth, Texas  
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)  
September 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,760,816	\$ 2,805,139	\$ 5,565,955
Investments	1,545,008	1,004,414	2,549,422
Receivables (net of allowance)			
Sales taxes	143,993	-	143,993
Interest	596	-	596
Miscellaneous	34,641	-	34,641
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 4,485,054</u>	<u>\$ 3,809,553</u>	<u>\$ 8,294,607</u>
<b>Liabilities</b>			
Accounts payable	\$ 43,092	\$ 53,236	\$ 96,328
Accrued liabilities	9,131	-	9,131
Other liabilities	705,361	-	705,361
Unearned revenue	231,612	-	231,612
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>989,196</u>	<u>53,236</u>	<u>1,042,432</u>
<b>Fund Balances</b>			
Restricted	3,134,296	781,594	3,915,890
Committed	361,562	3,209,271	3,570,833
Unassigned	-	(234,548)	(234,548)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>3,495,858</u>	<u>3,756,317</u>	<u>7,252,175</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 4,485,054</u>	<u>\$ 3,809,553</u>	<u>\$ 8,294,607</u>

City of Corinth, Texas  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Governmental Funds (Exhibit C-2)  
Year Ended September 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes			
Sales	\$ 849,727	\$ -	\$ 849,727
Hotel occupancy tax	71,707	-	71,707
Escrow and impact fees	203,658	-	203,658
Traffic fines and forfeitures	29,585	-	29,585
Police fees and permits	28,160	-	28,160
Parks and recreation fees	6,046	-	6,046
Donations	75,377	1,020,287	1,095,664
Interest income	46,572	64,120	110,692
Grants	852,917	-	852,917
Miscellaneous income	17,837	-	17,837
Total revenues	<u>2,181,586</u>	<u>1,084,407</u>	<u>3,265,993</u>
<b>Expenditures</b>			
Current			
Public safety	179,243	36,646	215,889
Community services	31,718	-	31,718
Public works	580,468	-	580,468
Planning and community development	-	250,456	250,456
City administration	235,048	86,398	321,446
Debt service			
Principal	135,377	377,607	512,984
Interest	27,884	60,249	88,133
Capital outlay	69,423	3,563,781	3,633,204
Total expenditures	<u>1,259,161</u>	<u>4,375,137</u>	<u>5,634,298</u>
Excess (Deficiency) of Revenues over (under) Expenditures	922,425	(3,290,730)	(2,368,305)
<b>Other Financing Sources (Uses)</b>			
Issuance of capital leases	-	267,714	267,714
Proceeds from sale of capital assets	-	54,204	54,204
Transfers out	(757,279)	(543,292)	(1,300,571)
Transfers in	-	2,184,704	2,184,704
Total Other Financing Sources (Uses)	<u>(757,279)</u>	<u>1,963,330</u>	<u>1,206,051</u>
Net Change in Fund Balance	165,146	(1,327,400)	(1,162,254)
Fund Balance - October 1 (Beginning)	<u>3,330,712</u>	<u>5,083,717</u>	<u>8,414,429</u>
Fund Balance - September 30 (Ending)	<u>\$ 3,495,858</u>	<u>\$ 3,756,317</u>	<u>\$ 7,252,175</u>

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
<b>Assets</b>			
Cash and cash equivalents	\$ 533,997	\$ 2,691	\$ 209,974
Investments	-	1,045,008	-
Receivables (net of allowance)			
Sales taxes	67,166	76,827	-
Accounts	-	-	-
Interest	-	-	-
Miscellaneous	-	-	6,370
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 601,163</u>	<u>\$ 1,124,526</u>	<u>\$ 216,344</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	8,590	-	4
Other liabilities	-	-	-
Unearned revenue	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>8,590</u>	<u>-</u>	<u>4</u>
<b>Fund Balances</b>			
Restricted	592,573	1,124,526	216,340
Committed	-	-	-
Unassigned	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>592,573</u>	<u>1,124,526</u>	<u>216,340</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 601,163</u>	<u>\$ 1,124,526</u>	<u>\$ 216,344</u>

City of Corinth, Texas  
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)  
September 30, 2020

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ 29,185	\$ 21,916	\$ 622,714	\$ 97,614	\$ 34,921
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	26,686	1,585	-	-
<u>\$ 29,185</u>	<u>\$ 48,602</u>	<u>\$ 624,299</u>	<u>\$ 97,614</u>	<u>\$ 34,921</u>
\$ -	\$ 11,967	31,125	\$ -	\$ -
-	537	-	-	-
-	-	-	-	-
-	-	231,612	-	-
-	12,504	262,737	-	-
29,185	36,098	-	97,614	34,921
-	-	361,562	-	-
-	-	-	-	-
<u>29,185</u>	<u>36,098</u>	<u>361,562</u>	<u>97,614</u>	<u>34,921</u>
<u>\$ 29,185</u>	<u>\$ 48,602</u>	<u>\$ 624,299</u>	<u>\$ 97,614</u>	<u>\$ 34,921</u>

(continued on the following page)

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	Police Confiscation- State	Parks Development	Community Park Improvement
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,807	\$ 285,978	\$ 20,923
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 17,807</u>	<u>\$ 285,978</u>	<u>\$ 20,923</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	14,202	-	-
Unearned revenue	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>14,202</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	3,605	285,978	20,923
Committed	-	-	-
Unassigned	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>3,605</u>	<u>285,978</u>	<u>20,923</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 17,807</u>	<u>\$ 285,978</u>	<u>\$ 20,923</u>

City of Corinth, Texas  
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)  
 September 30, 2020

<u>Tree Mitigation</u>	<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 300,804	\$ 582,292	\$ 2,760,816
-	500,000	1,545,008
-	-	143,993
-	-	-
-	596	596
-	-	34,641
<u>\$ 300,804</u>	<u>\$ 1,082,888</u>	<u>\$ 4,485,054</u>
\$ -	\$ -	\$ 43,092
-	-	9,131
-	691,159	705,361
-	-	231,612
<u>-</u>	<u>691,159</u>	<u>989,196</u>
300,804	391,729	3,134,296
-	-	361,562
-	-	-
<u>300,804</u>	<u>391,729</u>	<u>3,495,858</u>
<u>\$ 300,804</u>	<u>\$ 1,082,888</u>	<u>\$ 4,485,054</u>

(concluded)

	<u>Crime Control &amp; Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>
<b>Revenues</b>			
Taxes			
Sales	\$ 406,616	\$ 443,111	\$ -
Hotel occupancy tax	-	-	71,707
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	5,608	13,014	2,180
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>412,224</u>	<u>456,125</u>	<u>73,887</u>
<b>Expenditures</b>			
Current			
Public safety	151,492	-	-
Community services	-	-	-
Public works	-	580,468	-
City administration	-	-	58,070
Capital outlay	37,387	32,036	-
Debt service			
Principal	135,377	-	-
Interest	27,884	-	-
Total expenditures	<u>352,140</u>	<u>612,504</u>	<u>58,070</u>
Excess (Deficiency) of Revenues over (under) Expenditures	60,084	(156,379)	15,817
<b>Other Financing Sources (Uses)</b>			
Transfers out	-	(70,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(70,000)</u>	<u>-</u>
Net Change in Fund Balance	60,084	(226,379)	15,817
Fund Balance - October 1 (Beginning)	<u>532,489</u>	<u>1,350,905</u>	<u>200,523</u>
Fund Balance - September 30 (Ending)	<u>\$ 592,573</u>	<u>\$ 1,124,526</u>	<u>\$ 216,340</u>

City of Corinth, Texas  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Exhibit C-4)  
Year Ended September 30, 2020

<u>Keep Corinth Beautiful</u>	<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	2,519	11,535	15,531
-	28,160	-	-	-
264	-	-	-	-
5,000	-	20,377	-	-
299	259	4,657	986	309
-	-	852,917	-	-
-	-	17,837	-	-
<u>5,563</u>	<u>28,419</u>	<u>898,307</u>	<u>12,521</u>	<u>15,840</u>
-	21,412	6,339	-	-
-	-	-	4,864	3,457
-	-	-	-	-
6,636	-	170,342	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,636</u>	<u>21,412</u>	<u>176,681</u>	<u>4,864</u>	<u>3,457</u>
(1,073)	7,007	721,626	7,657	12,383
<u>-</u>	<u>-</u>	<u>(680,316)</u>	<u>-</u>	<u>(6,963)</u>
<u>-</u>	<u>-</u>	<u>(680,316)</u>	<u>-</u>	<u>(6,963)</u>
(1,073)	7,007	41,310	7,657	5,420
<u>30,258</u>	<u>29,091</u>	<u>320,252</u>	<u>89,957</u>	<u>29,501</u>
<u>\$ 29,185</u>	<u>\$ 36,098</u>	<u>\$ 361,562</u>	<u>\$ 97,614</u>	<u>\$ 34,921</u>

(continued on the following page)

	Police Confiscation- State	Parks Development	Community Park Improvement
<b>Revenues</b>			
Taxes			
Sales	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	5,782
Donations	-	50,000	-
Interest income	125	3,197	224
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>125</u>	<u>53,197</u>	<u>6,006</u>
<b>Expenditures</b>			
Current			
Public safety	-	-	-
Community services	-	15,000	995
Public works	-	-	-
City administration	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>15,000</u>	<u>995</u>
Excess (Deficiency) of Revenues over Expenditures	125	38,197	5,011
<b>Other Financing Sources (Uses)</b>			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	125	38,197	5,011
Fund Balance - October 1 (Beginning)	<u>3,480</u>	<u>247,781</u>	<u>15,912</u>
Fund Balance - September 30 (Ending)	<u>\$ 3,605</u>	<u>\$ 285,978</u>	<u>\$ 20,923</u>

City of Corinth, Texas  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Exhibit C-4)  
Year Ended September 30, 2020

<u>Tree Mitigation</u>	<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 849,727
-	-	71,707
-	203,658	203,658
-	-	29,585
-	-	28,160
-	-	6,046
-	-	75,377
3,260	12,454	46,572
-	-	852,917
-	-	17,837
<u>3,260</u>	<u>216,112</u>	<u>2,181,586</u>
-	-	179,243
7,402	-	31,718
-	-	580,468
-	-	235,048
-	-	69,423
-	-	135,377
-	-	27,884
<u>7,402</u>	<u>-</u>	<u>1,259,161</u>
(4,142)	216,112	922,425
<u>-</u>	<u>-</u>	<u>(757,279)</u>
<u>-</u>	<u>-</u>	<u>(757,279)</u>
(4,142)	216,112	165,146
<u>304,946</u>	<u>175,617</u>	<u>3,330,712</u>
<u>\$ 300,804</u>	<u>\$ 391,729</u>	<u>\$ 3,495,858</u>

(concluded)

City of Corinth, Texas  
 Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)  
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 389,520	\$ 389,520	\$ 406,616	\$ 17,096
Interest income	2,000	2,000	5,608	3,608
Total revenues	<u>391,520</u>	<u>391,520</u>	<u>412,224</u>	<u>20,704</u>
Expenditures				
Current				
Public safety	173,242	176,575	151,492	25,083
Capital outlay	-	37,387	37,387	-
Debt service				
Principal	203,986	163,266	135,377	27,889
Interest	-	-	27,884	(27,884)
Total expenditures	<u>377,228</u>	<u>377,228</u>	<u>352,140</u>	<u>25,088</u>
Net Change in Fund Balance	14,292	14,292	60,084	45,792
Fund Balance -				
October 1 (Beginning)	<u>532,489</u>	<u>532,489</u>	<u>532,489</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 546,781</u>	<u>\$ 546,781</u>	<u>\$ 592,573</u>	<u>\$ 45,792</u>

City of Corinth, Texas  
Street Maintenance Fund Budgetary Comparison Schedule (Exhibit C-6)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 424,361	\$ 424,361	\$ 443,111	\$ 18,750
Interest income	7,140	7,140	13,014	5,874
Total revenues	<u>431,501</u>	<u>431,501</u>	<u>456,125</u>	<u>24,624</u>
Expenditures				
Current				
Public works	649,078	630,842	580,468	50,374
Capital outlay	84,000	32,236	32,036	200
Total expenditures	<u>733,078</u>	<u>663,078</u>	<u>612,504</u>	<u>50,574</u>
Excess (Deficiency) of Revenues over Expenditures	(301,577)	(231,577)	(156,379)	75,198
Other Financing Sources (Uses)				
Transfers out	-	(70,000)	(70,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Net Change in Fund Balance	(301,577)	(301,577)	(226,379)	75,198
Fund Balance -				
October 1 (Beginning)	<u>1,350,905</u>	<u>1,350,905</u>	<u>1,350,905</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 1,049,328</u>	<u>\$ 1,049,328</u>	<u>\$ 1,124,526</u>	<u>\$ 75,198</u>

City of Corinth, Texas  
Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-7)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	\$ 75,000	\$ 75,000	\$ 71,707	\$ (3,293)
Interest income	1,500	1,500	2,180	680
Total revenues	<u>76,500</u>	<u>76,500</u>	<u>73,887</u>	<u>(2,613)</u>
Expenditures				
Current				
City administration	<u>71,549</u>	<u>71,549</u>	<u>58,070</u>	<u>13,479</u>
Total expenditures	<u>71,549</u>	<u>71,549</u>	<u>58,070</u>	<u>13,479</u>
Net Change in Fund Balance	4,951	4,951	15,817	10,866
Fund Balance -				
October 1 (Beginning)	<u>200,523</u>	<u>200,523</u>	<u>200,523</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 205,474</u>	<u>\$ 205,474</u>	<u>\$ 216,340</u>	<u>\$ 10,866</u>

City of Corinth, Texas  
 Keep Corinth Beautiful Budgetary Comparison Schedule (Exhibit C-8)  
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Parks & recreation fees	\$ -	\$ -	\$ 264	\$ 264
Donations	5,000	5,000	5,000	-
Interest income	-	-	299	299
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,563</u>	<u>563</u>
<b>Expenditures</b>				
Current				
City administration	<u>10,800</u>	<u>10,800</u>	<u>6,636</u>	<u>4,164</u>
Total expenditures	<u>10,800</u>	<u>10,800</u>	<u>6,636</u>	<u>4,164</u>
Net Change in Fund Balance	(5,800)	(5,800)	(1,073)	4,727
Fund Balance -				
October 1 (Beginning)	<u>30,258</u>	<u>30,258</u>	<u>30,258</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 24,458</u>	<u>\$ 24,458</u>	<u>\$ 29,185</u>	<u>\$ 4,727</u>

City of Corinth, Texas  
County Child Safety Fund Comparison Schedule (Exhibit C-9)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Police fees and permits	\$ 27,000	\$ 27,000	\$ 28,160	\$ 1,160
Interest income	-	-	259	259
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>28,419</u>	<u>1,419</u>
<b>Expenditures</b>				
Current				
Public safety	<u>27,000</u>	<u>27,000</u>	<u>21,412</u>	<u>5,588</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>21,412</u>	<u>5,588</u>
Net Change in Fund Balance	-	-	7,007	7,007
Fund Balance -				
October 1 (Beginning)	<u>29,091</u>	<u>29,091</u>	<u>29,091</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 29,091</u>	<u>\$ 29,091</u>	<u>\$ 36,098</u>	<u>\$ 7,007</u>

City of Corinth, Texas  
Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-10)  
Year Ended September 30, 2020

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Traffic fines and forfeitures	\$ 12,800	\$ 12,800	\$ 11,535	\$ (1,265)
Interest income	-	-	986	986
Total revenues	<u>12,800</u>	<u>12,800</u>	<u>12,521</u>	<u>(279)</u>
<b>Expenditures</b>				
Current				
Community services	<u>29,700</u>	<u>29,700</u>	<u>4,864</u>	<u>24,836</u>
Total expenditures	<u>29,700</u>	<u>29,700</u>	<u>4,864</u>	<u>24,836</u>
Net Change in Fund Balance	(16,900)	(16,900)	7,657	24,557
Fund Balance -				
October 1 (Beginning)	<u>89,957</u>	<u>89,957</u>	<u>89,957</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 73,057</u>	<u>\$ 73,057</u>	<u>\$ 97,614</u>	<u>\$ 24,557</u>

City of Corinth, Texas  
Municipal Court Technology Fund Comparison Schedule (Exhibit C-11)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Traffic fines and forfeitures	\$ 17,000	\$ 17,000	\$ 15,531	\$ (1,469)
Interest income	-	-	309	309
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>15,840</u>	<u>(1,160)</u>
<b>Expenditures</b>				
Current				
Community services	<u>7,530</u>	<u>7,530</u>	<u>3,457</u>	<u>4,073</u>
Total expenditures	<u>7,530</u>	<u>7,530</u>	<u>3,457</u>	<u>4,073</u>
Excess (Deficiency) of Revenues over Expenditures	9,470	9,470	12,383	2,913
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(6,963)</u>	<u>(6,963)</u>	<u>(6,963)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,963)</u>	<u>(6,963)</u>	<u>(6,963)</u>	<u>-</u>
Net Change in Fund Balance	2,507	2,507	5,420	2,913
Fund Balance - October 1 (Beginning)	<u>29,501</u>	<u>29,501</u>	<u>29,501</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 32,008</u>	<u>\$ 32,008</u>	<u>\$ 34,921</u>	<u>\$ 2,913</u>

City of Corinth, Texas  
 Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-12)  
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 125	\$ 125
Miscellaneous income	25,750	25,750	-	(25,750)
Total revenues	<u>25,750</u>	<u>25,750</u>	<u>125</u>	<u>(25,625)</u>
Expenditures				
Current				
Public safety	25,750	25,750	-	25,750
Total expenditures	<u>25,750</u>	<u>25,750</u>	<u>-</u>	<u>25,750</u>
Net Change in Fund Balance	-	-	125	125
Fund Balance -				
October 1 (Beginning)	<u>3,480</u>	<u>3,480</u>	<u>3,480</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 3,480</u>	<u>\$ 3,480</u>	<u>\$ 3,605</u>	<u>\$ 125</u>

City of Corinth, Texas  
Parks Development Fund Budgetary Comparison Schedule (Exhibit C-13)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Donations	\$ -	\$ -	\$ 50,000	\$ 50,000
Interest income	-	-	3,197	3,197
Total revenues	<u>-</u>	<u>-</u>	<u>53,197</u>	<u>53,197</u>
<b>Expenditures</b>				
Current				
Community services	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(15,000)	(15,000)	38,197	53,197
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balance	35,000	35,000	38,197	3,197
Fund Balance - October 1 (Beginning)	<u>247,781</u>	<u>247,781</u>	<u>247,781</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 282,781</u>	<u>\$ 282,781</u>	<u>\$ 285,978</u>	<u>\$ 3,197</u>

City of Corinth, Texas  
Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-14)  
Year Ended September 30, 2020

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Parks and recreation fees	\$ 10,970	\$ 10,970	\$ 5,782	\$ (5,188)
Interest income	-	-	224	224
Total revenues	<u>10,970</u>	<u>10,970</u>	<u>6,006</u>	<u>(4,964)</u>
<b>Expenditures</b>				
Current				
Community services	<u>10,000</u>	<u>10,000</u>	<u>995</u>	<u>9,005</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>995</u>	<u>9,005</u>
Net Change in Fund Balance	970	970	5,011	4,041
Fund Balance -				
October 1 (Beginning)	<u>15,912</u>	<u>15,912</u>	<u>15,912</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 16,882</u>	<u>\$ 16,882</u>	<u>\$ 20,923</u>	<u>\$ 4,041</u>

City of Corinth, Texas  
 Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-15)  
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 3,260	\$ 3,260
Total revenues	<u>-</u>	<u>-</u>	<u>3,260</u>	<u>3,260</u>
Expenditures				
Current				
Community services	50,000	50,000	7,402	42,598
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>7,402</u>	<u>42,598</u>
Net Change in Fund Balance	(50,000)	(50,000)	(4,142)	45,858
Fund Balance -				
October 1 (Beginning)	<u>304,946</u>	<u>304,946</u>	<u>304,946</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 254,946</u>	<u>\$ 254,946</u>	<u>\$ 300,804</u>	<u>\$ 45,858</u>

City of Corinth, Texas  
Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-16)  
Year Ended September 30, 2020

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ 203,658	\$ 203,658
Interest income	-	-	12,454	12,454
Total revenues	<u>-</u>	<u>-</u>	<u>216,112</u>	<u>216,112</u>
Expenditures				
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	(25,000)	(25,000)	216,112	241,112
Fund Balance -				
October 1 (Beginning)	<u>175,617</u>	<u>175,617</u>	<u>175,617</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 150,617</u>	<u>\$ 150,617</u>	<u>\$ 391,729</u>	<u>\$ 241,112</u>

City of Corinth, Texas  
Debt Service Fund Budgetary Comparison Schedule (Exhibit C-17)  
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 2,682,781	\$ 2,682,781	\$ 2,680,972	\$ (1,809)
Interest Income	-	-	14,424	14,424
Total revenues	<u>2,682,781</u>	<u>2,682,781</u>	<u>2,695,396</u>	<u>12,615</u>
Expenditures				
Debt Service:				
Principal	1,531,162	1,531,162	1,531,162	-
Interest	1,390,519	1,390,519	1,386,781	3,738
Bond fees	10,000	10,000	1,314	8,686
Total expenditures	<u>2,931,681</u>	<u>2,931,681</u>	<u>2,919,257</u>	<u>12,424</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(248,900)</u>	<u>(248,900)</u>	<u>(223,861)</u>	<u>25,039</u>
Other Financing Sources (Uses)				
Transfers in	-	-	250,000	250,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Net Change in Fund Balance	(248,900)	(248,900)	26,139	275,039
Fund Balance - October 1 (Beginning)	<u>342,713</u>	<u>342,713</u>	<u>342,713</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 93,813</u>	<u>\$ 93,813</u>	<u>\$ 368,852</u>	<u>\$ 275,039</u>

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	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle and Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,204,402	\$ 149,596	\$ 434,747	\$ 278,253
Investments	1,004,414	-	-	-
Receivables (net of allowance)				
Interest	-	-	-	-
Miscellaneous	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,208,816</u>	<u>\$ 149,596</u>	<u>\$ 434,747</u>	<u>\$ 278,253</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,324	\$ 17,346	\$ -	\$ -
Total liabilities	<u>9,324</u>	<u>17,346</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	-	-	-	-
Committed	2,199,492	132,250	434,747	278,253
Unassigned	-	-	-	-
Total fund balances	<u>2,199,492</u>	<u>132,250</u>	<u>434,747</u>	<u>278,253</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,208,816</u>	<u>\$ 149,596</u>	<u>\$ 434,747</u>	<u>\$ 278,253</u>

City of Corinth, Texas  
 Combining Balance Sheet – Nonmajor Capital Projects Funds (Exhibit C-18)  
 September 30, 2020

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<u>Street Escrow</u>	<u>2016 CO Fund</u>	<u>2017 CO Fund</u>	<u>General Public Property for Capital Projects</u>	<u>LCFD Public Property</u>
\$ 158,220	\$ 781,622	\$ (208,010)	\$ -	\$ 6,309
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 158,220</u>	<u>\$ 781,622</u>	<u>\$ (208,010)</u>	<u>\$ -</u>	<u>\$ 6,309</u>
<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 26,538</u>	<u>\$ -</u>	<u>\$ -</u>
-	28	26,538	-	-
-	-	-	-	-
-	781,594	-	-	-
158,220	-	-	-	6,309
-	-	(234,548)	-	-
<u>158,220</u>	<u>781,594</u>	<u>(234,548)</u>	<u>-</u>	<u>6,309</u>
<u>\$ 158,220</u>	<u>\$ 781,622</u>	<u>\$ (208,010)</u>	<u>\$ -</u>	<u>\$ 6,309</u>

(continued on the following page)

	<u>General Public Property for Special Revenue</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 2,805,139
Investments	-	1,004,414
Receivables (net of allowance)		
Interest	-	-
Miscellaneous	-	-
	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 3,809,553</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 53,236
Total liabilities	<u>-</u>	<u>53,236</u>
<b>Fund Balances</b>		
Restricted	-	781,594
Committed	-	3,209,271
Unassigned	-	(234,548)
Total fund balances	<u>-</u>	<u>3,756,317</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 3,809,553</u>

(concluded)

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	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
<b>Revenues</b>				
Donations	\$ 180,000	\$ -	\$ -	\$ 1,077
Interest income	33,273	2,152	4,971	3,128
Miscellaneous	-	-	-	-
Total revenues	<u>213,273</u>	<u>2,152</u>	<u>4,971</u>	<u>4,205</u>
<b>Expenditures</b>				
Current				
Public safety	-	10,900	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Planning and community development	250,456	-	-	-
City administration	-	-	-	86,398
Debt service				
Principal	-	100,617	276,990	-
Interest	-	10,962	49,287	-
Capital outlay	1,046,652	48,579	7,276	-
Total expenditures	<u>1,297,108</u>	<u>171,058</u>	<u>333,553</u>	<u>86,398</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,083,835)</u>	<u>(168,906)</u>	<u>(328,582)</u>	<u>(82,193)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of capital leases	-	-	-	-
Proceeds from sale of capital assets	-	48,029	3,443	2,732
Transfers out	(533,618)	-	-	-
Transfers in	1,612,000	97,210	300,000	175,494
Total Other Financing Sources (Uses)	<u>1,078,382</u>	<u>145,239</u>	<u>303,443</u>	<u>178,226</u>
Net Change in Fund Balance	(5,453)	(23,667)	(25,139)	96,033
Fund Balance - October 1 (Beginning)	<u>2,204,945</u>	<u>155,917</u>	<u>459,886</u>	<u>182,220</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,199,492</u>	<u>\$ 132,250</u>	<u>\$ 434,747</u>	<u>\$ 278,253</u>

City of Corinth, Texas  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)  
 Year Ended September 30, 2020

Street Escrow	2016 CO Fund	2017 CO Fund	General Public Property for Capital Projects	LCFD Public Property
\$ -	\$ -	\$ 839,210	\$ -	\$ -
1,684	12,202	6,643	-	67
-	-	-	-	-
<u>1,684</u>	<u>12,202</u>	<u>845,853</u>	<u>-</u>	<u>67</u>
-	6,816	18,930	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	293,512	1,900,048	145,551	-
<u>-</u>	<u>300,328</u>	<u>1,918,978</u>	<u>145,551</u>	<u>-</u>
<u>1,684</u>	<u>(288,126)</u>	<u>(1,073,125)</u>	<u>(145,551)</u>	<u>67</u>
-	-	-	145,551	-
-	-	-	-	-
-	(9,674)	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(9,674)</u>	<u>-</u>	<u>145,551</u>	<u>-</u>
1,684	(297,800)	(1,073,125)	-	67
<u>156,536</u>	<u>1,079,394</u>	<u>838,577</u>	<u>-</u>	<u>6,242</u>
<u>\$ 158,220</u>	<u>\$ 781,594</u>	<u>\$ (234,548)</u>	<u>\$ -</u>	<u>\$ 6,309</u>

(continued on the following page)

City of Corinth, Texas  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)  
Year Ended September 30, 2020

	<u>General Public Property for Special Revenue</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>		
Donations	\$ -	\$ 1,020,287
Interest income	-	64,120
Miscellaneous	-	-
Total revenues	<u>-</u>	<u>1,084,407</u>
<b>Expenditures</b>		
Current		
Public safety	-	36,646
Community services	-	-
Public works	-	-
Planning and community development	-	250,456
City administration	-	86,398
Debt service		
Principal	-	377,607
Interest	-	60,249
Capital outlay	122,163	3,563,781
Total expenditures	<u>122,163</u>	<u>4,375,137</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(122,163)</u>	<u>(3,290,730)</u>
<b>Other Financing Sources (Uses)</b>		
Capital lease proceeds	122,163	267,714
Proceeds from sale of capital assets	-	54,204
Transfers out	-	(543,292)
Transfers in	-	2,184,704
Total Other Financing Sources (Uses)	<u>122,163</u>	<u>1,963,330</u>
Net Change in Fund Balance	-	(1,327,400)
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>5,083,717</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 3,756,317</u>

(concluded)

City of Corinth, Texas  
 Balance Sheet – Corinth Economic Development Corporation (Exhibit C-20)  
 September 30, 2020

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	<u>Corinth Economic Development Corporation</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 249,142
Investments	1,390,160
Receivables (net of allowance)	
Sales taxes	153,649
Interest	<u>1,822</u>
Total assets	<u><u>\$ 1,794,773</u></u>
<b>Liabilities</b>	
Accounts payable	61,315
Accrued liabilities	<u>21,253</u>
Total liabilities	<u><u>82,568</u></u>
<b>Fund Balances</b>	
Restricted for economic development	<u>1,712,205</u>
Total fund balances	<u><u>1,712,205</u></u>
Total liabilities and fund balances	<u><u>\$ 1,794,773</u></u>

City of Corinth, Texas  
 Reconciliation of the Balance Sheet of Corinth Economic Development Corporation to the Statement of Net  
 Position (Exhibit C-21)  
 September 30, 2020

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Total Fund Balances - CEDC	\$ 1,712,205
Amounts reported for CEDC in the statement of net position are different because:	
Capital assets used in CEDC are not current financial resources and therefore are not reported in the balance sheet.	2,954,666
Included in liabilities is the recognition of the Corporation's net pension liability in the amount of \$63,649, a deferred inflow of resources of \$18,067 and a deferred outflow of resources of \$18,675. This results in a decrease in net position.	(63,041)
Included in liabilities is the recognition of the Corporation's total OPEB liability in the amount of \$4,566, a deferred inflow of resources of \$592, and a deferred outflow of resources of \$1,161. This results in a decrease in net position.	<u>(3,997)</u>
Net Position of CEDC	<u><u>\$ 4,599,833</u></u>

City of Corinth, Texas  
Statement of Revenues, Expenditures and Changes in Fund Balance - Corinth Economic Development Corporation (Exhibit C-22)  
Year Ended September 30, 2020

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	<u>Corinth Economic Development Corporation</u>
Revenues	
Taxes	
Sales	\$ 886,192
Interest income	<u>12,205</u>
Total revenues	<u>898,397</u>
 Expenditures	
Current	
Planning and community development	<u>577,708</u>
Total expenditures	<u>577,708</u>
 Net Change in Fund Balance	 320,689
Fund Balance - October 1 (Beginning)	<u>1,391,516</u>
 Fund Balance - September 30 (Ending)	 <u><u>\$ 1,712,205</u></u>

City of Corinth, Texas  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Corinth Economic  
 Development Corporation to the Statement of Activities (Exhibit C-23)  
 Year Ended September 30, 2020

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Net Change in Fund Balances - CEDC	\$ 320,689
Amounts reported for CEDC in the statement of activities are different because:	
<p>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 \$13,525. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's pension expense must be recognized. These cause the change in net position to increase in the amount of \$11,066.</p>	2,459
<p>Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$111. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$515.</p>	(404)
Change in Net Position of CEDC	\$ 322,744

## **STATISTICAL SECTION**





## STATISTICAL SECTION

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

### Contents

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

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

<b>Governmental Activities</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Net Investment in Capital Assets	\$ 41,537,428	\$ 38,965,723	\$ 37,401,599	\$ 36,991,003
Restricted	2,400,976	2,614,336	3,776,495	4,078,719
Unrestricted	6,854,904	6,708,569	5,660,613	4,522,015
<b>Total Governmental Activities Net Position</b>	<b>\$ 50,793,308</b>	<b>\$ 48,288,628</b>	<b>\$ 46,838,707</b>	<b>\$ 45,591,737</b>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 19,490,897	\$ 21,783,319	\$ 21,661,416	\$ 21,552,151
Restricted	-	-	-	-
Unrestricted	5,858,618	6,216,578	6,897,008	6,250,406
<b>Total Business-Type Activities Net Position</b>	<b>\$ 25,349,515</b>	<b>\$ 27,999,897</b>	<b>\$ 28,558,424</b>	<b>\$ 27,802,557</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 61,028,325	\$ 60,749,042	\$ 59,063,015	\$ 58,543,154
Restricted	2,400,976	2,614,336	3,776,495	4,078,719
Unrestricted	12,713,522	12,925,147	12,557,621	10,772,421
<b>Total Primary Government Net Position</b>	<b>\$ 76,142,823</b>	<b>\$ 76,288,525</b>	<b>\$ 75,397,131</b>	<b>\$ 73,394,294</b>

Note:  
Governmental Activities:  
2012 restated for implementation of GASB 63 and GASB 65.  
2015 restated for implementation of GASB 68.

Business-type Activities:  
2012 restated for implementation of GASB 63 and GASB 65.  
2015 restated for implementation of GASB 68.

**TABLE D-1**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 37,162,807	\$ 35,967,465	\$ 35,025,019	\$ 35,039,143	\$ 33,452,733	\$ 34,592,990
1,066,371	1,759,359	2,600,794	2,830,975	3,031,918	3,314,583
1,767,508	1,817,109	3,328,479	3,038,070	3,584,935	4,478,248
<b>\$ 39,996,686</b>	<b>\$ 39,543,933</b>	<b>\$ 40,954,292</b>	<b>\$ 40,908,188</b>	<b>\$ 40,069,586</b>	<b>\$ 42,385,821</b>
\$ 21,568,651	\$ 21,537,921	\$ 21,633,740	\$ 23,453,132	\$ 24,556,072	\$ 23,942,064
645,963	647,502	1,127,099	1,295,181	1,162,172	792,236
4,856,975	4,285,029	5,523,850	5,059,830	5,471,344	5,572,010
<b>\$ 27,071,589</b>	<b>\$ 26,470,452</b>	<b>\$ 28,284,689</b>	<b>\$ 29,808,143</b>	<b>\$ 31,189,588</b>	<b>\$ 30,306,310</b>
\$ 58,731,458	\$ 57,505,386	\$ 56,658,759	\$ 58,492,275	\$ 58,008,805	\$ 58,535,054
1,712,334	2,406,861	3,727,893	4,126,156	4,194,090	4,106,819
6,624,483	6,102,138	8,852,329	8,097,900	9,056,279	10,050,258
<b>\$ 67,068,275</b>	<b>\$ 66,014,385</b>	<b>\$ 69,238,981</b>	<b>\$ 70,716,331</b>	<b>\$ 71,259,174</b>	<b>\$ 72,692,131</b>

**CITY OF CORINTH, TEXAS**

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

*LAST TEN FISCAL YEARS*

*(ACCRUAL BASIS OF ACCOUNTING)*

*(Unaudited)*

<b>Expenses</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Governmental Activities:</b>				
Public Safety	\$ 7,454,086	\$ 7,769,391	\$ 8,188,441	\$ 8,558,062
Community Services	1,713,873	1,729,610	1,740,402	1,735,618
Public Works	4,268,961	4,829,902	4,726,964	4,655,417
Planning & Development	709,683	730,829	731,234	715,554
City Administration	1,663,492	1,607,926	1,631,852	1,854,669
Financial Services	634,749	655,335	662,238	665,351
Interest on Long-Term Debt	809,445	821,597	743,848	702,883
<b>Total Governmental Activities Expenses</b>	<b>17,254,289</b>	<b>18,144,590</b>	<b>18,424,979</b>	<b>18,887,554</b>
<b>Business-Type Activities:</b>				
Water & Wastewater	9,981,826	10,198,636	10,429,711	10,645,670
Storm Water Utility	449,894	520,098	515,487	571,624
<b>Total Business-Type Activities Expenses</b>	<b>10,431,720</b>	<b>10,718,734</b>	<b>10,945,198</b>	<b>11,217,294</b>
<b>Total Primary Government Expenses</b>	<b>\$ 27,686,009</b>	<b>\$ 28,863,324</b>	<b>\$ 29,370,177</b>	<b>\$ 30,104,848</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
Public Safety	\$ 3,218,248	\$ 3,036,630	\$ 3,316,940	\$ 3,595,280
Community Services	305,958	318,297	312,490	377,982
Public Works	340,413	72,087	25,895	111,242
Planning & Development	564,447	364,980	342,817	488,706
City Administration	-	-	-	94,979
Finance Services	177,273	88,599	-	-
Operating Grants & Contributions	152,477	101,458	144,879	284,954
Capital Grants & Contributions	858,404	944,835	551,016	-
<b>Total Governmental Activities Program</b>	<b>5,617,220</b>	<b>4,926,886</b>	<b>4,694,037</b>	<b>4,953,143</b>
<b>Business-Type Activities:</b>				
<b>Charges for Services:</b>				
Water & Wastewater	12,221,335	11,715,891	11,582,827	10,648,512
Storm Water Utility	552,916	655,400	667,215	680,128
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	1,303,744	581,490	192,927	176,068
<b>Total Business-Type Activities Program</b>	<b>14,077,995</b>	<b>12,952,781</b>	<b>12,442,969</b>	<b>11,504,708</b>
<b>Total Primary Government Program</b>	<b>\$ 19,695,215</b>	<b>\$ 17,879,667</b>	<b>\$ 17,137,006</b>	<b>\$ 16,457,851</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)	\$ (13,934,411)
Business-Type Activities	3,646,275	2,234,047	1,497,771	287,414
<b>Total Primary Government Net Expense</b>	<b>\$ (7,990,794)</b>	<b>\$ (10,983,657)</b>	<b>\$ (12,233,171)</b>	<b>\$ (13,646,997)</b>

**Note:**

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

TABLE D-2

	2015	2016	2017	2018	2019	2020
\$	8,937,222	\$ 9,331,392	\$ 10,464,824	\$ 12,945,976	\$ 13,272,969	\$ 11,917,879
	1,855,018	1,734,299	1,533,030	1,511,542	1,445,580	1,612,246
	4,661,909	4,471,115	4,534,197	1,595,297	2,915,701	4,425,877
	860,549	1,013,413	857,360	1,034,510	1,169,750	1,229,618
	1,873,459	2,032,778	1,940,255	2,128,443	2,660,731	2,592,272
	746,482	878,384	888,324	886,880	1,026,613	1,105,611
	613,346	747,838	844,665	828,591	1,201,636	1,126,076
	19,547,985	20,209,219	21,062,655	20,931,239	23,692,980	24,009,579
	11,107,570	12,157,058	12,098,839	12,342,091	12,540,351	13,227,342
	540,217	525,740	517,412	560,241	664,736	678,058
	11,647,787	12,682,798	12,616,251	12,902,332	13,205,087	13,905,400
\$	31,195,772	\$ 32,892,017	\$ 33,678,906	\$ 33,833,571	\$ 36,898,067	\$ 37,914,979
\$	3,516,328	\$ 3,960,494	\$ 3,934,109	\$ 3,351,543	\$ 4,557,446	\$ 3,533,674
	230,940	206,560	210,498	234,622	353,124	102,516
	209,723	59,205	156,559	207,711	554,556	203,658
	647,336	540,906	1,200,712	749,678	475,134	664,502
	92,142	105,401	93,302	83,042	54,317	100,472
	-	-	-	-	-	-
	299,613	189,114	97,506	277,286	370,016	1,528,396
	380,748	332,872	1,630,239	1,266,428	810,401	1,258,616
	5,376,830	5,394,552	7,322,925	6,170,310	7,174,994	7,391,834
	10,991,068	11,047,722	11,332,588	13,152,059	12,250,426	12,662,764
	692,943	703,783	727,197	719,458	727,497	737,609
	-	-	-	-	-	-
	607,013	1,448,393	2,997,195	937,813	1,320,436	1,073,307
	12,291,024	13,199,898	15,056,980	14,809,330	14,298,359	14,473,680
\$	17,667,854	\$ 18,594,450	\$ 22,379,905	\$ 20,979,640	\$ 21,473,353	\$ 21,865,514
\$	(14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,517,986)	\$ (16,617,745)
	643,237	517,100	2,440,729	1,906,998	1,093,272	568,280
\$	(13,527,918)	\$ (14,297,567)	\$ (11,299,001)	\$ (12,853,931)	\$ (15,424,714)	\$ (16,049,465)

**CITY OF CORINTH, TEXAS**

*GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION*

*LAST TEN FISCAL YEARS*

*(ACCRUAL BASIS OF ACCOUNTING)*

*(Unaudited)*

<b>Net (Expense)/Revenue</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Governmental Activities	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)	\$ (13,934,411)
Business-Type Activities	3,646,275	2,234,047	1,497,771	287,414
Total Primary Government Net Expense	(7,990,794)	(10,983,657)	(12,233,171)	(13,646,997)

**General Revenues and Other Changes in Net Position**

Governmental Activities:

Taxes

Property Taxes	8,236,635	8,292,788	8,501,824	8,674,195
Sales Taxes	1,591,901	1,689,889	1,728,567	1,822,924
Franchise Taxes	1,083,786	1,065,097	967,846	1,039,646
Hotel Occupancy Taxes	-	-	-	-

Miscellaneous	34,555	143,809	38,121	13,925
Investment Earnings	98,471	63,010	49,427	53,968

Gain (Loss) on sale of Capital Assets - - - -

Special Item Outflow (700,000) (134,385) 8,556 -

Transfers 2,734,363 (269,093) 986,679 1,082,783

Total Governmental Activities 13,079,711 10,851,115 12,281,020 12,687,441

Business-Type Activities:

Miscellaneous 31,858 11,738 5,145 10,216

Investment Earnings 75,308 59,488 42,290 29,280

Gain (Loss) on sale of Capital Assets - - - -

Special Item Outflow 700,000 134,385 - -

Transfers (2,734,363) 269,093 (986,679) (1,082,783)

Total Business-Type Activities (1,927,197) 474,704 (939,244) (1,043,287)

Total Primary Government \$ 11,152,514 \$ 11,325,819 \$ 11,341,776 \$ 11,644,154

**Change in Net Position**

Governmental Activities 1,442,642 (2,366,589) (1,449,922) (1,246,970)

Business-Type Activities 1,719,078 2,708,751 558,527 (755,873)

Total Primary Government \$ 3,161,720 \$ 342,162 \$ (891,395) \$ (2,002,843)

Note:

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

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

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

TABLE D-3

	2015	2016	2017	2018	2019	2020
\$	(14,171,155)	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,517,986)	\$ (16,617,745)
	643,237	517,100	2,440,729	1,906,998	1,093,272	568,280
	(13,527,918)	(14,297,567)	(11,299,001)	(12,853,931)	(15,424,714)	(16,049,465)
	9,291,409	9,663,535	10,629,143	10,587,532	11,514,505	12,974,859
	1,889,020	2,023,059	2,253,805	2,370,316	2,463,471	2,635,407
	1,074,217	1,068,910	1,073,789	1,120,653	1,083,553	1,195,130
	67,833	79,007	77,673	61,181	82,835	71,707
	45,685	237,674	204,231	251,014	(806)	10,436
	55,043	87,433	228,971	57,042	455,456	335,182
	14,712	43,222	3,497	94,205	-	54,204
	-	-	-	-	-	-
	778,956	1,159,074	678,980	498,018	80,370	1,657,055
	13,216,875	14,361,914	15,150,089	15,039,961	15,679,384	18,933,980
	(391)	4,741	7,600	94,664	28,674	1,269
	18,423	26,328	43,692	6,748	263,798	203,839
	5,333	9,768	1,196	42,141	76,071	389
	-	-	-	-	-	-
	(778,956)	(1,159,074)	(678,980)	(498,018)	(80,370)	(1,657,055)
	(755,591)	(1,118,237)	(626,492)	(354,465)	288,173	(1,451,558)
\$	12,461,284	\$ 13,243,677	\$ 14,523,597	\$ 14,685,496	\$ 15,967,557	\$ 17,482,422
	(954,280)	(452,753)	1,410,359	279,032	(838,602)	2,316,235
	(112,354)	(601,137)	1,814,237	1,552,533	1,381,445	(883,278)
\$	(1,066,634)	\$ (1,053,890)	\$ 3,224,596	\$ 1,831,565	\$ 542,843	\$ 1,432,957

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

<b>General Fund</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Reserved	\$ -	\$ -	\$ -	\$ -
Non-Spendable	216,714	207,875	211,465	222,652
Unreserved	-	-	-	-
Unassigned	4,552,509	5,246,829	3,950,657	3,587,445
<b>Total General Fund</b>	<b>\$ 4,769,223</b>	<b>\$ 5,454,704</b>	<b>\$ 4,162,122</b>	<b>\$ 3,810,097</b>

**All Other Governmental Funds**

Reserved	\$ -	\$ -	\$ -	\$ -
Restricted	4,427,759	2,304,546	2,199,692	1,143,608
Committed	1,170,771	1,885,185	3,286,748	4,067,270
Unreserved, Reported In:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned	(268,858)	(351,404)	(441,149)	(579,436)
<b>Total all other Governmental Funds</b>	<b>\$ 5,329,672</b>	<b>\$ 3,838,327</b>	<b>\$ 5,045,291</b>	<b>\$ 4,631,442</b>

Note:  
GASB 54 was implemented in 2011.

**TABLE D-4**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	-	-	-	-	-	-
	244,486	439,146	195,750	251,776	155,611	143,205
	-	-	-	-	-	-
	3,482,449	3,295,962	5,243,056	5,184,229	4,929,660	6,278,671
<b>\$</b>	<b>3,726,935</b>	<b>\$ 3,735,108</b>	<b>\$ 5,438,806</b>	<b>\$ 5,436,005</b>	<b>\$ 5,085,271</b>	<b>\$ 6,421,876</b>

\$	-	-	-	-	-	-
	1,155,506	13,370,197	14,479,349	5,873,511	16,539,952	19,529,962
	2,946,280	2,623,387	2,703,352	3,156,896	3,485,998	3,570,833
	-	-	-	-	-	-
	-	-	-	-	-	-
	(480,444)	(442,236)	(298,848)	(389,299)	-	(234,548)
<b>\$</b>	<b>3,621,342</b>	<b>\$ 15,551,348</b>	<b>\$ 16,883,853</b>	<b>\$ 8,641,108</b>	<b>\$ 20,025,950</b>	<b>\$ 22,866,247</b>

**CITY OF CORINTH, TEXAS**

*CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS*

*LAST TEN FISCAL YEARS*

*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

*(Unaudited)*

<b>Revenues</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Taxes	\$ 10,911,621	\$ 11,048,433	\$ 11,210,497	\$ 11,538,485
Licenses, Fees and Permits	1,091,761	661,689	285,165	903,407
Fines & Penalties	634,141	577,101	974,231	723,174
Charges for Services	2,547,590	2,531,739	2,534,668	2,826,329
Investment Earnings	98,470	63,010	49,427	53,967
Donations	1,012,607	947,567	571,827	89,514
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Other Revenues	160,522	205,271	190,849	82,083
<b>Total Revenues</b>	<b>16,456,712</b>	<b>16,034,810</b>	<b>15,816,664</b>	<b>16,216,959</b>
<b>Expenditures</b>				
Public Safety	8,073,621	7,520,802	8,393,476	9,422,471
Community Services	1,752,265	1,794,276	2,113,911	2,405,814
Public Works	1,640,574	1,222,644	878,847	1,483,829
Planning & Development	699,586	751,109	727,249	718,253
City Administration	1,454,431	1,444,883	1,591,760	1,636,334
Finance Services	614,157	641,484	655,646	652,321
General Government	-	-	-	-
Capital Outlay	5,122,041	890,602	27,648	-
Debt Service				
Principal	1,456,375	1,534,125	1,743,686	1,892,482
Interest	847,405	813,965	756,738	694,004
Bond Issuance Costs	-	-	-	-
<b>Total Expenditures</b>	<b>21,660,455</b>	<b>16,613,890</b>	<b>16,888,961</b>	<b>18,905,508</b>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Bond Premium/Discount	-	-	-	-
Capital Lease	-	-	-	-
Sale of Capital Assets	-	42,309	-	839,890
Transfers In/Out	2,734,363	(269,093)	986,679	1,082,783
<b>Total Other Financing Sources (Uses)</b>	<b>2,734,363</b>	<b>(226,784)</b>	<b>986,679</b>	<b>1,922,673</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,469,380)</b>	<b>\$ (805,864)</b>	<b>\$ (85,618)</b>	<b>\$ (765,876)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>15.51%</b>	<b>15.68%</b>	<b>18.23%</b>	<b>16.04%</b>

The Debt Service ratio to noncapital expenditures is calculated by dividing debt service expenditures (principal, interest, and bond issuance cost) by noncapital expenditures (Exhibit A-6).

**TABLE D-5**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	12,329,258	\$ 12,807,008	\$ 14,034,768	\$ 14,100,926	\$ 15,198,411	\$ 16,817,677
	1,050,172	797,332	1,557,520	1,170,581	1,366,719	957,010
	682,284	712,852	619,747	758,997	1,240,152	1,194,517
	3,132,880	3,159,963	3,063,911	3,325,163	2,709,304	2,679,874
	55,043	87,433	204,231	251,014	455,456	335,182
	96,633	186,220	94,185	1,542,462	556,586	1,095,664
	-	-	-	-	-	-
	-	-	-	-	-	-
	123,070	292,949	324,855	352,973	410,223	1,479,848
	<b>17,469,340</b>	<b>18,043,757</b>	<b>19,899,217</b>	<b>21,502,116</b>	<b>21,936,851</b>	<b>24,559,772</b>
	9,167,774	9,702,983	9,234,496	10,620,034	10,441,255	10,668,378
	1,765,661	1,507,526	1,353,153	1,428,385	1,447,632	1,457,005
	2,600,403	1,721,981	1,086,857	886,891	1,151,389	1,356,060
	871,281	981,151	874,835	1,040,104	1,129,699	1,205,791
	1,766,937	2,173,809	1,777,956	2,114,840	2,526,410	2,391,519
	732,037	862,114	862,354	893,640	1,014,807	1,108,038
	-	-	-	-	-	-
	-	3,727,303	4,958,837	7,965,300	2,649,662	4,394,655
	-	-	-	-	-	-
	1,836,489	1,806,587	1,542,615	1,375,785	1,769,461	2,044,146
	627,358	784,585	1,109,103	1,064,269	981,456	1,474,914
	-	-	232,870	10,440	164,276	1,314
	<b>19,367,940</b>	<b>23,268,039</b>	<b>23,033,076</b>	<b>27,399,688</b>	<b>23,276,047</b>	<b>26,101,820</b>
	-	17,116,713	13,017,245	-	10,754,800	-
	-	(1,179,213)	(7,542,236)	-	-	-
	-	-	-	-	608,543	-
	-	-	-	-	800,928	267,714
	26,382	65,887	16,073	182,498	128,663	54,204
	778,956	1,159,074	678,980	(2,373,559)	80,370	5,397,032
	<b>805,338</b>	<b>17,162,461</b>	<b>6,170,062</b>	<b>(2,191,061)</b>	<b>12,373,304</b>	<b>5,718,950</b>
\$	<b>(1,093,262)</b>	\$ <b>11,938,179</b>	\$ <b>3,036,203</b>	\$ <b>(8,088,633)</b>	\$ <b>11,034,108</b>	\$ <b>4,176,902</b>
	15.03%	15.45%	17.73%	13.27%	14.41%	16.29%

**CITY OF CORINTH, TEXAS**

**TABLE D-6**

*TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS*

*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales &amp; Hotel Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
2011	8,235,934	1,591,901	1,083,786	10,911,621
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
<b>Percent Change</b> 2011-2020	57.33%	70.06%	6.37%	54.13%

**CITY OF CORINTH, TEXAS**

**TABLE D-7**

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Taxable Assessed Value as a Percent of Actual Taxable Value</b>
2011	1,252,309,929	234,688,468	96,489,458	1,390,508,939	0.59292	1,390,508,939	100.00%
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.00%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.00%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.00%
2015	1,267,097,852	326,129,542	59,168,386	1,534,059,008	0.59489	1,652,395,780	92.84%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%

Source: Denton Central Appraisal District.

**CITY OF CORINTH, TEXAS**

**TABLE D-8**

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

Fiscal Year	City Property Tax Rate			Overlapping Rates			
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2011	0.44946	0.14346	0.59292	1.53000	1.67000	0.15000	0.27740
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	-	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	-	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	-	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	-	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	-	0.22528

Source: Denton County Appraisal District

**CITY OF CORINTH, TEXAS**

**TABLE D-9**

*PRINCIPAL PROPERTY TAXPAYERS*

*CURRENT YEAR AND NINE YEARS AGO*

<b>Taxpayer</b>	<b>2020</b>			<b>2011</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percent of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percent of Total City Taxable Assessed Value</b>
Oxford 2181 Inc	36,000,000	1	1.53%			
Boulevard 2010 LLC	28,369,309	2	1.21%			
Millennium Place LP	25,003,859	3	1.07%			
Denton County Electric Coop	25,275,228	4	1.08%	15,086,139	2	1.08%
Pinnell Square LP	10,056,586	5	0.43%			
Oncor Electric Delivery Co	16,325,810	6	0.70%	11,715,900	3	0.84%
Atmos Energy/Mid-Tex Distribution	9,215,220	7	0.39%			
Destiney Dallas LP P/S	8,751,577	8	0.37%			
Tower Ridge Corinth I, LTD	11,363,745	9	0.48%	6,299,659	5	0.45%
Utter Properties, LLC	8,415,323	10	0.36%	7,083,457	4	0.51%
Kensington Square LP PS				4,850,000	9	0.35%
Med Partners Management LLS				16,450,000	1	1.18%
North Texas Nissan Realty, Inc				4,968,688	8	0.36%
HD Supply Utilities LTD #3430				5,685,721	6	0.41%
Utter, Bill				5,139,593	7	0.37%
Dallas GSGS Properties LLC				4,523,428	10	0.33%
<b>Total</b>	<b>\$ 178,776,657</b>		<b>7.62%</b>	<b>\$ 81,802,585</b>		<b>5.88%</b>

Source: Denton Central Appraisal District

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

**TABLE D-10**

<b>Fiscal Year Ended September 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2011	8,222,763	8,121,978	98.77%	98,294	8,220,272	99.97%
2012	8,300,538	8,207,634	98.88%	90,365	8,297,999	99.97%
2013	8,453,267	8,425,528	99.67%	25,168	8,450,696	99.97%
2014	8,663,332	8,630,897	99.63%	29,985	8,660,882	99.97%
2015	9,187,621	9,160,871	99.71%	22,920	9,183,791	99.96%
2016	9,594,646	9,568,054	99.72%	21,353	9,589,407	99.95%
2017	10,467,690	10,432,195	99.66%	30,074	10,462,269	99.95%
2018	10,503,022	10,472,993	99.71%	22,828	10,495,821	99.93%
2019	11,487,858	11,458,626	99.75%	16,090	11,474,716	99.89%
2020	12,930,801	12,883,707	99.64%	-	12,883,707	99.64%

**Note:**

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

Source: Denton County Tax Office

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

**TABLE D-11**

<b>Fiscal Year</b>	<b>Corinth Direct Sales Tax Rate</b>	<b>Corinth Street Maintenance Sales Tax</b>	<b>Economic Development Sec. 4(B) Sales Tax</b>	<b>Corinth Crime Control &amp; Prevention Sales Tax</b>
2011	1.00%	0.25%	0.50%	0.25%
2012	1.00%	0.25%	0.50%	0.25%
2013	1.00%	0.25%	0.50%	0.25%
2014	1.00%	0.25%	0.50%	0.25%
2015	1.00%	0.25%	0.50%	0.25%
2016	1.00%	0.25%	0.50%	0.25%
2017	1.00%	0.25%	0.50%	0.25%
2018	1.00%	0.25%	0.50%	0.25%
2019	1.00%	0.25%	0.50%	0.25%
2020	1.00%	0.25%	0.50%	0.25%

Source: City of Corinth Finance department

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

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Construction	942,329	2,146,600	2,781,669	2,318,987
Manufacturing	738,294	484,720	442,231	626,667
Utilities	90,939,863	82,316,673	92,911,304	109,928,880
Wholesale Trade	4,319,250	2,532,277	3,100,915	3,088,654
Retail Trade	22,852,835	26,103,441	26,504,414	27,888,328
Services	5,710,772	6,865,632	6,730,599	7,243,623
Other	21,602,742	23,290,303	24,190,424	24,648,881
<b>Total</b>	<b>147,106,085</b>	<b>143,739,646</b>	<b>156,661,556</b>	<b>175,744,020</b>
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

**Note:**

Sales tax for 2020 reports first two quarters only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

**TABLE D-12**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
4,309,632	4,700,702	3,994,986	2,328,556	3,216,574	1,771,296
481,999	753,527	614,605	1,253,393	2,049,745	343,519
110,581,672	104,636,898	115,420,823	125,970,925	129,198,459	56,397,438
7,617,017	7,302,049	10,649,928	8,692,469	7,471,542	1,814,747
29,287,734	30,504,049	33,210,828	34,016,051	35,051,549	15,914,999
7,228,816	7,686,622	7,466,146	8,497,374	8,194,907	3,416,711
25,034,737	25,575,315	27,498,369	34,467,334	35,920,833	17,794,874
<b>184,541,607</b>	<b>181,159,162</b>	<b>198,855,685</b>	<b>215,226,102</b>	<b>221,103,609</b>	<b>97,453,584</b>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**CITY OF CORINTH, TEXAS**

**TABLE D-13**

*RATIOS OF OUTSTANDING DEBT BY TYPE*

*LAST TEN FISCAL YEARS*

Fiscal Year	General Bonded Debt			Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Other Governmental Activities Debt	
	General Obligation Bonds	Certificates of Obligation/Tax Notes	Total Tax Supported Debt			Capital Leases	
2011	9,082,075	10,860,931	19,943,006	1.43%	988	-	
2012	8,004,950	9,309,385	17,314,335	1.24%	848	-	
2013	6,887,875	8,682,775	15,570,650	1.11%	756	-	
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058	
2015	4,611,500	7,388,904	12,000,404	0.78%	573	683,391	
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191	
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345	

Fiscal Year	Business-Type Activities				Capital Leases	Total Primary Government	Per Capita Primary Government	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total					
2011	1,777,925	10,509,069	12,286,994	-	-	32,230,000	1,597	4.30%
2012	1,625,050	11,060,615	12,685,665	-	-	30,000,000	1,469	4.15%
2013	1,467,125	10,492,224	11,959,349	-	-	27,529,999	1,337	3.67%
2014	1,307,000	9,898,002	11,205,002	-	-	25,723,058	1,235	3.30%
2015	1,063,500	9,341,096	10,404,596	-	-	23,088,391	1,102	2.87%
2016	816,075	8,752,609	9,568,684	-	-	34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237		51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982		52,405,412	2,365	5.95%

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

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

**TABLE D-14**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificate Obligation Bonds</b>	<b>Total General Bonded Debt</b>	<b>Percent of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2011	10,860,000	21,370,000	32,230,000	2.32%	1,597
2012	9,630,000	20,370,000	30,000,000	2.16%	1,469
2013	8,355,000	19,174,999	27,529,999	1.97%	1,337
2014	7,045,000	17,920,000	24,965,000	1.74%	1,199
2015	5,675,000	16,730,000	22,405,000	1.36%	1,069
2016	4,275,000	28,854,997	33,129,997	1.87%	1,572
2017	15,695,000	20,963,571	36,658,571	1.86%	1,724
2018	13,465,003	18,270,001	31,735,004	1.48%	1,489
2019	11,250,003	37,375,001	48,625,004	2.07%	2,229
2020	9,440,002	40,728,083	50,168,085	1.94%	2,264

Source: City of Corinth Finance department

**CITY OF CORINTH, TEXAS**  
*LEGAL DEBT MARGIN INFORMATION*  
*LAST TEN FISCAL YEARS*

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Debt Limit	\$ 139,050,693	\$ 139,178,661	\$ 139,721,850	\$ 143,078,278
Total Net Debt Applicable to Limit	28,552,904	28,999,184	26,529,182	24,636,963
Legal Debt Margin	\$ 110,497,789	\$ 110,179,477	\$ 113,192,668	\$ 118,441,315
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	20.53%	20.84%	18.99%	17.22%

Source: City of Corinth Finance department

TABLE D-15

2015	2016	2017	2018	2019	2020
\$ 165,239,578	\$ 163,852,059	\$ 179,938,315	\$ 195,265,479	\$ 215,928,128	\$ 234,613,074
22,180,581	32,782,746	33,639,319	31,435,810	48,282,291	49,799,233
\$ 143,058,997	\$ 131,069,313	\$ 146,298,996	\$ 163,829,669	\$ 167,645,837	\$ 184,813,841
13.42%	20.01%	18.69%	16.10%	22.36%	21.23%

Assessed Value	\$ 2,346,130,738
Debt Limit (10% of Assessed Value)	234,613,074
Debt Applicable to Limit:	
Total Debt Outstanding	50,168,085
Less: Amount Set Aside for	<u>368,852</u>
Total Net Debt applicable to Limit	<u>49,799,233</u>
Legal Debt Margin	<u><u>\$ 184,813,841</u></u>

**CITY OF CORINTH, TEXAS**  
**DIRECT AND OVERLAPPING**  
**GOVERNMENTAL ACTIVITIES DEBT**

**TABLE D-16**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percent Applicable (1)</b>	<b>Estimated Share of Direct &amp; Overlapping Debt</b>
Debt Repaid With Property Taxes			
Denton Co.	\$ 611,835,000	2.12%	\$ 12,970,902
Denton ISD	1,368,646,088	6.11%	\$ 83,624,276
Lake Dallas ISD	149,857,192	45.81%	\$ 68,649,580
Subtotal, Overlapping Debt			165,244,758
City Direct Debt (2)			38,505,726
Total Direct and Overlapping Debt			\$ 203,750,484
Total Direct and Overlapping Debt % of AV			8.68%
Total Direct and Overlapping Debt per Capita			\$ 9,195

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Does not include self-supporting debt.

**CITY OF CORINTH, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

**TABLE D-17**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Population [1]	20,177	20,424	20,597	20,824	20,957	21,078	21,269	21,320	21,819	22,160
Median Household Income [2]	99,127	101,176	104,211	106,877	109,543	112,169	114,412	117,180	120,142	113,483
Per Capita Personal Income	37,135	35,388	36,450	37,411	38,372	39,357	40,144	40,683	41,616	39,723
Median Age	33	36	36	36	36	36	36	36	37	37.5
Education Level [3]										
School Enrollment	3,338	3,533	3,398	3,490	3,582	3,408	3,514	3,547	3,506	3,541
High school graduate or higher	96%	96%	97%	97%	97%	97%	96%	96%	93%	92.9%
Bachelor's degree or higher	42%	43%	40%	42%	42%	40%	40%	40%	39%	41.7%
Unemployment [4]	6.60%	5.70%	5.30%	4.40%	4.40%	3.80%	3.10%	2.90%	3.00%	6.60%

[1] The figure for 2019 are an estimate based on current trends.

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

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

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

Source: City of Corinth Economic Development

TABLE D-18

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

	2020			2011		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
CoServ	710	1	10.97%	350	3	8.07%
North Central Texas College	671	2	10.36%	382	2	8.81%
Lake Dallas ISD	209	3	3.23%			
Denton ISD	190	4	2.93%			
City of Corinth	173	5	2.67%	154	4	3.55%
Bill Utter Ford	131	6	2.02%	114	7	2.63%
Albertsons	120	7	1.85%	115	6	2.65%
Denton Area Teachers Credit Union	116	8	1.79%			
Huffines Kia and Subaru	105	9	1.62%			
Oakmont Country Club	90	10	1.39%			
Gunn Nissan						
Labinal				720	1	16.60%
Atrium Hospital				220	5	5.07%
Ashton Gardens				40	8	0.92%
Harley Davidson				37	9	0.85%
<b>Total</b>	<b>2,515</b>		<b>38.84%</b>	<b>2,132</b>		<b>49.15%</b>

Source: City of Corinth Economic Development

**CITY OF CORINTH, TEXAS**

**TABLE D-19**

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

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	1.00	1.00	-	-	-	-	-	-	-	-
Police	28.00	28.00	31.00	32.00	33.00	34.00	35.00	35.00	37.00	39.00
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00	-	-
Lake Cities Fire Department	41.00	40.00	40.00	41.00	41.00	41.00	44.00	53.00	53.00	53.00
Streets	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
Community Development	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Planning	4.00	3.00	4.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Municipal Court	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00
Parks & Recreation	17.80	17.50	17.50	16.00	16.00	14.00	9.00	11.00	11.00	11.00
Finance	6.50	6.50	6.50	7.50	7.50	7.50	7.50	6.50	6.50	7.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Information Services	2.50	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
<b>Water/Wastewater Fund</b>										
Water/Wastewater	21.00	21.00	21.00	21.00	22.00	22.00	19.00	19.00	19.00	19.00
Engineering	-	-	-	-	-	-	4.00	4.00	4.00	4.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Storm Drainage Fund</b>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Corinth Economic Development Corp.</b>	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Crime Control District Fund</b>	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Child Safety Program Fund</b>	0.34	0.34	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Court Security Fund</b>	-	-	-	-	0.50	0.50	-	-	-	0.50
<b>Total</b>	<b>158.64</b>	<b>156.84</b>	<b>159.00</b>	<b>162.50</b>	<b>163.00</b>	<b>163.00</b>	<b>162.00</b>	<b>174.00</b>	<b>174.00</b>	<b>178.00</b>

Source: City of Corinth Adopted Budget.

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

**TABLE D-20**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>										
New Single Family Home Building Permits	32	18	18	23	47	53	63	75	39	49
New Commercial Building Permits	2	2	-	4	5	7	13	4	9	2
<b>Police</b>										
Physical Arrests	410	349	316	304	329	426	513	458	290	427
Parking Violations	38	14	3	7	22	-	-	-	-	-
Traffic Violations	5,544	5,787	7,021	7,436	7,196	6,013	6,573	7,158	5,848	4,526
<b>Fire</b>										
Emergency Responses	2,600	2,655	2,889	3,164	3,372	3,475	3,237	3,246	3,546	3,467
Structure Fires Extinguished	66	49	36	21	18	37	26	34	43	46
Inspections	395	180	621	434	204	403	403	490	641	655
<b>Other Public Works</b>										
Street Resurfacing (miles)	2.7	1.5	<1	<1	<1	<1	<1	<1	<1	<1
Potholes Repaired	1,160	2,948	120	77	244	126	96	226	200	96
<b>Parks and Recreation</b>										
Classes offered (hours)	454	273	286	437	310	72	68	60	72	32
Participants	4,105	1,936	2,225	3,822	6,609	320	224	208	315	120
Special events (hours)	4,484	1,054	2,381	3,432	2,699	3,530	3,378	3,773	3,197	107
Class Participants	39,567	8,312	4,714	5,185	2,394	3,375	3,209	3,315	3,040	122
Association Participants	126,940	25,236	20,327	18,806	29,792	26,766	21,012	-	-	-
Athletic League Participants	-	67,056	32,022	22,944	7,936	-	-	-	-	-
Recreation center Participants	4,243	7,610	8,088	4,862	2,510	-	-	-	-	-
<b>Water</b>										
New Connections	50	18	19	26	56	44	105	125	65	67
Water Main Breaks	8	3	13	9	8	6	5	7	5	6
Average Daily Consumption (millions of gallons billed)	3.77	4.24	3.66	3.16	3.54	2.56	2.51	2.69	2.23	2.61
Peak Demand (millions of gallons pumped)	7.99	7.32	6.08	6.01	6.71	6.84	5.79	7.81	5.99	6.76
<b>Wastewater</b>										
New Connections	43	18	19	23	51	35	92	116	57	59
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.02	1.10	1.08	1.06	1.19	1.40	1.24	1.27	1.35	1.45
City of Denton (estimate)	0.30	1.78	0.25	0.29	0.20	0.25	0.78	0.26	0.25	0.33

**Note:**

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

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

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

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

Source: Various City of Corinth departments.

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

**TABLE D-21**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	16
<b>Fire Stations</b>	2	2	2	2	2	2	2	3	3	3
<b>Other Public Works</b>										
Streets (miles) [1]	110.50	88.99	88.99	88.99	88.99	88.99	92.37	92.43	92.66	93.20
Highways (miles) [2]	3.10	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	6	7	8	8	8	8	8	8	8	8
<b>Parks and Recreation</b>										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	11	11
Baseball/Softball Fields	8	8	8	9	9	9	9	9	9	9
Soccer/Football Fields	6	6	8	8	8	8	8	8	8	9
Recreation Centers [4]	2	2	2	2	2	1	1	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
<b>Water</b>										
Connections	6,780	6,809	6,810	6,831	6,977	7,016	7,113	7,203	7,279	7,337
Water Mains (miles)	108.06	110.40	110.63	111.77	112.70	113.48	115.17	117.70	120.20	120.64
Fire Hydrants	787	810	822	826	836	855	883	896	927	939
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	7.50	7.50	7.50	7.50	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
<b>Wastewater</b>										
Connections	6,512	6,537	6,536	6,573	6,705	6,736	6,818	6,903	6,979	7,098
Sanitary Sewers (miles)	97.64	97.88	98.33	98.09	98.30	98.99	102.19	102.34	103.17	103.77
Storm Sewers (miles)	36.85	38.37	38.73	38.71	39.80	40.59	41.49	41.66	42.70	43.30
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82

**Note:**

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

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

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

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

Source: Various City of Corinth departments.



**BUSINESS ITEM 4.**

**Finance Audit Committee Regular Session**

**Meeting Date:** 02/18/2021  
**Title:** Single Audit  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

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**AGENDA ITEM**

Accept, hold a discussion and provide staff direction on the Single Audit for fiscal year ending September 30, 2020.

**AGENDA ITEM SUMMARY/BACKGROUND**

**The Single Audit** is an organization-wide financial statement and **federal awards' audit** of a non-**federal** entity that expends **\$750,000** or more in **federal** funds in one year. The Single Audit of the City of Corinth's financial records for the year-ending September 30, 2020 was conducted by Eide Bailly, LLP. The City received federal grant funding for the Coronavirus Relief Fund and the Adequate Fire and Emergency Response Grant (SAFER).

The Single Audit Report is scheduled to be presented to the City Council on March 18, 2021.

**RECOMMENDATION**

Staff recommends approval of the Single Audit Report and that it be forwarded to the City Council on March 18, 2021.

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**Attachments**

Single Audit

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Federal Awards Reports in Accordance  
with the Uniform Guidance  
September 30, 2020  
**City of Corinth, Texas**

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* ..... 1

Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 3

Schedule of Expenditures of Federal Awards ..... 6

Notes to the Schedule of Expenditures of Federal Awards ..... 7

Schedule of Findings and Questioned Costs ..... 8

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

We have audited, 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, 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 the City of Corinth, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated February 22, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 22, 2021

**Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for the Major Federal Program**

We have audited City of Corinth, Texas’ (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2020. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for the City’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City’s compliance.

**Opinion on the Major Federal Program**

In our opinion, the City of Corinth, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited 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 the City of Corinth, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Abilene, Texas  
February 22, 2021

City of Corinth, Texas  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Treasury Passed through Denton County, Texas Coronavirus Relief Fund	21.019	074863127	\$ 848,653
Total Department of Treasury			<u>848,653</u>
Department of Homeland Security Direct Program Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	DHS-17-GPD-083-000-99	569,951
Total Department of Homeland Security			<u>569,951</u>
Total Federal Awards			<u>\$ 1,418,604</u>

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Corinth, Texas, under programs of the federal government for the year ended September 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note B – Summary of Significant Accounting Principles**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

**Note C – Indirect Cost Rate**

The City is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the City has previously received a negotiated indirect cost rate for its federal awards.

**Note D – Donated Personal Protective Equipment (PPE) (unaudited)**

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$3,000 and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or CFDA numbers. The donated PPE is not included in the schedule of expenditure of federal awards.

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

Name of Federal Program	CFDA Number
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

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**Section II – Financial Statement Findings**

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The audit disclosed no findings required to be reported.

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**Section III – Federal Award Findings and Questioned Costs**

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The audit disclosed no findings and questioned costs required to be reported.

**Finance Audit Committee Regular Session**

**Meeting Date:** 02/18/2021  
**Title:** FY 2020-2021 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

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**AGENDA ITEM**

Consider and act on the Fiscal Year 2020-2021 First Quarter Investment Report.

**AGENDA ITEM SUMMARY/BACKGROUND**

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

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

**RECOMMENDATION**

Staff recommends the acceptance of the FY 2020-2021 First Quarter Investment Report.

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**Attachments**

FY2020-21 1st Quarter Investment Report

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This report is prepared in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"), Section 2256.023(a) of the PFIA states: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

INVESTMENT OFFICER NAMES AND TITLES

*Lee Ann Bunselmeyer*

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Lee Ann Bunselmeyer

Director of Finance, Communication & Strategic Services

*Chris Rodriguez*

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Chris Rodriguez

Assistant Director of Finance

# CITY OF CORINTH

## PORTFOLIO SUMMARY

For Quarter Ending December 30, 2020



### PORTFOLIO SUMMARY

	Ending Value 9/30/2020	Ending Value 12/30/2020
Par Value	\$42,435,958	\$55,125,273
Book Value	\$42,433,027	\$55,124,648
Market Value	\$42,440,570	\$54,227,064
Change in Market Value		\$ 11,786,494

### PORTFOLIO KEY INDICATORS

Income Earned - Period	\$13,670
Income Earned - YTD	\$37,008
% Market to Book Value	98.37%
Average YTM	0.364%
Policy Benchmark	0.088%
Ending WAM (Days)	109

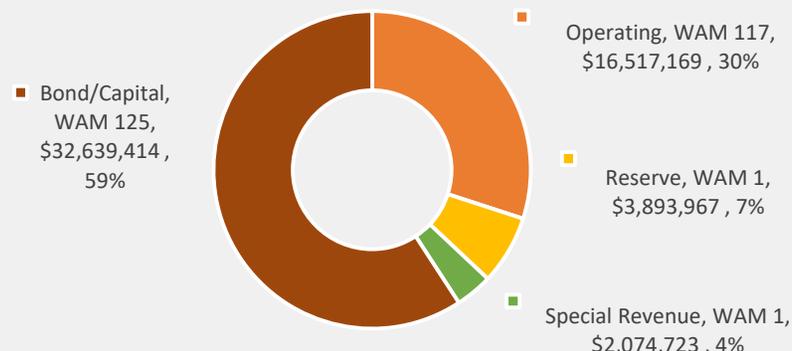
### PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$1,725,000	3%
U.S. Federal Agency-Callable	\$7,750,000	14%
Certificates of Deposit	\$0	0%
Managed Pools	\$23,714,354	43%
Money Market	\$0	0%
Bank Cash	\$21,935,919	40%
<b>Total</b>	<b>\$55,125,273</b>	<b>100%</b>

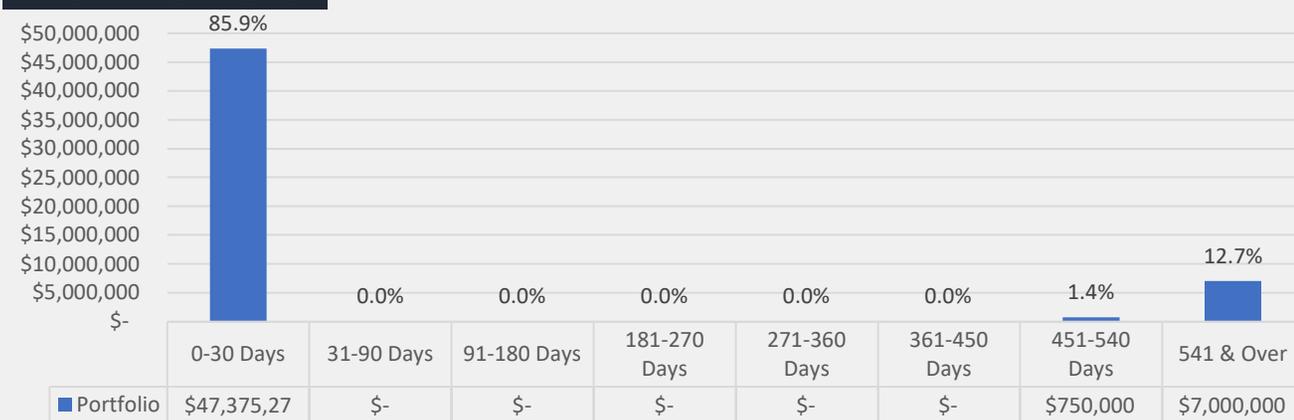
### BROKER/DEALER ALLOCATION



### FUND TYPE ALLOCATION



### MATURITY DISTRIBUTION



### PORTFOLIO STATEMENT

The net increase in the Change to Market Value is due to the November bond sale of \$9.7 million and the receipt of property tax revenue. The City receives the majority of its' property tax revenue during the months of December and January.

# ECONOMIC DEVELOPMENT CORPORATION

## PORFOLIO SUMMARY

For Quarter Ending December 30, 2020



### PORTFOLIO SUMMARY

	Ending Value 9/30/2020	Ending Value 12/30/2020
Par Value	\$1,660,790	\$260,920
Book Value	\$1,660,790	\$260,920
Market Value	\$1,660,930	\$260,920
Change in Market Value		\$ (1,400,011)

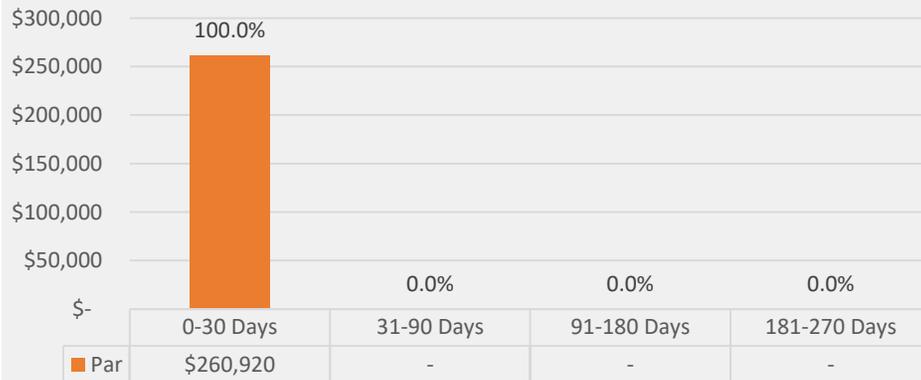
### PORTFOLIO KEY INDICATORS

Income Earned - Period	\$260
Income Earned - YTD	\$918
% Market to Book Value	100%
Average YTM	0.227%
Policy Benchmark	0.088%
Ending WAM (Days)	1

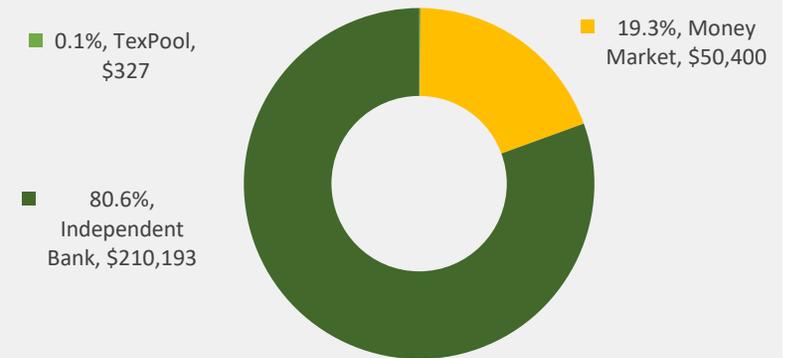
### PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$0	0%
U.S. Federal Agency-Callable	\$0	0%
Certificates of Deposit	\$0	0%
Managed Pools	\$327	0%
Money Market	\$50,400	19%
Bank Cash	\$210,193	81%
<b>Total</b>	<b>\$260,920</b>	<b>100%</b>

### MATURITY DISTRIBUTION



### MANAGED POOLS/DEPOSITORY BANK ALLOCATION



### PORTFOLIO STATEMENT

Funds are used to carry out programs related to business retention, park and business development.

Note: The portfolio's Average Yield to Maturity is above the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark of 270 Days for the quarter. Additionally, \$1,351,000 was transferred to a capital fund for the TXDOT land acquisition within TIRZ #2 during the month of December. This purchase was included in the 2020-2021 annual budget.

# STREET MAINTENANCE SALES TAX FUND

## PORFOLIO SUMMARY

For Quarter Ending December 30, 2020



### PORTFOLIO SUMMARY

	Ending Value 9/30/2020	Ending Value 12/30/2020
Par Value	\$1,047,698	\$1,161,154
Book Value	\$1,047,698	\$1,161,154
Market Value	\$1,047,698	\$1,161,154
Change in Market Value		\$ 113,456

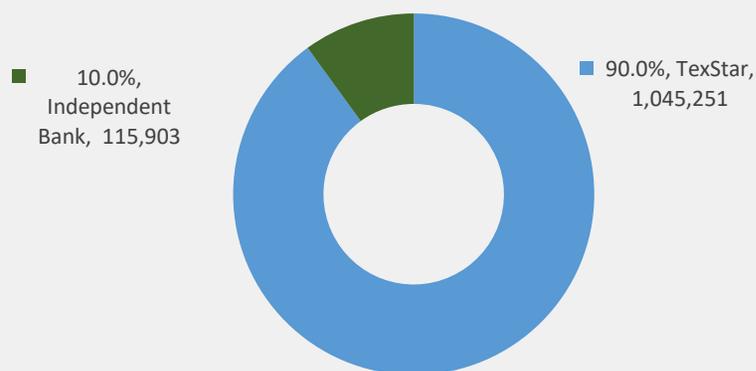
### PORTFOLIO KEY INDICATORS

Income Earned - Period	\$121
Income Earned - YTD	\$356
% Market to Book Value	100%
Average YTM	0.116%
Policy Benchmark	0.088%
Ending WAM (Days)	1

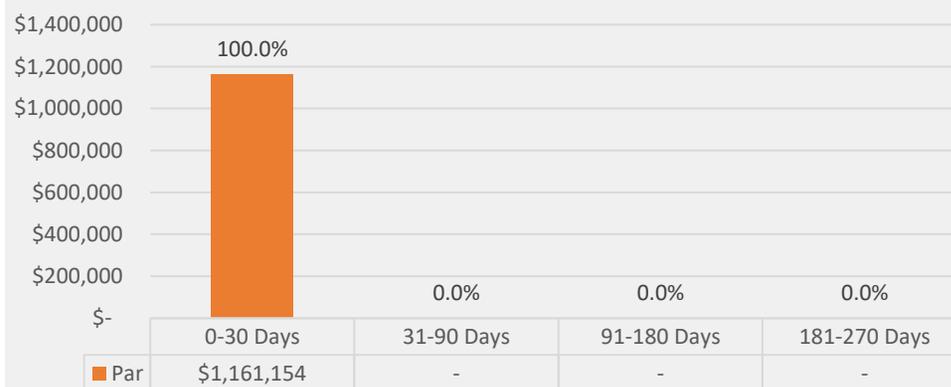
### PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$0	0%
U.S. Federal Agency-Callable	\$0	0%
Certificates of Deposit	\$0	0%
Managed Pools	\$1,045,251	90%
Money Market	\$0	0%
Bank Cash	\$115,903	10%
<b>Total</b>	<b>\$1,161,154</b>	<b>100%</b>

### MANAGED POOLS/DEPOSITORY BANK ALLOCATION



### MATURITY DISTRIBUTION



### PORTFOLIO STATEMENT

The sales tax authorization lapsed in December 2020. The Fund will not receive additional revenue earnings in the future. The City will continue utilizing the fund balance for street repaving projects until the fund is depleted.

Note: The portfolio's Average Yield to Maturity is above the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark of 270 Days.

# CRIME CONTROL & PREVENTION DISTRICT

## PORFOLIO SUMMARY

For Quarter Ending December 30, 2020



### PORTFOLIO SUMMARY

	Ending Value 9/30/2020	Ending Value 12/30/2020
Par Value	\$571,185	\$548,526
Book Value	\$571,185	\$548,526
Market Value	\$571,185	\$548,526
Change in Market Value		\$ (22,659)

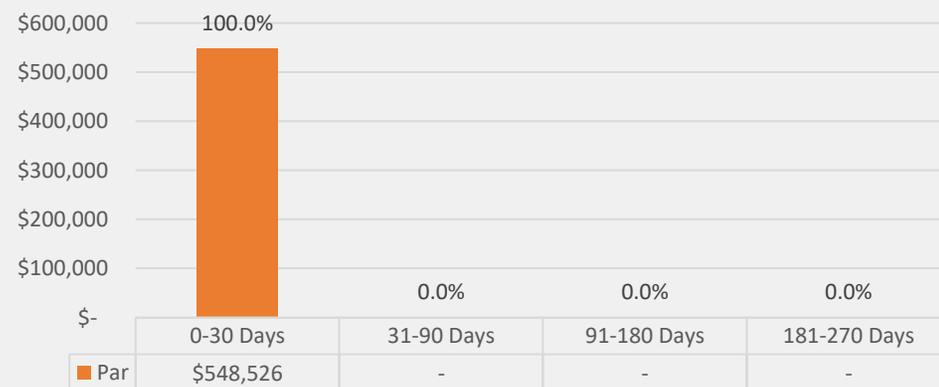
### PORTFOLIO KEY INDICATORS

Income Earned - Period	\$255
Income Earned - YTD	\$788
% Market to Book Value	100%
Average YTM	0.550%
Policy Benchmark	0.088%
Ending WAM (Days)	1

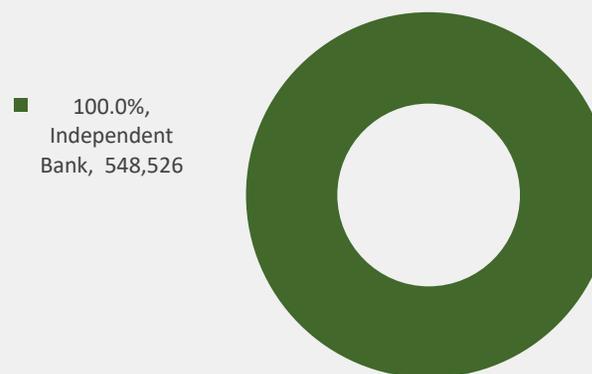
### PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$0	0%
U.S. Federal Agency-Callable	\$0	0%
Certificates of Deposit	\$0	0%
Managed Pools	\$0	0%
Money Market	\$0	0%
Bank Cash	\$548,526	100%
<b>Total</b>	<b>\$548,526</b>	<b>100%</b>

### MATURITY DISTRIBUTION



### MANAGED POOLS/DEPOSITORY BANK ALLOCATION



### PORTFOLIO STATEMENT

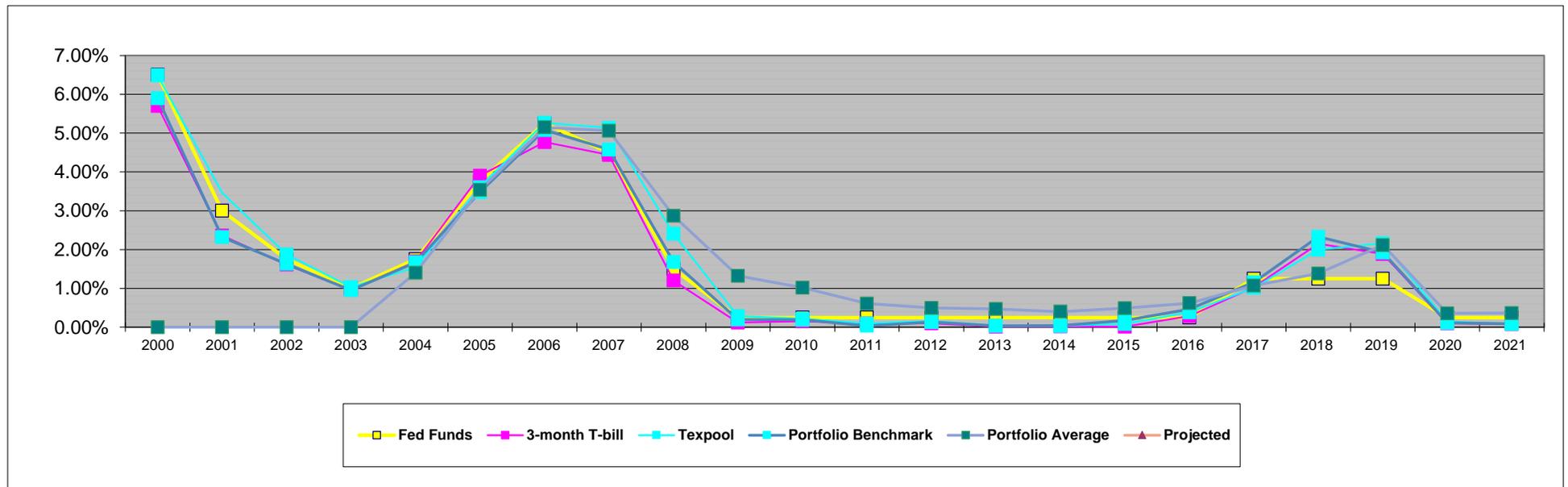
Note: The portfolio's Average Yield to Maturity is above the policy benchmark for this quarter. The Weighted Average Maturity (WAM) is below the benchmark of 270 Days for the quarter.

**COMBINED PORTFOLIO  
ECONOMIC SUMMARY**

For Quarter Ending December 30, 2020



Market Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Fed Funds	6.50%	3.00%	1.75%	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%	0.25%	1.25%	1.25%	1.25%	0.25%	0.25%
3-month T-bill	5.70%	2.36%	1.61%	0.96%	1.69%	3.90%	4.77%	4.44%	1.20%	0.12%	0.15%	0.09%	0.10%	0.01%	0.02%	0.01%	0.28%	1.04%	2.15%	1.88%	0.10%	0.08%
Texpool	6.49%	3.47%	1.87%	1.03%	1.54%	3.60%	5.26%	5.13%	2.41%	0.28%	0.22%	0.09%	0.16%	0.04%	0.03%	0.09%	0.38%	1.02%	2.00%	2.16%	0.15%	0.09%
Portfolio Benchmark	5.90%	2.32%	1.63%	0.95%	1.67%	3.48%	5.08%	4.58%	1.68%	0.20%	0.19%	0.04%	0.13%	0.04%	0.04%	0.17%	0.46%	1.16%	2.33%	1.93%	0.11%	0.09%
Portfolio Average	n/a	n/a	n/a	n/a	1.40%	3.54%	5.15%	5.06%	2.87%	1.32%	1.02%	0.61%	0.50%	0.47%	0.40%	0.49%	0.62%	1.07%	1.38%	2.12%	0.36%	0.36%



The Fed Fund target rate as of December 2020 is a range of 0.0% to 0.25%.

The Fed remains cautious on the economic outlook. They stated that the pandemic "poses considerable risks to the economic outlook over the medium term" and their updated forecasts continue to suggest that interest rates wouldn't likely rise until 2023.

**COMBINED PORTFOLIO  
STATEMENT OF COMPLIANCE**

For Quarter Ending December 30, 2020



*This report is in full compliance with Chapter 2256 of the Public Funds Investment Act ("PFIA") Section 2256.023(a) and the City's investment policy.*

Category	Standard	Corinth	EDC	CCD	Street Maint
Treasury Issues	No Limitation.	Complies	Complies	Complies	Complies
US Agency Issues	No Limitation	Complies	Complies	Complies	Complies
Local Govt Investment Pool	AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less. A public funds investment pool with a \$1 net asset value. Not to exceed 75% of total portfolio.	Complies	Complies	Complies	Complies
Certificates of Deposit	Corinth Portfolio: A certificate of deposit issued by a depository institution that has its main office or branch office in this state . Not to exceed 50% of total portfolio; EDC, CCD, Street Maintenance, Fire District Portfolio - Not to exceed 75%.	Complies	Complies	Complies	Complies
Repurchase Agreements	<i>Corinth Portfolio</i> : Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. CANNOT include reverse purchase agreements. Not to exceed 25% of total portfolio; <i>EDC, CCD, Street Maintenance, Fire District Portfolio</i> : Not to exceed 100% of total portfolio.	Complies	Complies	Complies	Complies
SEC-Regulated No-Load Money Market Mutual Fund	Dollar weighted average stated maturity of 60 days or less and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share. Not to exceed 50% of total portfolio	Complies	Complies	Complies	Complies
U.S. Treasury & Agency Callables	Limited Use. Maximum of 30%	Complies	Complies	Complies	Complies
Bankers Acceptance and Commercial Paper	Authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.	Complies	Complies	Complies	Complies
Prohibited Securities	An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.; the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.; Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.	Complies	Complies	Complies	Complies
Average Yield to Maturity	6 month T-Bill	Complies	Complies	Complies	Complies

**COMBINED PORTFOLIO  
STATEMENT OF COMPLIANCE**

For Quarter Ending December 30, 2020



*This report is in full compliance with Chapter 2256 of the Public Funds Investment Act ("PFIA") Section 2256.023(a) and the City's investment policy.*

Category	Standard	Corinth	EDC	CCD	Street Maint
Maximum Maturity	maximum allowable maturity of investments is restricted three years	Complies	Complies	Complies	Complies
WAM	<i>Corinth Portfolio</i> : Maximum Weighted average days to maturity for overall portfolio less than 365 Days; <i>EDC, CCD, Street Maintenance, Fire District</i> : Maximum Weighted average days to maturity for overall portfolio less than 270 Days	Complies	Complies	Complies	Complies
Liquidity	Maturities less than thirty days no less than 5%	Complies	Complies	Complies	Complies
Authorized Financial Dealers	To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should not exceed 40% of total portfolio.	Complies	Complies	Complies	Complies
Collateralization	The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC).	Complies	Complies	Complies	Complies
WAM - Reserve Funds	Maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of three years.	Complies	N/A	N/A	N/A
WAM- Operating Funds	Maximum weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to three years	Complies	N/A	N/A	N/A
WAM-Special Revenue	Maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years	Complies	N/A	N/A	N/A
WAM - Bond/Capital Funds	Maximum maturity to three years, managing the weighted average days to less than 365 days, restricting the maximum allowable maturity to three years	Complies	N/A	N/A	N/A

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**Sorted by Fund**  
**October 1, 2020 - December 31, 2020**

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
<b>Fund: Pooled Cash</b>									
10012	NTHSTR	00	10/01/2019	9,599.88	4,704,739.23	5,857,131.87	4,623,596.02	1,233,535.85	5,938,275.08
SYS10012	5,938,275.08	0.550	/ /	0.00	4,704,739.23	5,857,131.87	4,623,596.02	1,233,535.85	5,938,275.08
<b>Sub Totals For: Fund: Pooled Cash</b>				9,599.88	4,704,739.23	5,857,131.87	4,623,596.02	1,233,535.85	5,938,275.08
				0.00	4,704,739.23	5,857,131.87	4,623,596.02	1,233,535.85	5,938,275.08
<b>Fund: Pooled Cash- Crime C</b>									
10323	NTHSTR	00A	10/01/2019	787.58	571,184.93	19,511.25	42,170.23	-22,658.98	548,525.95
SYS10322	548,525.95	0.550	/ /	0.00	571,184.93	19,511.25	42,170.23	-22,658.98	548,525.95
<b>Sub Totals For: Fund: Pooled Cash- Crime C</b>				787.58	571,184.93	19,511.25	42,170.23	-22,658.98	548,525.95
				0.00	571,184.93	19,511.25	42,170.23	-22,658.98	548,525.95
<b>Fund: Pooled Cash-Eco Dev</b>									
10021	NTHSTR	00B	10/01/2019	147.63	270,630.27	399,802.25	460,239.35	-60,437.10	210,193.17
SYS10021	210,193.17	0.150	/ /	0.00	270,630.27	399,802.25	460,239.35	-60,437.10	210,193.17
<b>Sub Totals For: Fund: Pooled Cash-Eco Dev</b>				147.63	270,630.27	399,802.25	460,239.35	-60,437.10	210,193.17
				0.00	270,630.27	399,802.25	460,239.35	-60,437.10	210,193.17
<b>Fund: Pooled Cash - Street</b>									
10401	NTHSTR	00C	10/01/2019	56.69	2,689.54	113,212.97	0.00	113,212.97	115,902.51
SYS10042	115,902.51	0.550	/ /	0.00	2,689.54	113,212.97	0.00	113,212.97	115,902.51
<b>Sub Totals For: Fund: Pooled Cash - Street</b>				56.69	2,689.54	113,212.97	0.00	113,212.97	115,902.51
				0.00	2,689.54	113,212.97	0.00	113,212.97	115,902.51
<b>Fund: Capital Project Ban</b>									
10630	NTHSTR	00D	10/01/2019	1,185.82	3,541,524.69	10,926,024.63	4,438,594.66	6,487,429.97	10,028,954.66
SYS10630	10,028,954.66	0.550	/ /	0.00	3,541,524.69	10,926,024.63	4,438,594.66	6,487,429.97	10,028,954.66

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
<b>Sub Totals For: Fund: Capital Project Ban</b>				1,185.82	3,541,524.69	10,926,024.63	4,438,594.66	6,487,429.97	10,028,954.66
				0.00	3,541,524.69	10,926,024.63	4,438,594.66	6,487,429.97	10,028,954.66
<b>Fund: Special Revenue Bank</b>									
10631	NTHSTR	00E	10/01/2019	2,143.08	1,532,160.37	542,562.16	0.00	542,562.16	2,074,722.53
SYS10631	2,074,722.53	0.550	/ /	0.00	1,532,160.37	542,562.16	0.00	542,562.16	2,074,722.53
<b>Sub Totals For: Fund: Special Revenue Bank</b>				2,143.08	1,532,160.37	542,562.16	0.00	542,562.16	2,074,722.53
				0.00	1,532,160.37	542,562.16	0.00	542,562.16	2,074,722.53
<b>Fund: Reserve Funds - Pool</b>									
10666	NTHSTR	00F	10/01/2019	1,798.80	973,562.07	2,953,457.75	33,053.05	2,920,404.70	3,893,966.77
SYS10666	3,893,966.77	0.550	/ /	0.00	973,562.07	2,953,457.75	33,053.05	2,920,404.70	3,893,966.77
<b>Sub Totals For: Fund: Reserve Funds - Pool</b>				1,798.80	973,562.07	2,953,457.75	33,053.05	2,920,404.70	3,893,966.77
				0.00	973,562.07	2,953,457.75	33,053.05	2,920,404.70	3,893,966.77
<b>Fund: General Fund</b>									
10607	FFCB	100	02/28/2018	3,105.00	599,832.60	0.00	0.00	162.00	599,994.60
3133EH5G4	600,000.00	2.181	01/04/2021	0.00	602,742.00	0.00	0.00	-2,742.00	600,000.00
10140	TXSTAR	100	10/01/2019	907.21	4,036,452.08	700,979.51	0.00	700,979.51	4,737,431.59
SYS10140	4,737,431.59	0.067	/ /	979.51	4,036,452.08	700,979.51	0.00	700,979.51	4,737,431.59
10327	NTHSTR	100	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10327	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10633	FFCB	100	12/20/2018	2,773.12	722,335.51	0.00	0.00	2,049.61	724,385.12
3133EFXB8	725,000.00	2.700	01/28/2021	0.00	727,849.25	0.00	0.00	-2,298.25	725,551.00
10684	FHLMC	100	11/16/2020	275.00	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3134GW7D2	1,000,000.00	0.220	05/16/2023	0.00	0.00	1,000,000.00	0.00	999,690.00	999,690.00
10685	FFCB	100	11/02/2020	475.28	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3133EMFB3	1,000,000.00	0.290	11/02/2023	0.00	0.00	1,000,000.00	0.00	999,830.00	999,830.00

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
<b>Sub Totals For: Fund: General Fund</b>				7,535.61	5,358,620.19	2,700,979.51	0.00	2,703,191.12	8,061,811.31
				979.51	5,367,043.33	2,700,979.51	0.00	2,695,459.26	8,062,502.59
<b>Fund: Utility Fund</b>									
10018	TXPOOL	110	10/01/2019	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	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10023	0.00	5.190	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10211	TXSTAR	110	10/01/2019	576.45	2,881,133.42	630.28	700,000.00	-699,369.72	2,181,763.70
SYS10211	2,181,763.70	0.067	/ /	630.28	2,881,133.42	630.28	700,000.00	-699,369.72	2,181,763.70
10358	NTHSTR	110	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10358	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Utility Fund</b>				576.45	2,881,133.42	630.28	700,000.00	-699,369.72	2,181,763.70
				630.28	2,881,133.42	630.28	700,000.00	-699,369.72	2,181,763.70
<b>Fund: Drainage Fund</b>									
10302	TXSTAR	120	10/01/2019	71.77	334,621.23	77.87	0.00	77.87	334,699.10
SYS10302	334,699.10	0.067	/ /	77.87	334,621.23	77.87	0.00	77.87	334,699.10
10332	NTHSTR	120	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10332	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Drainage Fund</b>				71.77	334,621.23	77.87	0.00	77.87	334,699.10
				77.87	334,621.23	77.87	0.00	77.87	334,699.10
<b>Fund: Economic Development</b>									
10007	TXPOOL	130	10/01/2019	153.34	590,160.08	166.48	590,000.00	-589,833.52	326.56
SYS10007	326.56	0.084	/ /	166.48	590,160.08	166.48	590,000.00	-589,833.52	326.56
10379	NTHSTR	130	10/01/2019	385.37	300,000.00	399.99	250,000.00	-249,600.01	50,399.99
SYS10379	50,399.99	0.550	/ /	399.99	0.00	399.99	250,000.00	0.00	0.00

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
10671	FHLMC	130	04/17/2020	177.78	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134GVKS6	0.00	0.000	04/20/2022	2,033.33	500,140.00	0.00	500,000.00	-500,140.00	0.00
<b>Sub Totals For: Fund: Economic Development</b>				716.49	1,390,160.08	566.47	1,340,000.00	-1,339,433.53	50,726.55
				2,599.80	1,090,300.08	566.47	1,340,000.00	-1,089,973.52	326.56
<b>Fund: Street Maintenance S</b>									
10155	TXSTAR	132	10/01/2019	224.13	1,045,008.15	243.18	0.00	243.18	1,045,251.33
SYS10155	1,045,251.33	0.067	/ /	243.18	1,045,008.15	243.18	0.00	243.18	1,045,251.33
10331	NTHSTR	132	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10331	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Street Maintenance S</b>				224.13	1,045,008.15	243.18	0.00	243.18	1,045,251.33
				243.18	1,045,008.15	243.18	0.00	243.18	1,045,251.33
<b>Fund: General Fund Capital</b>									
10464	NTHSTR	193	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10464	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10670	TXSTAR	193	01/29/2020	215.43	1,004,413.79	233.74	0.00	233.74	1,004,647.53
SYS10670	1,004,647.53	0.067	/ /	233.74	1,004,413.79	233.74	0.00	233.74	1,004,647.53
<b>Sub Totals For: Fund: General Fund Capital</b>				215.43	1,004,413.79	233.74	0.00	233.74	1,004,647.53
				233.74	1,004,413.79	233.74	0.00	233.74	1,004,647.53
<b>Fund: Water/Wastewater Cap</b>									
10465	NTHSTR	194	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10465	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Water/Wastewater Cap</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: General Debt Service</b>									
10017	TXSTAR	200	10/01/2019	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

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
10328	NTHSTR	200	10/01/2019	0.12	135.20	0.00	135.20	-135.20	0.00
SYS10328	0.00	0.550	/ /	0.00	135.20	0.00	135.20	-135.20	0.00
<b>Sub Totals For: Fund: General Debt Service</b>				0.12	135.20	0.00	135.20	-135.20	0.00
				0.00	135.20	0.00	135.20	-135.20	0.00
<b>Fund: GF Vehicle &amp; Equip</b>									
10462	NTHSTR	300	10/01/2019	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
<b>Sub Totals For: Fund: GF Vehicle &amp; Equip</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Fire Vehicle Replace</b>									
10510	NTHSTR	301	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10510	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Fire Vehicle Replace</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Utility Vehicle &amp; Eq</b>									
10463	NTHSTR	310	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10462	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Utility Vehicle &amp; Eq</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Utility Meter Replac</b>									
10511	NTHSTR	311	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10511	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Utility Meter Replac</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Water Impact Fees</b>									

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
10052	TXSTAR	610	10/01/2019	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
<b>Sub Totals For: Fund: Water Impact Fees</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Wastewater Impact Fe</b>									
10315	TXSTAR	611	10/01/2019	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
<b>Sub Totals For: Fund: Wastewater Impact Fe</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Roadway Impact Fees</b>									
10301	TXSTAR	630	10/01/2019	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
10675	FHLMC	630	05/11/2020	154.17	500,012.50	0.00	500,000.00	-500,012.50	0.00
3134GVSQ2	0.00	0.000	05/06/2022	729.17	499,922.50	0.00	500,000.00	-499,922.50	0.00
<b>Sub Totals For: Fund: Roadway Impact Fees</b>				154.17	500,012.50	0.00	500,000.00	-500,012.50	0.00
				729.17	499,922.50	0.00	500,000.00	-499,922.50	0.00
<b>Fund: Street Escrow</b>									
10019	TXPOOL	699	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10019	0.00	4.928	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10329	NTHSTR	699	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10329	0.00	0.450	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Street Escrow</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Street 2007 CO</b>									
10064	TXPOOL	703	10/01/2019	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

**City of Corinth portfolio**  
**Texas Compliance Change in Val Report**  
**October 1, 2020 - December 31, 2020**

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
10138	TXSTAR	703	10/01/2019	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	10/01/2019	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
<b>Sub Totals For: Fund: Street 2007 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Tech 2007 CO</b>									
10065	TXPOOL	704	10/01/2019	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	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10139	0.00	0.145	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10380	NTHSTR	704	10/01/2019	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
<b>Sub Totals For: Fund: Tech 2007 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Fire 2010 CO</b>									
10370	NTHSTR	705	10/01/2019	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
<b>Sub Totals For: Fund: Fire 2010 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: 2016 CO General Capi</b>									
10549	TXSTAR	706	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10549	0.00	1.351	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: 2016 CO General Capi</b>				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: 2019 CO - Steets

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Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10680	FAMCA	708	08/19/2020	625.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
31422BP46	1,000,000.00	0.250	08/19/2022	0.00	998,230.00	0.00	0.00	1,030.00	999,260.00
10674	FHLMC	708	05/14/2020	375.00	500,000.00	0.00	0.00	0.00	500,000.00
3134GVSU3	500,000.00	0.300	11/14/2022	750.00	499,745.00	0.00	0.00	495.00	500,240.00
10682	FHLMC	708	08/24/2020	750.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134GWRS7	1,000,000.00	0.300	02/24/2023	0.00	999,350.00	0.00	0.00	500.00	999,850.00
10681	FNMA	708	08/17/2020	775.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3136G4K51	1,000,000.00	0.310	08/17/2023	0.00	999,420.00	0.00	0.00	1,380.00	1,000,800.00
10644	TXSTAR	708	10/01/2019	1,575.65	12,345,882.63	2,197.97	5,000,000.00	-4,997,802.03	7,348,080.60
SYS10644	7,348,080.60	0.067	/ /	2,197.97	12,345,882.63	2,197.97	5,000,000.00	-4,997,802.03	7,348,080.60
<b>Sub Totals For: Fund: 2019 CO - Steets</b>				4,100.65	15,845,882.63	2,197.97	5,000,000.00	-4,997,802.03	10,848,080.60
				2,947.97	15,842,627.63	2,197.97	5,000,000.00	-4,994,397.03	10,848,230.60
<b>Fund: 2017 CO General Capi</b>									
10586	TXSTAR	709	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10586	0.00	0.133	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: 2017 CO General Capi</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: 2020 CO General Capi</b>									
10683	TXSTAR	710	11/30/2020	684.38	0.00	10,000,675.06	0.00	5,000,675.06	5,000,675.06
SYS10683	5,000,675.06	0.067	/ /	675.06	0.00	10,000,675.06	0.00	5,000,675.06	5,000,675.06
<b>Sub Totals For: Fund: 2020 CO General Capi</b>				684.38	0.00	10,000,675.06	0.00	5,000,675.06	5,000,675.06
				675.06	0.00	10,000,675.06	0.00	5,000,675.06	5,000,675.06
<b>Fund: Water 2007 CO</b>									
10066	TXPOOL	800	10/01/2019	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

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10135	TXSTAR	800	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10135	0.00	0.103	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10333	NTHSTR	800	10/01/2019	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
<b>Sub Totals For: Fund: Water 2007 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Wastewater 2007 CO</b>									
10067	TXPOOL	801	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	0.035	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10136	TXSTAR	801	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10136	0.00	0.031	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10334	NTHSTR	801	10/01/2019	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
<b>Sub Totals For: Fund: Wastewater 2007 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Drainage 2007 CO</b>									
10068	TXPOOL	802	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10009	0.00	2.972	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10137	TXSTAR	802	10/01/2019	0.00	0.00	0.00	0.00	0.00	0.00
SYS10137	0.00	0.090	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10458	NTHSTR	802	10/01/2019	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
<b>Sub Totals For: Fund: Drainage 2007 CO</b>				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: 2016 CO WATER</b>									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10678	FHLMC	803	05/15/2020	187.50	250,000.00	0.00	0.00	0.00	250,000.00
3134GVVV7	250,000.00	0.300	05/17/2022	379.16	249,985.00	0.00	0.00	145.00	250,130.00
10602	FFCB	803	01/16/2018	2,070.00	399,888.40	0.00	0.00	108.00	399,996.40
3133EH5G4	400,000.00	2.182	01/04/2021	0.00	401,828.00	0.00	0.00	-1,828.00	400,000.00
<b>Sub Totals For: Fund: 2016 CO WATER</b>				2,257.50	649,888.40	0.00	0.00	108.00	649,996.40
				379.16	651,813.00	0.00	0.00	-1,683.00	650,130.00
<b>Fund: 2019 CO - Water</b>									
10677	FHLMC	806	05/15/2020	375.00	500,000.00	0.00	0.00	0.00	500,000.00
3134GVVV7	500,000.00	0.300	05/17/2022	758.34	499,970.00	0.00	0.00	290.00	500,260.00
10679	FREDIE	806	07/20/2020	800.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134GV6H6	1,000,000.00	0.320	10/20/2022	0.00	1,000,520.00	0.00	0.00	-899,680.00	100,840.00
10676	FHLMC	806	05/18/2020	437.50	500,000.00	0.00	0.00	0.00	500,000.00
3134GVVY1	500,000.00	0.350	11/18/2022	875.00	500,050.00	0.00	0.00	290.00	500,340.00
10645	TXSTAR	806	10/01/2019	666.24	3,106,333.61	722.88	0.00	722.88	3,107,056.49
SYS10645	3,107,056.49	0.067	/ /	722.88	3,106,333.61	722.88	0.00	722.88	3,107,056.49
<b>Sub Totals For: Fund: 2019 CO - Water</b>				2,278.74	5,106,333.61	722.88	0.00	722.88	5,107,056.49
				2,356.22	5,106,873.61	722.88	0.00	-898,377.12	4,208,496.49
<b>Report Grand Totals:</b>				34,534.92	45,712,700.30	33,518,029.84	17,137,788.51	11,382,548.44	57,095,248.74
				11,851.96	45,420,383.04	33,518,029.84	17,137,788.51	10,726,880.59	56,147,263.63