

****PUBLIC NOTICE****



FINANCE AUDIT COMMITTEE

Thursday, December 19, 2024 at 4:00 PM

City Hall | 3300 Corinth Parkway

A. CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

B. CALL TO ORDER

C. CONSENT AGENDA

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

1. Consider and act on minutes from the August 22, 2024 Regular Session.
2. Consider and act on the 2025 Authorized Broker listing for the City of Corinth.
3. Consider and act on the Investment policy for the City of Corinth, Economic Development Corporation, Fire Control, Prevention and Emergency Services District and the Crime Control & Prevention District.

D. BUSINESS AGENDA

4. Discuss and provide staff direction on the annual external audit and Annual Comprehensive Financial Report (ACFR).
5. Consider and act on the Comprehensive Monthly Financial Report.
6. Consider and act on the Fiscal Year 2024 Annual Investment Report.
7. Receive a report and hold a discussion on the Fiscal Year 2023-2024 Summary of Rebtable Arbitrage.

E. REPORTS AND UPDATES

The purpose of this section is to allow each Board member the opportunity to provide general updates and/or comments to fellow Board members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Board member may direct that an item be added as a business item to any future agenda.

F. CLOSED SESSION**

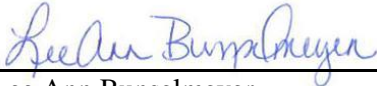
In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the "Texas Open Meetings Act"), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

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

H. ADJOURN

- I. **The Board reserves the right to recess into closed session at any time during the course of this meeting to discuss any of the matters posted on this agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.071, "Consultation with Attorney" for the purpose of receiving legal advice.

Posted on this 13 day of December 2024, at 11:30 A.M., on the bulletin board at Corinth City Hall.



Lee Ann Bunselmeyer
Director of Finance, Communication &
Strategic Services
City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	12/19/2024	Title:	Minutes
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Consider and act on minutes from the August 22, 2024 Regular Session.

Item Summary/Background/Prior Action

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

Staff Recommendation/Motion

Staff recommends approval of the Regular Session minutes.



FINANCE AUDIT COMMITTEE MINUTES

Thursday, August 22, 2024

City Hall | 3300 Corinth Parkway

STATE OF TEXAS COUNTY OF DENTON CITY OF CORINTH

On this, the 22nd day of August 2024, the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 4:00 P.M. at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose 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 Bill Heidemann
Councilmember Scott Garber
Councilmember Sam Burke

Citizen Members Present:

Jared Eutsler

Citizen Members Absent:

Catherine Miller

Staff Members Present:

Lee Ann Bunselmeyer, Director of Finance & Strategic Services
Chris Rodriguez, Budget Officer

Staff Members Absent:

Scott Campbell, City Manager

CALL TO ORDER

Councilmember Burke called the meeting to order at 4:07 pm.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

No Citizen comments were made.

CONSENT AGENDA

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

1. Consider and act on minutes from the April 18, 2024, Regular Session.

Motion made by Mayor Heidemann to approve the consent agenda. Seconded by Councilmember Burke.
Voting Yea: Heidemann, Burke

BUSINESS AGENDA

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

No action taken.

- 3. Receive a report, hold a discussion and provide staff direction on the bank depository agreement.

No action taken.

- 4. Consider and act on the Comprehensive Monthly Financial Report.

Motion made by Mayor Heidemann to approve the Annual Investment Report. Seconded by Councilmember Garber.

Voting Yea: Heidemann, Burke, Garber

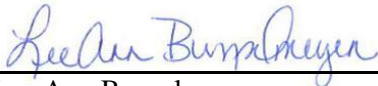
- 5. Consider and act on the Quarterly Investment Report.

Motion made by Mayor Heidemann to approve the Annual Investment Report. Seconded by Councilmember Garber.

Voting Yea: Heidemann, Burke, Garber

ADJOURN

Chairman Garber adjourned the meeting at 4:41 pm.



Lee Ann Bunselmeyer
Director of Finance, Communication &
Strategic Services
City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	12/19/2024	Title:	Authorized Broker Listing
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Consider and act on the 2025 Authorized Broker listing for the City of Corinth.

Item Summary/Background/Prior Action

The Investment Officer continually monitors the list of approved investment brokers to pursue a diverse and competitive list of bidders. Potential broker/dealers must complete and submit the Broker/Dealer Questionnaire and Certification Form. The Investment Officer then evaluates the broker/dealers response based on the criteria listed below. If a broker/dealer has successfully met the established requirements, the Investment Officer will forward the application to the Finance Audit Committee for review.

A review on active brokers is also conducted at least annually based on the criteria listed below. The competitiveness and responsiveness of the active brokers is also a major factor, as well. If a broker/dealer is considered to place the City's investment program at risk or is not effective, the Investment Officer will document and recommend to the Finance Audit Committee that the broker/dealer be removed from the approved list.

The Investment Officer may limit the number of investment brokers the City conducts business with upon approval of the Finance Audit Committee. In accordance with the City's Investment Policy, business with any broker/dealer is limited to 40% of the total portfolio at any point in time. The Finance Audit Committee must approve all brokers prior to conducting any investment transactions.

The following criteria are used to evaluate both potential and active broker/dealers:

1. Delivery Process - Delivery vs Payment is required for the protection of the City's assets.
2. Registration - Broker must be registered with the Texas State Securities Commission.
3. Capitalization - Organization should be well capitalized and show profitability, and comply with SEC guidelines.
4. Law Suits - Must not be involved in any type of legal disputes, pending settlements, claims or losses, etc.
5. Worthiness - Must be capable of serving the City's needs as a governmental entity. Must be credible and reputable among other Texas governmental clients.
6. Reports/Research - Must provide daily market analysis. This information is valuable for planning investment strategies and budgeting.
7. Training - Valuable service especially for governments with newly implemented investment programs, investment officers, and for cross training.
8. Primary vs Secondary - Primary dealers are more likely to provide desired securities for purchases as they maintain their own inventory, whereas, secondary dealers must contact their primary dealer for availability of securities. However, depending on each firms' contact with their trading desk, this may not be an issue.
9. Certification - Must sign a written instrument acknowledging that it has received and reviewed our investment policy and that procedures and controls have been implemented to preclude unauthorized investments.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256, of the Texas Government Code, the governing body or the Finance Audit Committee must review, revise and adopt a list of qualified brokers at least annually. There are no minimum or maximum number of dealers or brokers that may be used by the City.

Staff Recommendation/Motion

Staff recommends the acceptance of FHN Financial Capital Markets, SAMCO Capital Markets, Multi-Bank Securities and three overnight investment vehicles (TexPool, TexStar, and Independent Financial Money Market) as the City's approved broker/dealers.

BROKER/DEALER EVALUATION
Fiscal Year 2024-2025

BROKER/DEALER EVALUATION						
Firm/ Representative	Primary Dealer	Texas Registered	SEC Compliance	References	Claims, Losses, Investigations	Comments
FHN Financial Capital Markets (Bank Dealer) John Buddy Saragusa Houston, Texas <i>Approved Broker since 2007</i>	No	Yes ⁶	No (Rule 15c3-1)	City of Euless City of McKinney City of Haltom City	Yes	Reliable. Competitive. Provides daily market updates.
SAMCO Capital Markets Robert Phillips Dallas, Texas <i>Approved Broker since 2007</i>	No	Yes	Yes	City of Bedford City of Arlington City of Euless	No	Very Competitive. Provides daily market updates & responds quickly to staff requests.
Multi-Bank Securities Rene Molina Camarillo, Ca. <i>Approved Broker since 2020</i>	No	Yes	Yes	City of Palestine City of Santa Fe, NM City of Lake Arrowhead, CA	No	Reliable. Competitive. Provides daily market updates.

All the brokers listed above have provided the necessary documentation.

MONEY MARKET/POOL EVALUATION						
Firm Name	Net Asset Value	Size	Operating Deadlines	Maximum WAM	2023/24 Average Monthly Yield*	Management Fee
Independent Financial Bank <i>Approved Since 2009</i>	\$1	\$16 billion	Before 4:30 p.m.		5.34%	0%
TexPool <i>Approved Pool Since 2007</i>	\$1	\$31.3 billion	Before 4:00 p.m.	Max- 60 days Avg- 39 days	5.32%	.045% basis points State Comptroller & Federated Investors
TexStar <i>Approved Pool Since 2007</i>	\$1	\$11.1 billion	Before 4:00 p.m.	Max -60 days Avg- 24 days	5.30%	.06% basis points JP Morgan Chase & Hilltop Securities

TexPool, and TexStar investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. Additionally, funds are restricted to a maximum weighted average maturity (WAM) of 60 days.



CITY OF CORINTH
Staff Report

Meeting Date:	12/19/2024	Title:	Investment Policy
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Consider and act on the Investment policy for the City of Corinth, Economic Development Corporation, Fire Control, Prevention and Emergency Services District and the Crime Control & Prevention District.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. The City’s investment policy incorporates the EDC, Fire District and Crime Control into the City of Corinth policy. There are no changes for the 2025 Investment Policy.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the Investment Policy as presented.

CITY OF CORINTH, TEXAS INVESTMENT POLICY

PREFACE

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the City of Corinth, Economic Development Corporation, Crime Control & Prevention District and the Fire Control, Prevention and Emergency Services District in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

The investment policy shall govern the investment of all financial assets considered to be part of the Corinth Economic Development Corporation, the Corinth Crime Control and Prevention District and the Corinth Fire Control, Prevention and Emergency Services District and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the City shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the City’s investment activities shall be as follows (in the order of priority):

- A. Safety - Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A

security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City's portfolio.

- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the City's investment activities shall be as follows:

Strategy No. 1

Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the City. Fund withdrawals are usually available from investment pools on a same-day basis, meaning

the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the City calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- D. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.

- E. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope - The Finance Audit Committee shall meet at least once per calendar quarter

to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.

- C. Procedures** - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A.** The responsibility for the daily operation and management of the City's investments shall be outlined within this section.
- 1. Delegation of Authority** - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
 - 2.** The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a.** The cost of control should not exceed the benefits likely to be derived; and,
 - b.** The valuation of costs and benefits requires estimates and judgments by management.
 - 3.** The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has

exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the City.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this

subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally** - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to City funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the City is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments** - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit** - A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:

1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools** - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements** - 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. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments are 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.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the City with

a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).

- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:
1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never

anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Economic Development Corporation portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Corinth Fire Control, Prevention and Emergency Services District portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Corinth Crime Control and Prevention District portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
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 & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the City. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and to improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City’s approved list. A horizon analysis is required for each swap proving benefit to the City before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.
- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.

- G. An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. 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). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates

of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.

1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies, including FHLB letters of credit (LOCs) in an amount not less than the value of the deposits, plus accrued interest.
 - c. Other securities as approved by the Finance Audit Committee
2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. Agreement must be in writing;
2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

XIII. PERFORMANCE

The City's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the City. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

- A. Quarterly** - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;

2. Unrealized gains 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-day U. S. Treasury Bill auction yield during the reporting period.
10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the 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, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a 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 the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Special Project and Capital Project Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Special Project and Capital Project Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market fluctuations will however occur, by restricting the maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years, and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements of the plant or equipment being depreciated, replaced or repaired, the market risk of the Fund portfolio will be minimized.
3. Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.
4. Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

5. Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy’s risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	12/19/2024	Title:	Audit Schedule
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

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

Item Summary/Background/Prior Action

The City of Corinth's Home Rule Charter, Section 9.12, states that at the close of the fiscal year an independent audit must be made on all accounts of the City by a certified public accountant.

The tentative schedule for the 2024 annual audit is listed below.

August 31, 2024	Auditors begin Interim Fieldwork
September 30, 2024	City's fiscal year-end
October 21-25, 2024	Auditors to conduct the Single Audit
October-December 2024	City staff analyze the financials, make year-end entries and prepare ACFR
December 13, 2024	City staff to close the books and provide a trial balance to auditors
December 16, 2024	Auditors begin Fieldwork
February 20, 2025	Finance Audit Committee meeting and presentation of ACFR
March 6, 2025	Alternate Finance Audit Committee Meeting Date
March 20, 2025	Presentation of ACFR to City Council

Financial Impact

Auditing services are budgeted in the Finance Divisional Budget for the Annual Audit (\$49,900) and Single Audit (\$8,000).

Staff Recommendation/Motion

No action to be taken at this time.



CITY OF CORINTH
Staff Report

Meeting Date:	12/19/2024	Title:	Report Monthly Financial Report
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Consider and act on the Comprehensive Monthly Financial Report.

Item Summary/Background/Prior Action

The Comprehensive Monthly Financial Reports are prepared on a monthly basis. The report is broken down into three sections: Financial Summary, Executive Summary and Capital Improvement Program Report.

Monthly financial reports are distributed the third Friday of every month and are available on the city’s website for public review. The report is intended to provide our audience (internal and external users) with timely and relevant information regarding the city’s financial position.

Staff Recommendation/Motion

Staff recommends approval of the Comprehensive Monthly Financial Report.



City of Corinth Monthly Financial Report For the Period End September 2024

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) 498-3280.



**City of Corinth
General Fund**

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period End September 2024

Section D, Item 5.

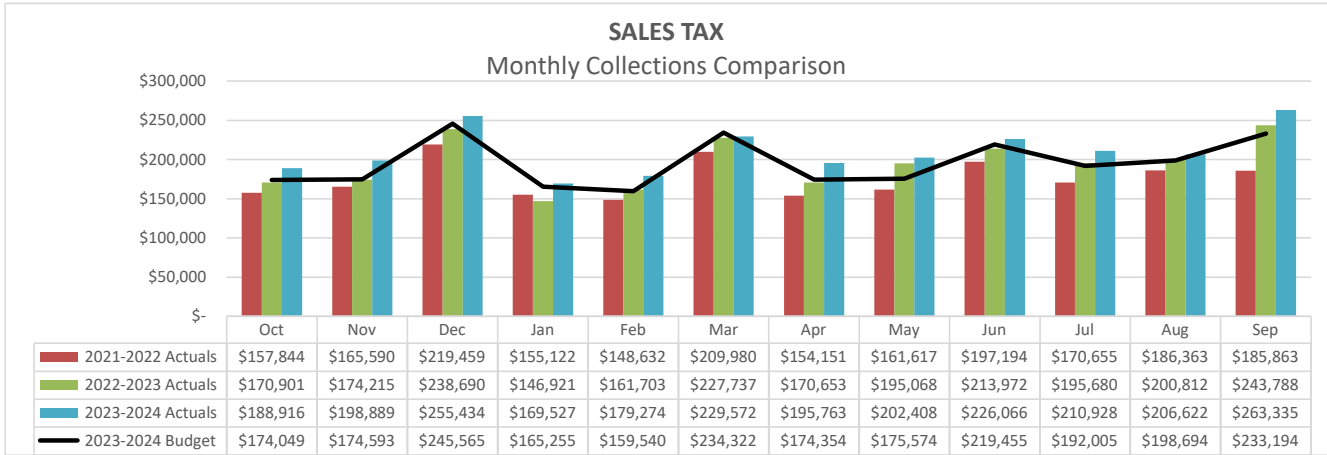
	Current Fiscal Year, 2023-2024					Prior Year
	Budget FY 2023-2024	Sep-2024 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2023 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 12,854,614	7,242	\$ 12,747,043	\$ (107,571)	99.2%	\$ 11,727,307
Delinquent Tax, Penalties & Interest	78,100	8,378	26,911	(51,189)	34.5%	90,609
Sales Tax	2,362,001	688,828	2,554,926	192,925	108.2%	2,361,496
Franchise Fees	1,244,907	254,999	1,238,018	(6,889)	99.4%	1,097,209
Utility Fees	141,500	1,710	5,478	(136,022)	3.9%	50,420
Traffic Fines & Forfeitures	669,177	48,049	594,744	(74,433)	88.9%	618,271
Development Fees & Permits	1,714,145	167,427	3,203,025	1,488,880	186.9%	1,181,641
Police Fees & Permits	907,383	1,556	826,388	(80,995)	91.1%	632,435
Recreation Program Revenue	91,290	2,278.24	69,539	(21,751)	76.2%	85,155
Fire Services	3,764,035	516,845	4,084,577	320,542	108.5%	3,990,044
Investment Income	237,675	47,420	566,720	329,045	238.4%	274,656
Miscellaneous	95,800	5,358	338,087	242,287	352.9%	42,509
Transfers In	2,235,709	-	2,235,709	-	100.0%	2,873,578
TOTAL ACTUAL RESOURCES	\$ 27,014,609	\$ 1,750,089	\$ 28,491,166	\$ 1,476,557	105.5%	\$ 25,025,330
Use of Fund Balance	198,392	198,392	198,392			
TOTAL RESOURCES	\$ 27,213,001	\$ 1,948,481	\$ 28,689,558	\$ 1,476,557		\$ 25,025,330
EXPENDITURES						
Personnel	\$ 19,274,498	\$ 1,820,576	\$ 18,439,669	\$ (834,829)	95.7%	\$ 16,086,559
Professional Fees	2,626,518	667,274	2,377,355	(249,163)	90.5%	1,524,028
Maintenance & Operations	1,176,206	121,119	1,040,927	(135,279)	88.5%	697,245
Supplies	517,400	98,053	376,407	(140,993)	72.7%	247,737
Utilities & Communications	1,281,143	137,117	1,223,160	(57,983)	95.5%	1,137,371
Vehicles/Equipment & Fuel	424,732	63,338	409,977	(14,755)	96.5%	430,040
Capital Outlay	511,073	(24,055)	452,413	(58,660)	88.5%	448,132
Capital Lease	60,281	-	60,280	(1)	100.0%	127,461
Transfer Out	1,341,150	135,000	1,271,150	(70,000.00)	94.8%	1,866,200
TOTAL EXPENDITURES	\$ 27,213,001	\$ 3,018,424	\$ 25,651,338	\$ (1,561,663)	94.3%	\$ 22,564,774
EXCESS/(DEFICIT)	\$ -	\$ (1,069,943)	\$ 3,038,221			\$ 2,460,557

KEY TRENDS	
Resources	Expenditures
<p>Property Taxes are received primarily in December & January and become delinquent February 1st.</p> <p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. June revenues are remitted to the City in August. Sales Tax received in June represents April collections.</p> <p>Franchise Fees - Oncor and Atmos franchise payments represent half of the total franchise taxes budgeted. Oncor remits payments on a quarterly basis. Atmos franchise payments are received annually, typically in January or February.</p> <p>Transfer In includes \$1,016,679 cost allocation from the Utility Fund, \$70,675 cost allocation from the EDC Fund, \$106,082 cost allocation from Storm Drainage, and \$22,705 from the Court Security Fund.</p>	<p>Transfer Out includes \$190,198 to the Tech Replacement Fund for the future purchases of computers, \$100,000 to the Tech Replacement Fund for Public Safety radios, \$225,952 cost allocation to the Utility Fund, \$375,000 from Fire to the Fire Vehicle & Equipment Fund, \$75,000 from Parks to the Park Development Fund, \$50,000 from Streets to the Capital Improvement Management Fund for the Corinth Parkway Crosswalk, \$70,000 from Public Works to the General Vehicle/Equipment Replacement Fund, and \$50,000 from City Administration to the General Asset Fund.</p> <p>Capital Outlay includes \$99,000 for City Hall and Public Safety Complex HVAC, \$40,000 for the Strategic Plan, \$60,000 for a Facilities Needs Assessment, \$323,800 for a replacement Fire Medic, and \$64,279 for Soccer Field netting.</p> <p>Budget Amendment #24-05-16-22, in the amount of \$60,000 was approved by City Council on May 16th to provide additional Engineering services. #24-08-22-32, in the amount of \$119,000 was approved by City Council on August 22nd to provide for storm debris services.</p>

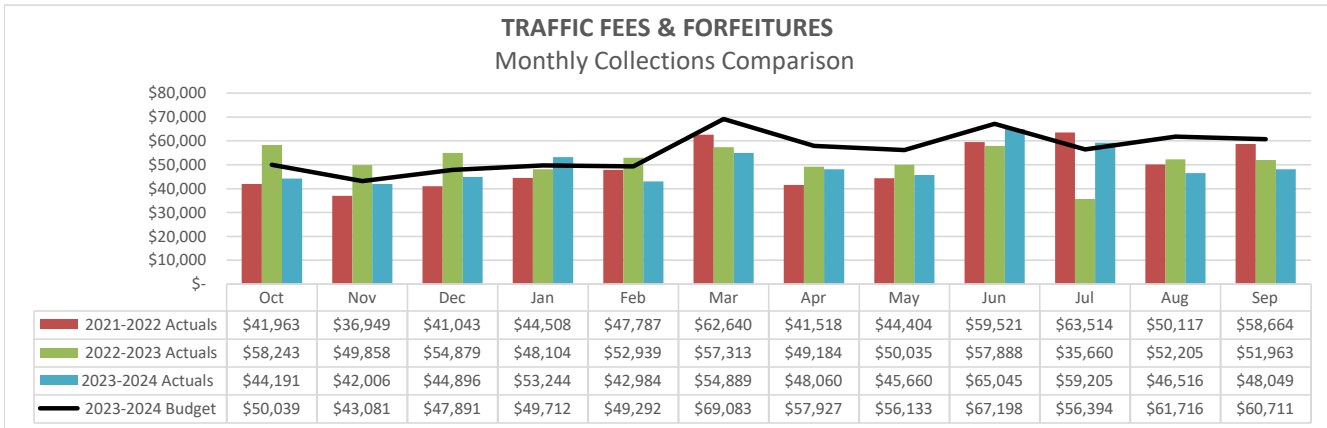


City of Corinth
General Fund
 Revenue Analysis
 For the Period End September 2024

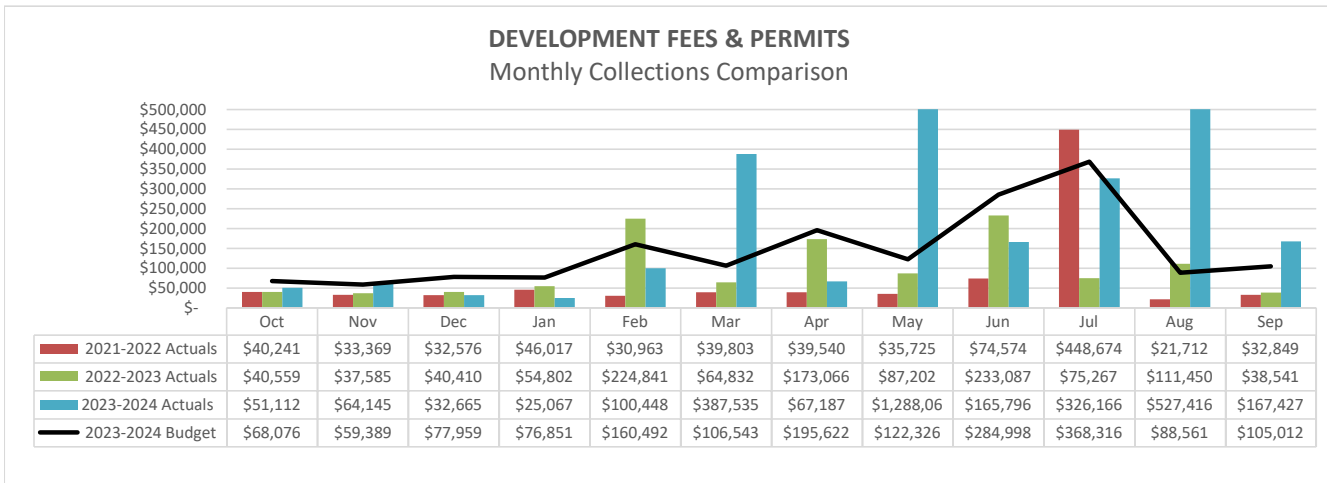
Section D, Item 5.



SALES TAX VARIANCE	Actual to Budget (%)	7.4%	Current Yr to Prior Yr (%)	8.5%
	Actual to Budget (\$)	\$142,064	Current Yr to Prior Yr (\$)	\$161,237



TRAFFIC FEES & FORFEITURES VARIANCE	Actual to Budget (%)	-11.1%	Current Yr to Prior Yr %	-3.8%
	Actual to Budget (\$)	(\$74,433)	Current Yr to Prior Yr \$	(\$23,526)



DEVELOPMENT FEES & PERMITS VARIANCE	Actual to Budget (%)	86.9%	Current Yr to Prior Yr (%)	171.1%
	Actual to Budget (\$)	\$1,488,880	Current Yr to Prior Yr (\$)	\$2,021,384



City of Corinth

Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period End September 2024

Section D, Item 5.

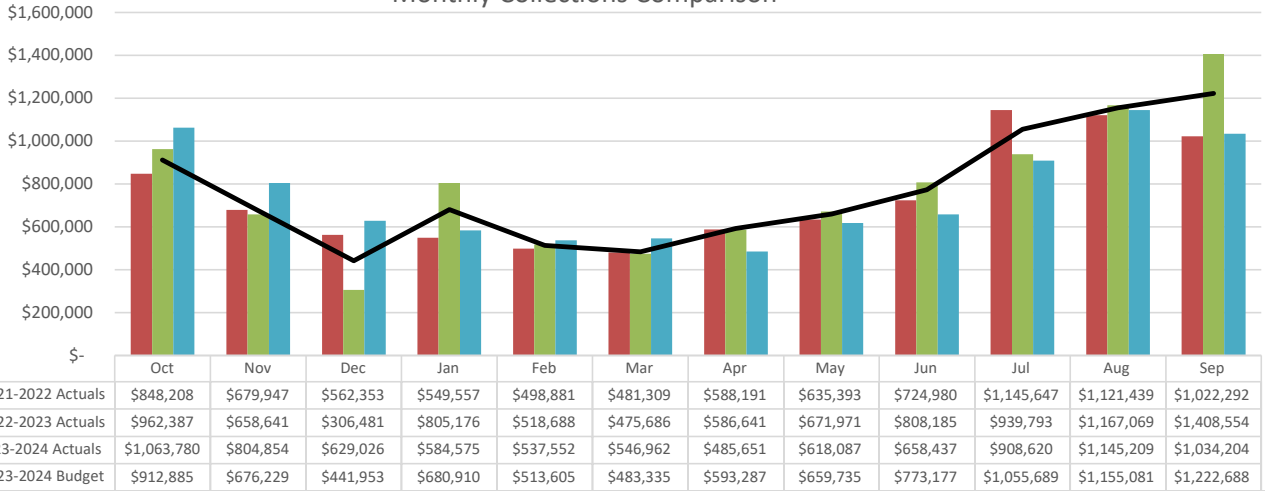
	Current Fiscal Year, 2023-2024					Prior Year
	Budget FY 2023-2024	Sep-2024 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2023 Y-T-D Actual
RESOURCES						
City Water Charges	\$ 9,168,574	\$ 1,034,204	\$ 9,016,957	\$ (151,617)	98.3%	\$ 9,309,271
City Wastewater Disposal Charges	5,153,036	485,098	5,213,540	60,504	101.2%	5,040,383
Garbage Revenue	1,146,716	102,771	1,174,922	28,206	102.5%	1,106,613
Garbage Sales Tax Revenue	105,521	8,663	102,122	(3,399)	96.8%	95,608
Water Tap Fees	500,000	37,500	475,935	(24,065)	95.2%	382,621
Wastewater Tap Fees	430,000	30,250	345,980	(84,020)	80.5%	306,036
Service/Reconnect & Inspection Fees	155,850	4,463	74,570	(81,280)	47.8%	91,406
Penalties & Late Charges	175,000	14,244	158,426	(16,574)	90.5%	149,645
Investment Interest	98,582	27,757	245,154	146,572	248.7%	127,772
Miscellaneous	26,000	(165)	9,609	(16,391)	37.0%	27,380
Transfers In	246,072	-	249,462	3,390	101.4%	287,588
TOTAL ACTUAL RESOURCES	\$ 17,205,351	\$ 1,744,784	\$ 17,066,678	\$ (138,673)	99.2%	\$ 16,924,323
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 17,205,351	\$ 1,744,784	\$ 17,066,678			\$ 16,924,323
EXPENDITURES						
Personnel	\$ 2,252,429	\$ 234,201	\$ 2,144,561	\$ (107,868)	95.2%	\$ 2,146,275
Professional Fees	2,301,584	501,808	2,238,993	(62,591)	97.3%	1,698,871
Maintenance & Operations	720,557	162,185	717,254	(3,303)	99.5%	588,675
Supplies	108,826	23,601	95,193	(13,633)	87.5%	63,744
Upper Trinity Region Water District	7,519,336	661,466	7,397,900	(121,436)	98.4%	7,367,565
Utilities & Communication	624,005	88,724	667,455	43,450	107.0%	548,543
Vehicles/Equipment & Fuel	95,282	20,468	91,883	(3,399)	96.4%	77,387
Capital Outlay	168,187	(8,300)	143,885	(24,302)	85.6%	554,923
Debt Service	1,787,016	8,387	1,702,519	(84,497)	95.3%	1,315,626
Transfers	1,370,295	25,000	1,370,295	-	100.0%	2,121,274
TOTAL EXPENDITURES	\$ 16,947,517	\$ 1,717,540	\$ 16,569,939	\$ (377,578)	97.8%	\$ 16,482,883
EXCESS/(DEFICIT)	\$ 257,834	\$ 27,244	\$ 496,739			\$ 441,440

KEY TRENDS	
Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p>Water and Wastewater Charges: the rates are separated out by the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.</p> <p>Transfer In includes The transfer in of \$225,952 for the cost allocation from the General Fund, and \$20,120 from Storm Drainage.</p>	<p>Operating expenses are dominated by contractual payments for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton.</p> <p>Debt Service payments are processed in February and August.</p> <p>Capital Outlay includes \$51,200 for storage bins, \$257,604 for Water pipeline maintenance, \$30,000 for Public Works renovations, \$7,500 for Sewer Bypass Pump hoses, and \$5,199 for TOD Change Order.</p> <p>Transfer Out includes \$150,000 to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$100,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$28,328 to the Tech Replacement Fund for the future purchases of computers, \$1,016,679 cost allocation to the General Fund, and \$48,570 to the Capital Project Fund.</p> <p>Budget Amendment #24-03-07-11, in the amount of \$138,647, was approved by City Council on March 7th for an emergency water pipe repair.</p>



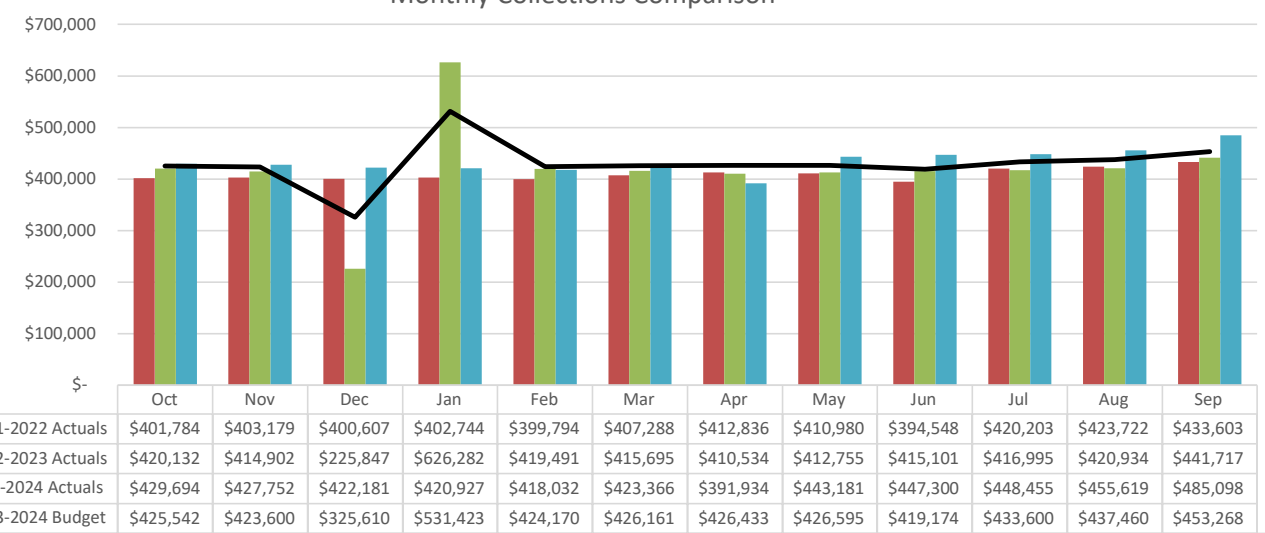
City of Corinth
Water/Wastewater Fund
 Revenue Analysis
 For the Period End September 2024

WATER CHARGES
 Monthly Collections Comparison



WATER CHARGES VARIANCE	Actual to Budget (%)	-1.7%	Current Yr to Prior Yr (%)	-3.1%
	Actual to Budget (\$)	(\$151,617)	Current Yr to Prior Yr (\$)	(\$292,314)

SEWER CHARGES
 Monthly Collections Comparison



SEWER CHARGES VARIANCE	Actual to Budget (%)	1.2%	Current Yr to Prior Yr (%)	3.4%
	Actual to Budget (\$)	\$60,504	Current Yr to Prior Yr (\$)	\$173,156

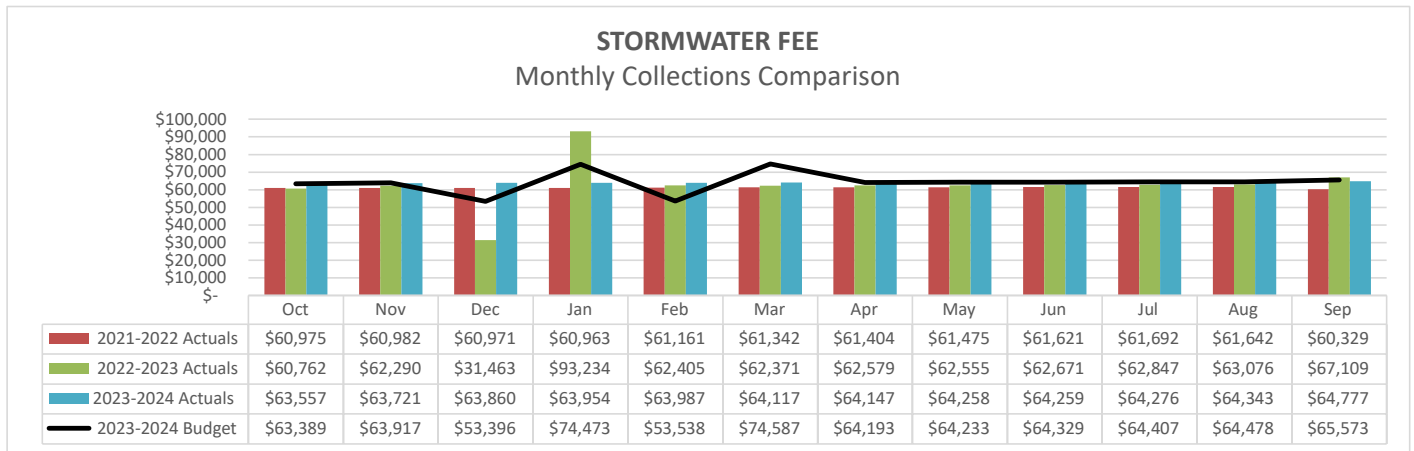


City of Corinth
Stormwater Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period End September 2024

Section D, Item 5.

	Current Fiscal Year, 2023-2024					Prior Year
	Budget FY 2023-2024	Sep-2024 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2023 Y-T-D Actual
RESOURCES						
Stormwater Utility Fee	\$ 770,514	\$ 64,777	\$ 769,255	\$ (1,259)	99.8%	\$ 753,362
Investment Interest	19,429	4,045	42,550	23,121	219.0%	25,582
Miscellaneous	40,000	1,630	2,094	(37,906)	5.2%	34,744
TOTAL ACTUAL RESOURCES	\$ 829,943	\$ 70,451	\$ 813,899	\$ (16,044)	98.1%	\$ 813,688
Use of Fund Balance	58,645	-	-			
TOTAL RESOURCES	\$ 888,588	\$ 70,451	\$ 813,899	\$ (16,044)		\$ 813,688
EXPENDITURES						
Personnel	\$ 332,210	\$ 17,430	\$ 144,212	\$ (187,998)	43.4%	\$ 191,783
Professional Fees	297,736	103,628	209,310	(88,426)	70.3%	117,638
Maintenance & Operations	72,233	27,177	52,403	(19,830)	72.5%	33,868
Supplies	12,001	4,082	7,628	(4,373)	63.6%	12,518
Utilities & Communication	3,690	175	1,592	(2,098)	43.1%	2,882
Vehicles/Equipment & Fuel	25,109	6,748	25,628	519	102.1%	27,422
Capital Outlay	-	-	-	-	0.0%	35,183
Debt Service	18,001	794	10,609	(7,392)	58.9%	167,061
Transfers	127,608	-	127,608	-	100.0%	142,670
TOTAL EXPENDITURES	\$ 888,588	\$ 160,035	\$ 578,989	\$ (309,599)	65.2%	\$ 731,027
Ending Fund Balance	\$ -	\$ (89,583)	\$ 234,909			\$ 82,661



DRAINAGE FEE VARIANCE	Actual to Budget (%)	-0.2%	Current Yr to Prior Yr (%)	10.3%
	Actual to Budget (\$)	(\$1,259)	Current Yr to Prior Yr (\$)	\$15,893

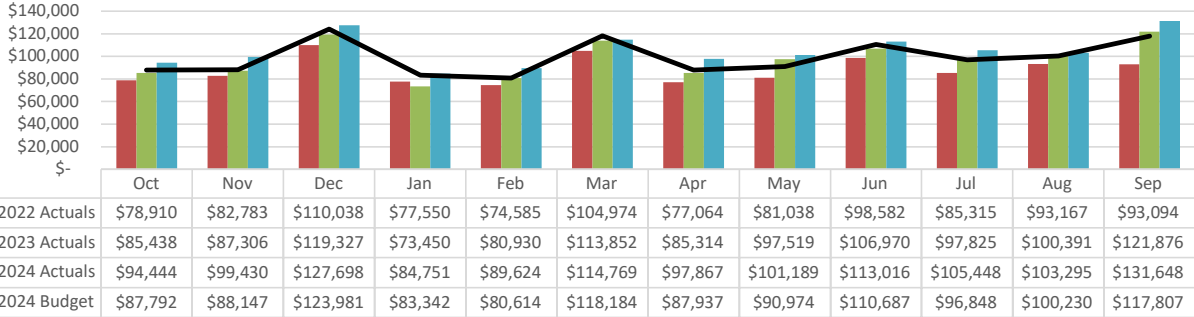
KEY TRENDS	
Resources	Expenditures
Investment Interest - The budget for investment interest is based on prior year trends.	Debt Service payments are processed in February and August.
	Transfer Out includes \$1,406 to the Tech Replacement Fund for the future purchases of computers, \$106,082 cost allocation to the General Fund, and \$20,120 cost allocation to the Utility Fund.



City of Corinth
Sales Tax Funds
 Revenue Analysis
 For the Period End September 2024

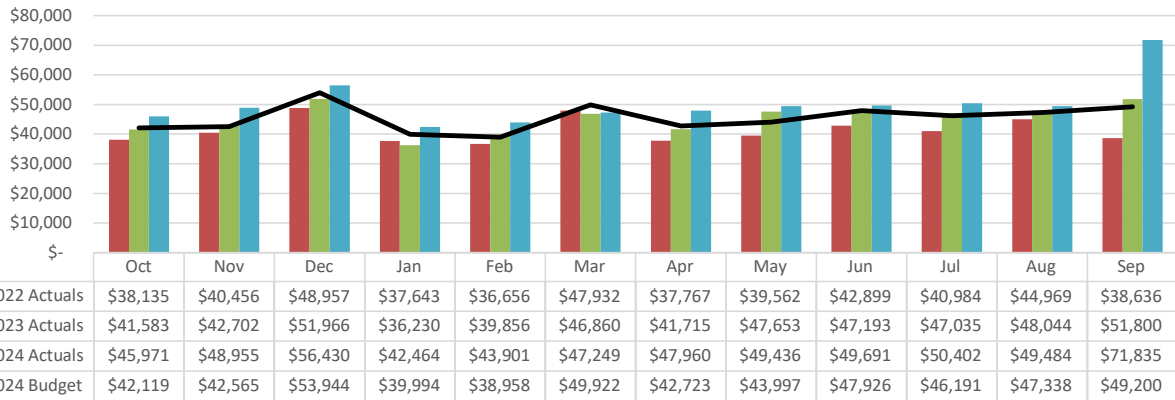
Section D, Item 5.

ECONOMIC DEVELOPMENT SALES TAX
 Monthly Collections Comparison



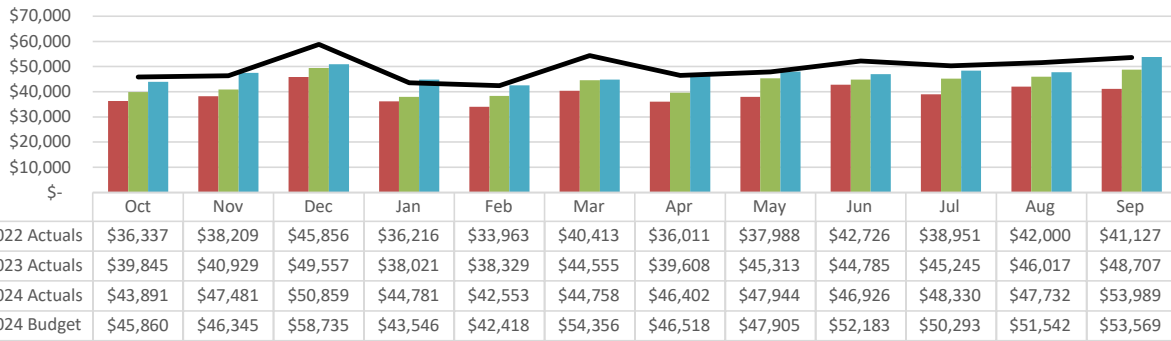
SALES TAX VARIANCE	Actual to Budget (%)	6.2%	Current Yr to Prior Yr (%)	8.5%
	Actual to Budget (\$)	\$59,729	Current Yr to Prior Yr (\$)	\$80,304

CRIME CONTROL SALES TAX
 Monthly Collections Comparison



SALES TAX VARIANCE	Actual to Budget (%)	7.6%	Current Yr to Prior Yr (%)	9.0%
	Actual to Budget (\$)	\$34,117	Current Yr to Prior Yr (\$)	\$39,665

FIRE DISTRICT SALES TAX
 Monthly Collections Comparison



SALES TAX VARIANCE	Actual to Budget (%)	-5.0%	Current Yr to Prior Yr (%)	8.9%
	Actual to Budget (\$)	(\$24,235)	Current Yr to Prior Yr (\$)	\$37,737



City of Corinth
Fund Balance Summary
 For the Period End September 2024

Section D, Item 5.

	Unaudited Appropriable Fund		Unaudited Fund		
	Balance 9/30/2023	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Balance 9/30/2024
OPERATING FUNDS					
100 General Fund	\$ 7,533,549	\$ 26,255,457	\$ 24,380,188	\$ 964,559	\$ 10,373,378
110 Utility Fund	4,136,889	16,817,216	15,199,644	(1,120,833)	4,633,629
120 Stormwater Utility Fund	580,627	812,279	451,381	(127,608)	813,916
130 Economic Development Corporation	4,190,946	1,393,348	128,509	(504,608)	4,951,177
131 Crime Control & Prevention	789,258	637,388	709,236	-	717,410
133 Fire Control, Prevention, EMS District	299,563	577,600	674,207	(30,000)	172,956
	<u>\$ 17,530,832</u>	<u>\$ 46,493,287</u>	<u>\$ 41,543,164</u>	<u>\$ (818,490)</u>	<u>\$ 21,662,465</u>
RESERVE FUNDS					
200 General Debt Service Fund	\$ 591,712	\$ 4,626,864	\$ 4,996,415	\$ 428,867	\$ 651,029
201 General Asset Mgmt Reserve Fund	413,619	8,998	-	50,000	472,617
202 Utility Asset Mgmt Reserve Fund	310,069	3,321	-	(313,390)	-
203 Drainage Asset Mgmt Reserve Fund	231,252	4,440	-	-	235,692
204 Rate Stabilization Fund	174,496	3,350	-	-	177,846
	<u>\$ 1,721,148</u>	<u>\$ 4,646,974</u>	<u>\$ 4,996,415</u>	<u>\$ 165,477</u>	<u>\$ 1,537,185</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects	\$ 1,446,323	\$ 135,024	\$ 795,306	\$ 500,000	\$ 1,286,041
194 Water/Wastewater Capital Projects	1,264,841	105,887	438,179	830,000	1,762,549
195 Drainage Capital Projects	260,299	12,864	73,820	-	199,342
706 2016 C.O. General Bond Fund	96,796	67,917	56,899	1,875,800	1,983,614
708 2019 C.O. General Bond Fund	6,307,561	295,937	2,691,309	-	3,912,188
710 2020 C.O. General Bond Fund	5,315,121	183,732	2,290,936	(1,500,000)	1,707,918
712 2021A C.O. General Bond Fund	1,531,949	60,479	1,482,564	-	109,864
713 2023 C.O. General Bond Fund	6,044,076	328,170	-	450,000	6,822,246
803 2016 C.O. Utility Bond Fund	1,830,625	45,175	-	(1,875,800)	-
806 2019 C.O. Water Bond Fund	2,350,505	58,652	172,782	8,570	2,244,944
807 2023 C.O. Water Bond Fund	5,681,175	269,003	341,477	(450,000)	5,158,702
	<u>\$ 32,129,270</u>	<u>\$ 1,562,840</u>	<u>\$ 8,343,272</u>	<u>\$ (161,430)</u>	<u>\$ 25,187,409</u>
INTERNAL SERVICE FUNDS					
300 General Capital Replacement Fund	\$ 309,340	\$ 125,944	\$ 55,768	\$ 70,000	\$ 449,516
301 LCFD Capital Replacement Fund	210,926	7,956	475,124	375,000	118,757
302 Technology Capital Replacement Fund	610,988	46,641	66,386	321,998	913,241
310 Utility Capital Replacement Fund	495,415	27,853	319,226	151,718	355,760
311 Utility Meter Replacement Fund	373,913	25,024	-	100,000	498,937
320 Insurance Claims and Risk Fund	352,717	157,300	67,834	-	442,183
	<u>\$ 2,353,298</u>	<u>\$ 390,718</u>	<u>\$ 984,338</u>	<u>\$ 1,018,716</u>	<u>\$ 2,778,395</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 168,471	\$ 139,964	\$ 39,486	\$ (150,000)	\$ 118,949
401 Keep Corinth Beautiful	36,680	8,946	3,960	-	41,665
404 County Child Safety Program	46,469	8,097	27,157	-	27,409
405 Municipal Court Security	127,482	26,359	-	(22,705)	131,137
406 Municipal Court Technology	50,107	19,302	12,028	-	57,381
407 Municipal Court Jury	379	435	-	-	814
408 Municipal Court Truancy Prevention	18,963	21,742	-	-	40,705
420 Police Lease Fund	9	5,307	4,448	-	868
421 Police Donations	5,245	2,104	1,060	-	6,289
422 Police Confiscation - State	16,412	1,003	-	-	17,415
423 Police Confiscation - Federal	-	-	-	-	-
440 Street Rehabilitation	453,761	11,240	465,001	-	-
451 Parks Development	236,026	132,324	-	(5,000)	363,350
452 Community Park Improvement	31,518	13,082	-	-	44,600
453 Tree Mitigation Fund	227,441	289,163	53,581	-	463,023
460 Fire Donations	43,338	6,377	4,112	-	45,603
470 Reinvestment Zone #2	95,361	71,962	-	-	167,323
471 Reinvestment Zone #3	53,681	37,468	-	-	91,150
475 EDC Foundation	(0)	1,019,568	-	(1,019,568)	-
490 Short Term Vehicle Rental Tax	195,695	178,015	106,275	(30,000)	237,436
497 Community Relations	3,000	30,884	-	3,000	36,884
150 Broadband Utility	420,147	17,561	64,291	-	373,417
	<u>\$ 2,230,187</u>	<u>\$ 2,071,787</u>	<u>\$ 781,399</u>	<u>\$ (1,221,273)</u>	<u>\$ 2,299,302</u>
GRANT FUNDS					
525 American Rescue Plan Grant	\$ 95,194	\$ 2,132,344	\$ 1,903,945	\$ -	\$ 323,593
526 Lynchburg Creek Grant	(59,968)	-	16,236	-	(76,204)
527 Opioid Abatement Grant	720	24,689	18,093	-	7,316
	<u>\$ 35,946</u>	<u>\$ 2,157,033</u>	<u>\$ 1,938,274</u>	<u>\$ -</u>	<u>\$ 254,705</u>
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	\$ 1,517,665	\$ 1,139,324	\$ -	\$ -	\$ 2,656,989
611 Wastewater Impact Fees	608,463	538,792	-	(480,000)	667,255
630 Roadway Impact Fees	1,038,220	1,644,749	30,863	-	2,652,106
	<u>\$ 3,164,348</u>	<u>\$ 3,322,865</u>	<u>\$ 30,863</u>	<u>\$ (480,000)</u>	<u>\$ 5,976,349</u>
TOTAL ALL FUNDS	\$ 59,165,030	\$ 60,645,502	\$ 58,617,724	(1,497,000)	\$ 59,695,809



City of Corinth
Capital Improvement Program
 For the Period End September 2024

Project No.	Project Name	Budget	Encumbrance	Expenditures	Available Balance
DRAINAGE CAPITAL PROJECTS					
1027	Blake Street Engineering	\$ 165,588	\$ -	\$ 54,720	\$ 110,868
1037A	Lynchburg Creek Flood Mitigation (FEMA Grant)	2,907,633	197,683	255,715	2,454,235
1037	Lynchburg Creek (City Match)	3,659,609	-	-	3,659,609
1038A	Windsor Ridge Park Drainage	28,000	-	17,516	10,484
		\$ 6,760,830	\$ 197,683	\$ 327,952	\$ 6,235,195
WATER CAPITAL PROJECTS					
1007	Quail Run EST Offsite Water	\$ 100,000	\$ -	\$ 29,780	\$ 70,220
1008	LCMUA Interconnect	300,000	-	150,058	149,942
1002E	DME Underground Water Line	350,000	-	-	350,000
1153	I35 Utility Relocation	5,500,000	104,899	289,297	5,105,804
		\$ 6,250,000	\$ 104,899	\$ 469,134	\$ 5,675,967
WASTEWATER CAPITAL PROJECTS					
1026	Parkridge Wastewater Line (LCMUA)	\$ 175,000	\$ -	\$ 38,385	\$ 136,615
1055	Lift Station Burl Street UTRWD	-	-	-	-
1103A	Lift Station 3A Upgrade Design	400,000	137,036	38,164	224,800
1061	Lift Station Corinthian Oak	115,000	4,500	44,663	65,837
1094	Lift Station GSLS (Woods)	115,000	-	107,130	7,870
1171	Denton (Oakmont) Sewer Meter Station	80,000	-	8,228	71,772
1180	Lift Station Lakeview CAC UTRWD	900,000	-	-	900,000
1055A	Lift Station Burl Street UTRWD	1,500,000	-	-	1,500,000
1179	Creekside Manhole Rehab	179,381	-	-	179,381
		\$ 3,464,381	\$ 141,536	\$ 236,570	\$ 3,086,275
STREET CAPITAL PROJECTS					
1002	TOD Streets	\$ 2,099,323	\$ 494	\$ 2,098,829	\$ -
1002C	TOD Streets	3,762,209	179,426	3,582,782	-
1003	Lake Sharon/Dobbs Realignment	5,197,410	-	3,450,876	1,746,533
1011	NCTC Way	608,451	-	468,174	140,278
1012	Lake Sharon Traffic Signal	185,127	-	-	185,127
1015	Walton Street Engineering	512,900	197,848	315,052	-
1069	Shady Shores Drainage/Streets	2,000,000	-	-	2,000,000
1172	Robinson Rehab	450,000	238,040	211,960	-
1181	Bike Transportation Plan	60,000	-	6,000	54,000
1015A	Walton Street	4,500,000	-	-	4,500,000
		\$ 19,375,420	\$ 615,808	\$ 10,133,674	\$ 8,625,938
PARKS CAPITAL PROJECTS					
1013	Commons ROW & Drainage	\$ 2,524,593	\$ 472,946	\$ 2,051,647	\$ -
1016	Commons Park	4,709,256	63,874	4,610,211	35,171
1182	Park Improvements	210,000	-	-	210,000
1017	Commons Design & Engineering	1,753,093	456,178	1,231,790	65,125
		\$ 9,196,941	\$ 992,997	\$ 7,893,648	\$ 310,296
GENERAL CAPITAL PROJECTS					
1021	Fire Training Field	\$ 540,000	\$ 150	\$ 425,770	\$ 114,080
1022	Work Order/Asset Management Software	179,684	-	141,425	38,259
1020	Planning Software Projects	284,525	-	236,525	48,000
1019	Finance Software	104,865	13,263	91,602	-
1149	Corinth Parkway Crosswalk	56,347	-	-	56,347
		\$ 1,165,422	\$ 13,413	\$ 895,323	\$ 256,686
	CIP Project Totals	46,212,995	\$ 2,066,337	\$ 19,956,300	\$ 24,190,358



CITY OF CORINTH Staff Report

Meeting Date:	12/19/2024	Title:	Annual Investment Report
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Consider and act on the Fiscal Year 2024 Annual Investment Report.

Item Summary/Background/Prior Action

The annual investment report summarizes 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.
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.

The investment report must be formally reviewed at least annually by an independent auditor. Hilltop Securities performed the annual review for fiscal year ending September 30, 2022. The review findings can be found in Appendix A of the annual report.

Applicable Owner/Stakeholder Policy

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 within 180 days of the end of the fiscal year.

Staff Recommendation/Motion

Staff recommends approval of the Annual Investment Report.

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 NAME AND TITLE

Lee Ann Bunselmeyer

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Chris Rodriguez

Chris Rodriguez
Budget Officer

CITY OF CORINTH
PORTFOLIO SUMMARY



Annual Investment Report Ending Sept 30, 2024

PORTFOLIO SUMMARY

	Ending Value 9/30/2023	Ending Value 9/30/2024
Par Value	\$ 56,769,416	\$ 58,827,962
Book Value	\$ 56,772,947	\$ 58,823,742
Market Value	\$ 56,505,316	\$ 58,832,363
Change in Market Value		\$ 2,327,047

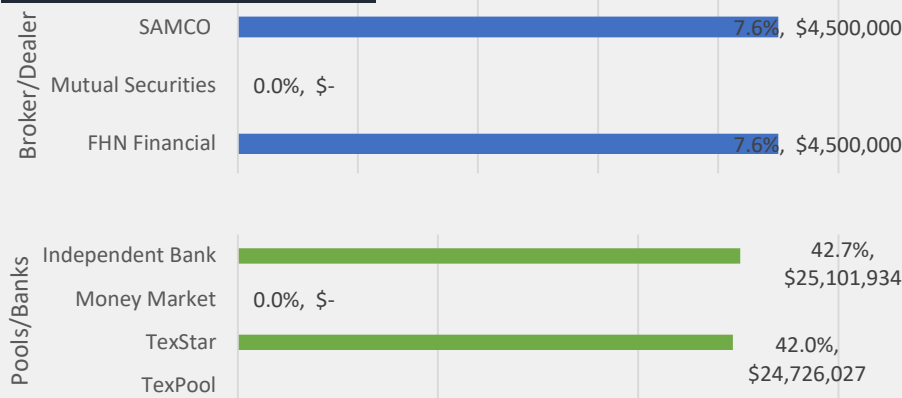
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 791,826
Income Earned - YTD	\$ 3,028,276
% Market to Book Value	100.01%
Average YTM	5.148%
Policy Benchmark	4.604%
Ending WAM (Days)	62

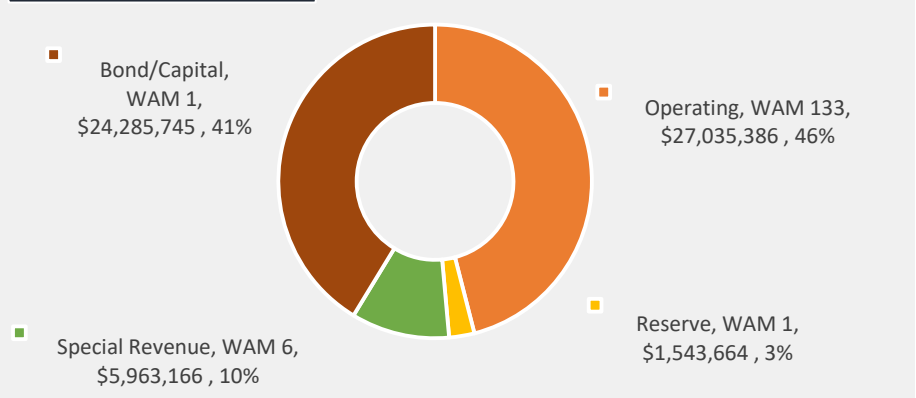
PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency - Coupon	\$ 1,000,000	2%
U.S. Federal Agency-Callable	8,000,000	14%
Certificates of Deposit	-	0%
Managed Pools	24,726,027	42%
Money Market	-	0%
Bank Cash	25,101,934	43%
Total	\$ 58,827,962	100%

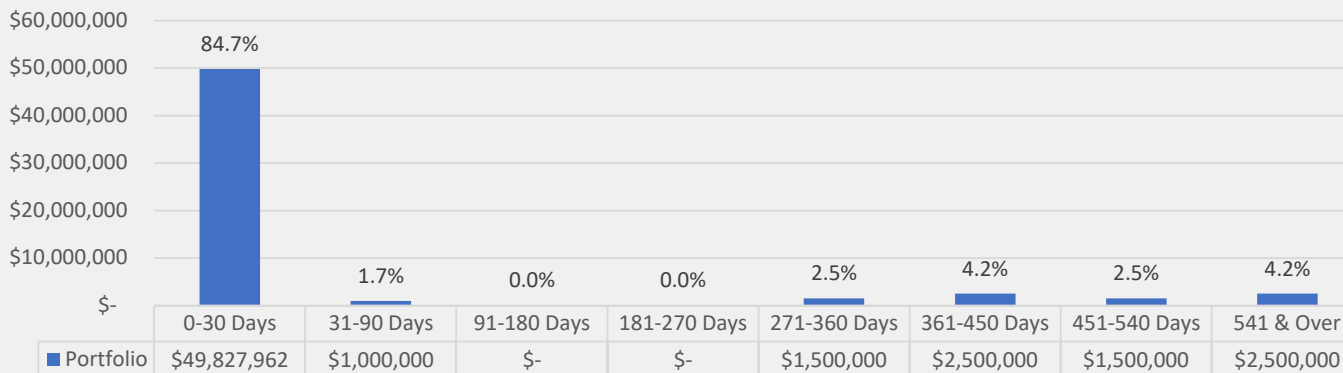
BROKER/DEALER ALLOCATION



FUND TYPE ALLOCATION



MATURITY DISTRIBUTION



PORTFOLIO STATEMENT

The net increase in the Change to Market Value is due to the sale of land and Development revenues exceeding the budget.

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

ECONOMIC DEVELOPMENT CORPORATION

PORTFOLIO SUMMARY

Annual Investment Report Ending Sept 30, 2024

Section D, Item 6.



PORTFOLIO SUMMARY

	Ending Value 9/30/2023	Ending Value 9/30/2024
Par Value	\$ 4,025,832	\$ 2,897,831
Book Value	\$ 4,025,832	\$ 2,897,831
Market Value	\$ 4,025,832	\$ 2,897,831
Change in Market Value		\$ (1,128,001)

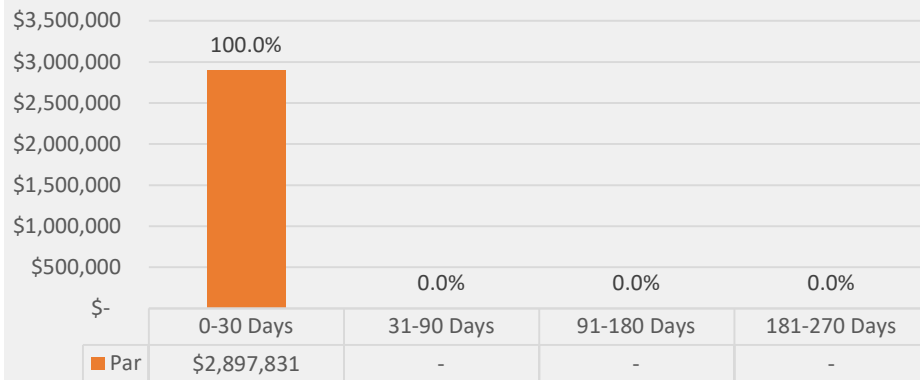
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 29,766
Income Earned - YTD	\$ 134,279
% Market to Book Value	100%
Average YTM	4.141%
Policy Benchmark	4.604%
Ending WAM (Days)	1

PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$ -	0%
U.S. Federal Agency-Callable	-	0%
Certificates of Deposit	-	0%
Managed Pools	937,010	32%
Money Market	1,198,941	41%
Bank Cash	761,881	26%
Total	\$ 2,897,831	100%

MATURITY DISTRIBUTION



MANAGED POOLS/DEPOSITORY BANK ALLOCATION



PORTFOLIO STATEMENT

The 1/2¢ Economic Development Sales Tax was approved in November 2002 with collections beginning in January 2005. Funds are used to carry out programs related to business retention, park and business development.

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

CRIME CONTROL & PREVENTION DISTRICT

PORFOLIO SUMMARY

Annual Investment Report Ending Sept 30, 2024

Section D, Item 6.



PORTFOLIO SUMMARY

	Ending Value 9/30/2023	Ending Value 9/30/2024
Par Value	\$ 763,339	\$ 613,567
Book Value	\$ 763,339	\$ 613,567
Market Value	\$ 763,339	\$ 613,567
Change in Market Value		\$ (149,771)

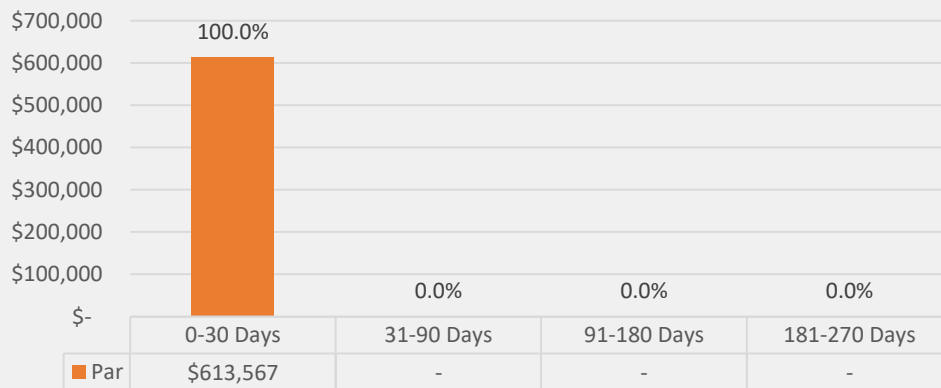
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 7,569
Income Earned - YTD	\$ 34,308
% Market to Book Value	100%
Average YTM	5.135%
Policy Benchmark	4.604%
Ending WAM (Days)	1

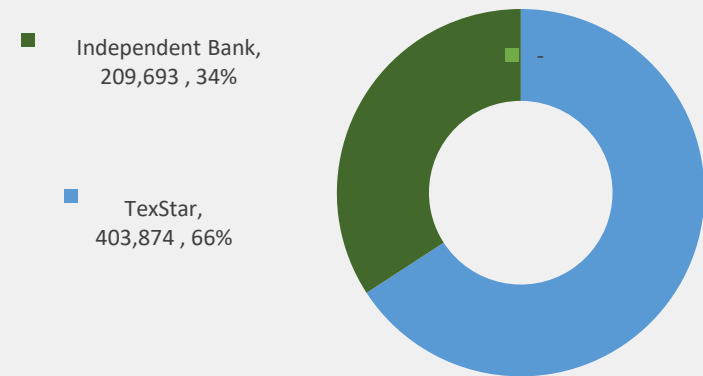
PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$ -	0%
U.S. Federal Agency-Callable	-	0%
Certificates of Deposit	-	0%
Managed Pools	403,874	66%
Money Market	-	0%
Bank Cash	209,693	34%
Total	\$ 613,567	100%

MATURITY DISTRIBUTION



MANAGED POOLS/DEPOSITORY BANK ALLOCATION



PORTFOLIO STATEMENT

The 1/4¢ Crime Control & Prevention Sales Tax was approved in November 2004 with collections beginning in January 2005. An election on May 2019 reauthorized the dedicated sales tax for another ten years. Revenues support costs of Police Services including administration, expansion, enhancement and capital expenditures.

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

PORFOLIO SUMMARY

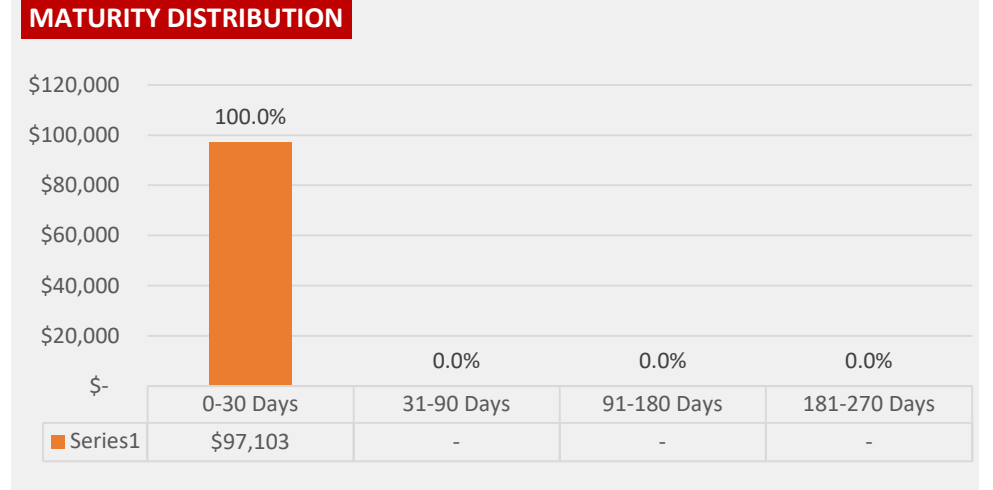
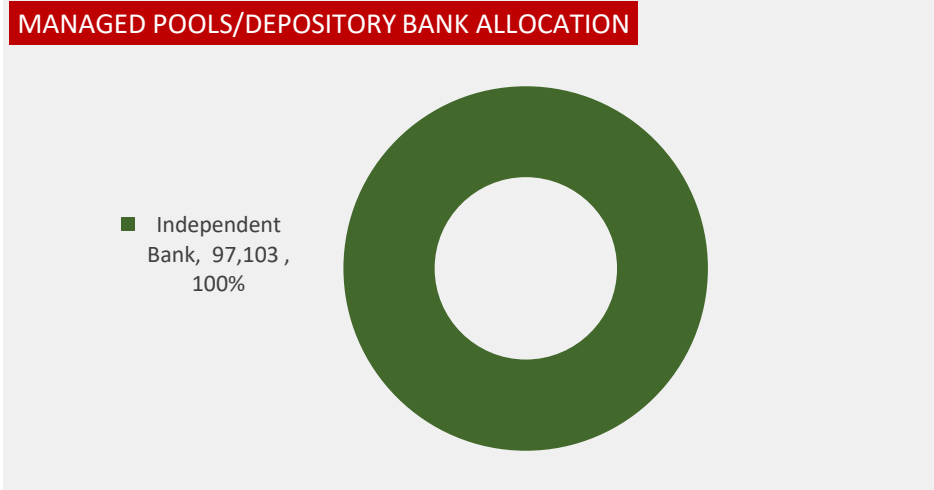


Annual Investment Report Ending Sept 30, 2024

PORTFOLIO SUMMARY			
	Ending Value		
	9/30/2023	9/30/2024	
Par Value	\$ 240,256	\$ 97,103	
Book Value	\$ 240,256	\$ 97,103	
Market Value	\$ 240,256	\$ 97,103	
Change in Market Value		\$ (143,152)	

PORTFOLIO KEY INDICATORS		
Income Earned - Quarter	\$	2,163
Income Earned - YTD	\$	11,766
% Market Value		100%
Average YTM		5.140%
Policy Benchmark		4.604%
Ending WAM (Days)		1

PORTFOLIO BY MARKET SECTOR		
U.S. Federal Agency -Coupon	\$	- 0%
U.S. Federal Agency-Callable	-	0%
Certificates of Deposit	-	0%
Managed Pools	-	0%
Money Market	-	0%
Bank Cash	97,103	100%
Total	\$ 97,103	100%



PORTFOLIO STATEMENT

The creation of the district was approved by voters in November 2020. The 1/4¢ sales tax became effective April 1, 2021. Revenues support costs of Fire Services including administration, expansion, enhancement and capital expenditures.

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

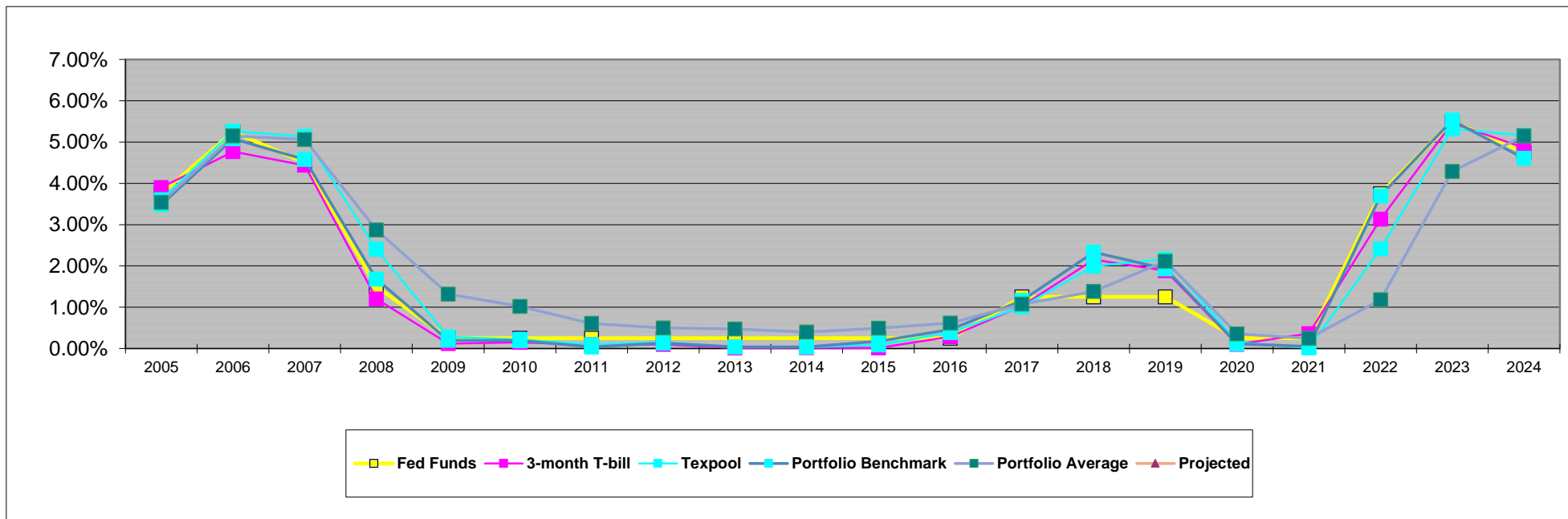
**COMBINED PORTFOLIO
ECONOMIC SUMMARY**

Annual Investment Report Ending Sept 30, 2024



Section D, Item 6.

Market Sector	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Fed Funds	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%	3.75%	5.50%	4.75%
3-month T-bill	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%	0.36%	3.13%	5.46%	4.86%
Texpool	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%	0.01%	2.41%	5.32%	5.16%
Portfolio Benchmark	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%	0.05%	3.70%	5.53%	4.60%
Portfolio Average	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%	0.25%	1.18%	4.29%	5.15%



The Fed Fund target rate as of March is a range of 4.75% to 5.00%.

The Federal Reserve met in September 17, 2024, and cut the fed funds overnight target by 50 basis points so the range is now 4.75% - 5.00% . "The new dot plot showed two more quarter-point cuts for the remainder of 2024, a total of 100 bps of cuts in both 2025 and 2026, and an implied neutral rate of 2.875%."

**COMBINED PORTFOLIO
STATEMENT OF COMPLIANCE**

Annual Investment Report Ending Sept 30, 2024



Section D, Item 6.

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% or total portfolio; EDC, CCD, Street Maintenance, Fire District Portfolio - Not to exceed 100%.	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 100% 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	Non-Compliant	Complies	Complies
Maximum Maturity	maximum allowable maturity of investments is restricted three years	Complies	Complies	Complies	Complies

**COMBINED PORTFOLIO
STATEMENT OF COMPLIANCE**

Annual Investment Report Ending Sept 30, 2024



Section D, Item 6.

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
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, 2023 - September 30, 2024**

Section D, Item 6.

City
3300 Corinth Parkway
Corinth, TX 76208
-9404983200

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: Pooled Cash									
10012	NTHSTR	00	10/01/2023	683,591.45	5,986,617.56	17,142,633.07	8,897,127.24	8,245,505.83	14,232,123.39
SYS10012	14,232,123.39	5.140	//	0.00	5,986,617.56	17,142,633.07	8,897,127.24	8,245,505.83	14,232,123.39
Sub Totals For: Fund: Pooled Cash				683,591.45	5,986,617.56	17,142,633.07	8,897,127.24	8,245,505.83	14,232,123.39
				0.00	5,986,617.56	17,142,633.07	8,897,127.24	8,245,505.83	14,232,123.39
Fund: Pooled Cash- Crime C									
10323	NTHSTR	00A	10/01/2023	6,425.43	186,804.33	198,270.68	175,382.09	22,888.59	209,692.92
SYS10322	209,692.92	5.140	//	0.00	186,804.33	198,270.68	175,382.09	22,888.59	209,692.92
Sub Totals For: Fund: Pooled Cash- Crime C				6,425.43	186,804.33	198,270.68	175,382.09	22,888.59	209,692.92
				0.00	186,804.33	198,270.68	175,382.09	22,888.59	209,692.92
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2023	13,945.01	1,134,257.21	808,702.17	1,181,078.29	-372,376.12	761,881.09
SYS10021	761,881.09	1.310	//	0.00	1,134,257.21	808,702.17	1,181,078.29	-372,376.12	761,881.09
Sub Totals For: Fund: Pooled Cash-Eco Dev				13,945.01	1,134,257.21	808,702.17	1,181,078.29	-372,376.12	761,881.09
				0.00	1,134,257.21	808,702.17	1,181,078.29	-372,376.12	761,881.09
Fund: Pooled Cash - Street									
10401	NTHSTR	00C	10/01/2023	0.00	0.00	0.00	0.00	0.00	0.00
SYS10042	0.00	5.120	//	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Pooled Cash - Street				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: Capital Project Ban									
10630	NTHSTR	00D	10/01/2023	165,481.45	2,075,386.88	5,303,130.55	3,265,537.00	2,037,593.55	4,112,980.43
SYS10630	4,112,980.43	5.140	//	0.00	2,075,386.88	5,303,130.55	3,265,537.00	2,037,593.55	4,112,980.43

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2023 - September 30, 2024

Section D, Item 6.

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: Capital Project Ban				165,481.45	2,075,386.88	5,303,130.55	3,265,537.00	2,037,593.55	4,112,980.43
				0.00	2,075,386.88	5,303,130.55	3,265,537.00	2,037,593.55	4,112,980.43
Fund: Special Revenue Bank									
10631	NTHSTR	00E	10/01/2023	139,874.52	882,467.90	4,544,405.37	213,707.16	4,330,698.21	5,213,166.11
SYS10631	5,213,166.11	5.140	//	0.00	882,467.90	4,544,405.37	213,707.16	4,330,698.21	5,213,166.11
Sub Totals For: Fund: Special Revenue Bank				139,874.52	882,467.90	4,544,405.37	213,707.16	4,330,698.21	5,213,166.11
				0.00	882,467.90	4,544,405.37	213,707.16	4,330,698.21	5,213,166.11
Fund: Reserve Funds - Pool									
10666	NTHSTR	00F	10/01/2023	134,612.05	981,936.73	4,564,473.28	4,002,745.60	561,727.68	1,543,664.41
SYS10666	1,543,664.41	5.140	//	0.00	981,936.73	4,564,473.28	4,002,745.60	561,727.68	1,543,664.41
Sub Totals For: Fund: Reserve Funds - Pool				134,612.05	981,936.73	4,564,473.28	4,002,745.60	561,727.68	1,543,664.41
				0.00	981,936.73	4,564,473.28	4,002,745.60	561,727.68	1,543,664.41
Fund: Fire District - Pool									
10705	NTHSTR	00G	10/01/2023	2,766.19	58,187.33	152,632.27	113,716.11	38,916.16	97,103.49
SYS10705	97,103.49	5.140	//	0.00	58,187.33	152,632.27	113,716.11	38,916.16	97,103.49
Sub Totals For: Fund: Fire District - Pool				2,766.19	58,187.33	152,632.27	113,716.11	38,916.16	97,103.49
				0.00	58,187.33	152,632.27	113,716.11	38,916.16	97,103.49
Fund: General Fund									
10098	FNMA	100	01/30/2023	15,652.78	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3135GAEG2	0.00	0.000	01/26/2024	24,500.00	997,460.00	0.00	1,000,000.00	-997,460.00	0.00
10140	TXSTAR	100	10/01/2023	13,512.62	119,771.71	403,175.81	0.00	403,175.81	522,947.52
SYS10140	522,947.52	5.132	//	11,871.85	119,771.71	403,175.81	0.00	403,175.81	522,947.52
10698	FHLB	100	04/29/2021	2,600.00	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3130ALYE8	0.00	0.000	04/29/2024	4,500.00	970,580.00	0.00	1,000,000.00	-970,580.00	0.00
10715	FHLMC	100	10/31/2021	243.06	1,000,058.98	0.00	1,000,000.00	-1,000,058.98	0.00
3137EAEZ8	0.00	0.000	11/06/2023	1,250.00	995,000.00	0.00	1,000,000.00	-995,000.00	0.00

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2023 - September 30, 2024

Section D, Item 6.

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
10730	FHLMC	100	01/26/2023	61,704.17	1,500,000.00	0.00	1,500,000.00	-1,500,000.00	0.00
3134GYE57	0.00	0.000	07/26/2024	75,300.00	1,492,725.00	0.00	1,500,000.00	-1,492,725.00	0.00
10733	FFCB	100	02/28/2023	1,391.67	999,826.86	0.00	1,000,000.00	-999,826.86	0.00
3133EMTW2	0.00	0.000	03/18/2024	1,500.00	976,080.00	0.00	1,000,000.00	-976,080.00	0.00
10735	FHLB	100	02/28/2023	745.33	300,000.00	0.00	300,000.00	-300,000.00	0.00
3130AND72	0.00	0.000	04/29/2024	967.50	291,129.00	0.00	300,000.00	-291,129.00	0.00
10736	FHLB	100	02/28/2023	123.33	299,955.15	0.00	300,000.00	-299,955.15	0.00
3130ALFY5	0.00	0.000	12/15/2023	150.00	296,742.00	0.00	300,000.00	-296,742.00	0.00
10753	FNMA	100	09/01/2023	76,875.00	1,507,046.88	0.00	0.00	-7,046.88	1,500,000.00
3135GAEB3	1,500,000.00	5.122	07/28/2025	69,828.12	1,493,741.88	0.00	0.00	5,823.12	1,499,565.00
10755	FNMA	100	10/01/2023	12,500.00	0.00	250,000.00	0.00	250,000.00	250,000.00
3135GAH61	250,000.00	4.995	11/08/2024	7,534.72	0.00	250,000.00	0.00	249,932.50	249,932.50
10757	FHLMC	100	11/30/2023	8,227.22	0.00	250,000.00	250,000.00	0.00	0.00
3134GYE57	0.00	0.000	07/26/2024	8,227.22	0.00	250,000.00	250,000.00	0.00	0.00
10759	FHLMC	100	01/31/2024	12,201.39	0.00	500,000.00	500,000.00	0.00	0.00
3134GYE57	0.00	0.000	07/26/2024	12,201.39	0.00	500,000.00	500,000.00	0.00	0.00
10760	FHLB	100	01/23/2024	53,940.00	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
3130AYKV7	1,500,000.00	5.220	01/23/2026	39,150.00	0.00	1,500,000.00	0.00	1,499,760.00	1,499,760.00
10761	FNMA	100	01/18/2024	54,026.04	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
3135GAM32	1,500,000.00	5.129	10/17/2025	19,005.21	0.00	1,500,000.00	0.00	1,495,470.00	1,495,470.00
10762	FAMCA	100	04/12/2024	21,829.16	0.00	993,800.00	0.00	995,780.08	995,780.08
31424WHB	1,000,000.00	4.980	04/08/2026	0.00	0.00	993,800.00	0.00	1,009,546.67	1,009,546.67
10763	FHLB	100	04/17/2024	37,583.33	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
3130BOUY3	1,500,000.00	5.500	04/17/2026	0.00	0.00	1,500,000.00	0.00	1,500,210.00	1,500,210.00
10764	FHLB	100	06/12/2024	16,652.78	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3130B1LM7	1,000,000.00	5.500	12/12/2025	0.00	0.00	1,000,000.00	0.00	1,000,120.00	1,000,120.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Sub Totals For: Fund: General Fund				389,807.88	7,726,659.58	7,896,975.81	6,850,000.00	1,042,068.02	8,768,727.60
				275,986.01	7,633,229.59	7,896,975.81	6,850,000.00	1,144,322.10	8,777,551.69
Fund: Utility Fund									
10211	TXSTAR	110	10/01/2023	183,328.89	3,362,546.47	185,462.51	0.00	185,462.51	3,548,008.98
SYS10211	3,548,008.98	5.132	//	185,462.51	3,362,546.47	185,462.51	0.00	185,462.51	3,548,008.98
10722	FHLB	110	07/31/2022	465.28	1,000,103.88	0.00	1,000,000.00	-1,000,103.88	0.00
3130AKK21	0.00	0.000	12/08/2023	1,250.00	990,360.00	0.00	1,000,000.00	-990,360.00	0.00
Sub Totals For: Fund: Utility Fund				183,794.17	4,362,650.35	185,462.51	1,000,000.00	-814,641.37	3,548,008.98
				186,712.51	4,352,906.47	185,462.51	1,000,000.00	-804,897.49	3,548,008.98
Fund: Drainage Fund									
10302	TXSTAR	120	10/01/2023	24,921.20	457,094.71	25,211.24	0.00	25,211.24	482,305.95
SYS10302	482,305.95	5.132	//	25,211.24	457,094.71	25,211.24	0.00	25,211.24	482,305.95
Sub Totals For: Fund: Drainage Fund				24,921.20	457,094.71	25,211.24	0.00	25,211.24	482,305.95
				25,211.24	457,094.71	25,211.24	0.00	25,211.24	482,305.95
Fund: Economic Development									
10007	TXPOOL	130	10/01/2023	59,611.70	2,072,027.30	64,982.35	1,200,000.00	-1,135,017.65	937,009.65
SYS10007	937,009.65	5.163	//	64,982.35	2,072,027.30	64,982.35	1,200,000.00	-1,135,017.65	937,009.65
10379	NTHSTR	130	10/01/2023	54,323.92	819,547.58	704,393.07	325,000.00	379,393.07	1,198,940.65
SYS10379	1,198,940.65	5.140	//	54,393.07	819,547.58	704,393.07	325,000.00	379,393.07	1,198,940.65
Sub Totals For: Fund: Economic Development				113,935.62	2,891,574.88	769,375.42	1,525,000.00	-755,624.58	2,135,950.30
				119,375.42	2,891,574.88	769,375.42	1,525,000.00	-755,624.58	2,135,950.30
Fund: Crime Control & Prev									
10723	TXSTAR	131	10/01/2023	26,088.99	576,534.42	27,339.93	200,000.00	-172,660.07	403,874.35
SYS10723	403,874.35	5.132	//	27,339.93	576,534.42	27,339.93	200,000.00	-172,660.07	403,874.35
Sub Totals For: Fund: Crime Control & Prev				26,088.99	576,534.42	27,339.93	200,000.00	-172,660.07	403,874.35
				27,339.93	576,534.42	27,339.93	200,000.00	-172,660.07	403,874.35
Fund: Street Maintenance S									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10155	TXSTAR	132	10/01/2023	0.00	0.00	0.00	0.00	0.00	0.00
SYS10155	0.00	5.076	/ /	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: Street Maintenance S				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Fire Control, Preven									
10724	TXSTAR	133	10/01/2023	9,147.55	182,068.64	9,235.32	191,303.96	-182,068.64	0.00
SYS10724	0.00	5.132	/ /	9,235.32	182,068.64	9,235.32	191,303.96	-182,068.64	0.00
Sub Totals For: Fund: Fire Control, Preven				9,147.55	182,068.64	9,235.32	191,303.96	-182,068.64	0.00
				9,235.32	182,068.64	9,235.32	191,303.96	-182,068.64	0.00
Fund: General Fund Capital									
10670	TXSTAR	193	10/01/2023	44,785.53	808,340.73	44,746.44	0.00	44,746.44	853,087.17
SYS10670	853,087.17	5.132	/ /	44,746.44	808,340.73	44,746.44	0.00	44,746.44	853,087.17
Sub Totals For: Fund: General Fund Capital				44,785.53	808,340.73	44,746.44	0.00	44,746.44	853,087.17
				44,746.44	808,340.73	44,746.44	0.00	44,746.44	853,087.17
Fund: Water/Wastewater Cap									
10725	TXSTAR	194	10/01/2023	36,228.86	653,900.12	36,197.24	0.00	36,197.24	690,097.36
SYS10725	690,097.36	5.132	/ /	36,197.24	653,900.12	36,197.24	0.00	36,197.24	690,097.36
10727	FHLMC	194	01/26/2023	20,568.06	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134GYE57	0.00	0.000	07/26/2024	25,100.00	497,575.00	0.00	500,000.00	-497,575.00	0.00
Sub Totals For: Fund: Water/Wastewater Cap				56,796.92	1,153,900.12	36,197.24	500,000.00	-463,802.76	690,097.36
				61,297.24	1,151,475.12	36,197.24	500,000.00	-461,377.76	690,097.36
Fund: General Asset Mgmt R									
10749	FFCB	201	08/31/2023	0.00	250,005.20	0.00	249,984.37	-250,005.20	0.00
3133EMQM7	0.00	0.000	02/16/2024	41.67	244,948.33	0.00	249,984.37	-244,948.33	0.00
Sub Totals For: Fund: General Asset Mgmt R				0.00	250,005.20	0.00	249,984.37	-250,005.20	0.00
				41.67	244,948.33	0.00	249,984.37	-244,948.33	0.00
Fund: Utility Asset Mgmt R									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10751	FHLMC	202	08/31/2023	2,056.81	251,220.14	0.00	250,000.00	-251,220.14	0.00
3134GYE57	0.00	0.000	07/26/2024	3,102.64	250,007.64	0.00	250,000.00	-250,007.64	0.00
Sub Totals For: Fund: Utility Asset Mgmt R				2,056.81	251,220.14	0.00	250,000.00	-251,220.14	0.00
				3,102.64	250,007.64	0.00	250,000.00	-250,007.64	0.00
Fund: Water Impact Fees									
10707	FHLB	610	07/29/2021	745.33	300,000.00	0.00	300,000.00	-300,000.00	0.00
3130AND72	0.00	0.000	04/29/2024	967.50	291,129.00	0.00	300,000.00	-291,129.00	0.00
10743	FNMA	610	05/08/2023	12,500.00	250,000.00	0.00	0.00	0.00	250,000.00
3135GAH61	250,000.00	5.000	11/08/2024	12,500.00	248,572.50	0.00	0.00	1,360.00	249,932.50
10746	FFCB	610	07/01/2023	124.86	500,237.64	0.00	500,000.00	-500,237.64	0.00
3133EMFB3	0.00	0.000	11/02/2023	487.36	498,082.64	0.00	500,000.00	-498,082.64	0.00
10754	FFCB	610	09/30/2023	187.50	250,045.49	0.00	250,000.00	-250,045.49	0.00
3133EMQM7	0.00	0.000	02/16/2024	188.89	244,988.61	0.00	250,000.00	-244,988.61	0.00
Sub Totals For: Fund: Water Impact Fees				13,557.69	1,300,283.13	0.00	1,050,000.00	-1,050,283.13	250,000.00
				14,143.75	1,282,772.75	0.00	1,050,000.00	-1,032,840.25	249,932.50
Fund: Wastewater Impact Fe									
10744	FNMA	611	05/08/2023	0.00	250,000.00	0.00	250,000.00	-250,000.00	0.00
3135GAH61	0.00	0.000	11/08/2024	4,965.28	248,572.50	0.00	250,000.00	-248,572.50	0.00
Sub Totals For: Fund: Wastewater Impact Fe				0.00	250,000.00	0.00	250,000.00	-250,000.00	0.00
				4,965.28	248,572.50	0.00	250,000.00	-248,572.50	0.00
Fund: Roadway Impact Fees									
10745	FNMA	630	05/08/2023	25,000.00	500,000.00	0.00	0.00	0.00	500,000.00
3135GAH61	500,000.00	5.000	11/08/2024	25,000.00	497,145.00	0.00	0.00	2,720.00	499,865.00
10747	FFCB	630	07/01/2023	124.86	500,237.64	0.00	500,000.00	-500,237.64	0.00
3133EMFB3	0.00	0.000	11/02/2023	487.36	498,082.64	0.00	500,000.00	-498,082.64	0.00
Sub Totals For: Fund: Roadway Impact Fees				25,124.86	1,000,237.64	0.00	500,000.00	-500,237.64	500,000.00
				25,487.36	995,227.64	0.00	500,000.00	-495,362.64	499,865.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: 2016 CO General Capi									
10758	TXSTAR	706	12/31/2023	54,145.43	0.00	3,799,780.54	1,106,314.95	1,592,237.09	1,592,237.09
SYS10113	1,592,237.09	5.132	//	47,323.54	0.00	3,799,780.54	1,106,314.95	1,592,237.09	1,592,237.09
Sub Totals For: Fund: 2016 CO General Capi				54,145.43	0.00	3,799,780.54	1,106,314.95	1,592,237.09	1,592,237.09
				47,323.54	0.00	3,799,780.54	1,106,314.95	1,592,237.09	1,592,237.09
Fund: 2019 CO - Steets									
10644	TXSTAR	708	10/01/2023	265,415.54	7,069,015.46	279,842.16	3,300,000.00	-3,020,157.84	4,048,857.62
SYS10644	4,048,857.62	5.132	//	279,842.16	7,069,015.46	279,842.16	3,300,000.00	-3,020,157.84	4,048,857.62
10711	FHLB	708	09/30/2021	123.33	299,955.15	0.00	300,000.00	-299,955.15	0.00
3130ALFY5	0.00	0.000	12/15/2023	150.00	296,742.00	0.00	300,000.00	-296,742.00	0.00
Sub Totals For: Fund: 2019 CO - Steets				265,538.87	7,368,970.61	279,842.16	3,600,000.00	-3,320,112.99	4,048,857.62
				279,992.16	7,365,757.46	279,842.16	3,600,000.00	-3,316,899.84	4,048,857.62
Fund: 2020 CO General Capi									
10683	TXSTAR	710	10/01/2023	159,189.72	3,816,944.05	1,569,144.44	3,700,000.00	-2,130,855.56	1,686,088.49
SYS10683	1,686,088.49	5.132	//	169,144.44	3,816,944.05	1,569,144.44	3,700,000.00	-2,130,855.56	1,686,088.49
10691	FHLB	710	02/05/2021	465.28	1,000,104.79	0.00	1,000,000.00	-1,000,104.79	0.00
3130AKK21	0.00	0.000	12/08/2023	1,250.00	990,360.00	0.00	1,000,000.00	-990,360.00	0.00
10708	FHLB	710	07/29/2021	993.78	400,000.00	0.00	400,000.00	-400,000.00	0.00
3130AND72	0.00	0.000	04/29/2024	1,290.00	388,172.00	0.00	400,000.00	-388,172.00	0.00
Sub Totals For: Fund: 2020 CO General Capi				160,648.78	5,217,048.84	1,569,144.44	5,100,000.00	-3,530,960.35	1,686,088.49
				171,684.44	5,195,476.05	1,569,144.44	5,100,000.00	-3,509,387.56	1,686,088.49
Fund: 2021 CO General Capi									
10693	TXSTAR	711	10/01/2023	0.00	0.00	0.00	0.00	0.00	0.00
SYS10693	0.00	5.047	//	0.00	0.00	0.00	0.00	0.00	0.00
Sub Totals For: Fund: 2021 CO General Capi				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: 2021A CO									

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10064	TXSTAR	712	10/01/2023	51,746.25	1,643,446.41	57,150.94	1,700,597.35	-1,643,446.41	0.00
SYS10064	0.00	5.132	//	57,150.94	1,643,446.41	57,150.94	1,700,597.35	-1,643,446.41	0.00
Sub Totals For: Fund: 2021A CO				51,746.25	1,643,446.41	57,150.94	1,700,597.35	-1,643,446.41	0.00
				57,150.94	1,643,446.41	57,150.94	1,700,597.35	-1,643,446.41	0.00
Fund: 2023 CO									
10739	TXSTAR	713	10/01/2023	265,127.73	3,578,922.84	2,511,255.87	0.00	2,511,255.87	6,090,178.71
SYS10739	6,090,178.71	5.132	//	254,940.92	3,578,922.84	2,511,255.87	0.00	2,511,255.87	6,090,178.71
10740	FNMA	713	04/26/2023	31,081.00	1,065,000.00	0.00	1,065,000.00	-1,065,000.00	0.00
3135GAGV7	0.00	0.000	04/26/2024	54,581.26	1,061,815.65	0.00	1,065,000.00	-1,061,815.65	0.00
10750	FFCB	713	08/31/2023	375.00	500,010.42	0.00	500,000.00	-500,010.42	0.00
3133EMQM7	0.00	0.000	02/16/2024	458.33	489,896.67	0.00	500,000.00	-489,896.67	0.00
10752	FHLMC	713	08/31/2023	10,284.03	251,220.14	0.00	250,000.00	-251,220.14	0.00
3134GYE57	0.00	0.000	07/26/2024	11,329.86	250,007.64	0.00	250,000.00	-250,007.64	0.00
10756	FFCB	713	10/01/2023	187.50	0.00	249,984.37	250,000.00	0.00	0.00
3133EMQM7	0.00	0.000	02/16/2024	187.50	0.00	249,984.37	250,000.00	0.00	0.00
Sub Totals For: Fund: 2023 CO				307,055.26	5,395,153.40	2,761,240.24	2,065,000.00	695,025.31	6,090,178.71
				321,497.87	5,380,642.80	2,761,240.24	2,065,000.00	709,535.91	6,090,178.71
Fund: 2016 CO WATER									
10712	FHLB	803	09/30/2021	82.22	199,970.10	0.00	200,000.00	-199,970.10	0.00
3130ALFY5	0.00	0.000	12/15/2023	100.00	197,828.00	0.00	200,000.00	-197,828.00	0.00
10726	TXSTAR	803	10/01/2023	14,892.52	1,091,025.06	10,203.44	1,101,228.50	-1,091,025.06	0.00
SYS10073	0.00	5.330	//	10,203.44	1,091,025.06	10,203.44	1,101,228.50	-1,091,025.06	0.00
10729	FHLMC	803	01/26/2023	8,366.67	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134GYE57	0.00	0.000	07/26/2024	12,898.61	497,575.00	0.00	500,000.00	-497,575.00	0.00
Sub Totals For: Fund: 2016 CO WATER				23,341.41	1,790,995.16	10,203.44	1,801,228.50	-1,790,995.16	0.00
				23,202.05	1,786,428.06	10,203.44	1,801,228.50	-1,786,428.06	0.00
Fund: 2019 CO - Water									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
10645	TXSTAR	806	10/01/2023	24,237.44	0.00	1,517,667.36	0.00	1,517,667.36	1,517,667.36
SYS10645	1,517,667.36	5.132	11	17,667.36	0.00	1,517,667.36	0.00	0.00	0.00
10700	FHLB	806	05/28/2021	2,534.58	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3130AMPD8	0.00	0.000	05/28/2024	3,850.00	966,280.00	0.00	1,000,000.00	-966,280.00	0.00
10706	FFCB	806	07/23/2021	3,650.00	1,000,648.89	0.00	1,000,000.00	-1,000,648.89	0.00
3133EMV25	0.00	0.000	07/23/2024	4,500.00	959,520.00	0.00	1,000,000.00	-959,520.00	0.00
10713	FHLB	806	09/30/2021	82.22	199,970.10	0.00	200,000.00	-199,970.10	0.00
3130ALFY5	0.00	0.000	12/15/2023	100.00	197,828.00	0.00	200,000.00	-197,828.00	0.00
Sub Totals For: Fund: 2019 CO - Water				30,504.24	2,200,618.99	1,517,667.36	2,200,000.00	-682,951.63	1,517,667.36
				26,117.36	2,123,628.00	1,517,667.36	2,200,000.00	-2,123,628.00	0.00
Fund: 2023 Water CO									
10741	TXSTAR	807	10/01/2023	166,326.55	3,676,999.72	1,017,551.26	1,000,000.00	17,551.26	3,694,550.98
SYS10741	3,694,550.98	5.132	11	166,953.91	3,676,999.72	1,017,551.26	1,000,000.00	17,551.26	3,694,550.98
10742	FHLMC	807	05/17/2023	69,055.56	2,000,000.00	0.00	2,000,000.00	-2,000,000.00	0.00
3134GYQY1	0.00	0.000	11/17/2025	146,666.67	1,989,040.00	0.00	2,000,000.00	-1,989,040.00	0.00
Sub Totals For: Fund: 2023 Water CO				235,382.11	5,676,999.72	1,017,551.26	3,000,000.00	-1,982,448.74	3,694,550.98
				313,620.58	5,666,039.72	1,017,551.26	3,000,000.00	-1,971,488.74	3,694,550.98
Report Grand Totals:				3,165,075.67	61,809,460.61	52,721,371.68	50,988,722.62	622,783.19	62,432,243.80
				2,038,233.75	61,541,829.86	52,721,371.68	50,988,722.62	-618,631.83	60,923,198.03

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2024



APPENDIX A

Hilltop Securities Portfolio Assessment



City of Corinth, Texas
Annual Investment Review
 For the year ending September 30, 2024

Fund Groups Included: Consolidated, Eco Development, Crime Control and Street Maintenance Tax.

Documents Necessary for Completion of Review:

- ✓ Annual Investment Report (Qtr)
- ✓ Quarterly Investment Reports
- ✓ Sympro Portfolio Management Reports
- ✓ Collateral Confirmation Reports

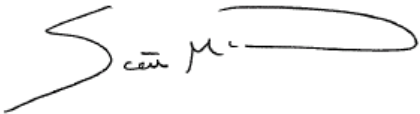
Policy Requirements:

- ✓ Unless matched to a specific cash flow, the City may not invest in a security maturing more than three (3) years from the date of purchase.
- ✓ The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred and sixty-five (365) days.
- ✓ Portfolio Limitations: U.S. Treasuries-100%; U.S. Agencies-100%; *Investment Pools (per pool)*-50%; Repurchase Agreements-25%; CD's-50%, Money Market Funds (per fund)-50%; Local Government Obligations-10%; Treasury and Agency Callables 30%.
- ✓ All deposits (including CD's and Repurchase Agreements) shall be secured by pledged collateral with market value no less than 102% of the principal plus accrued interest less an amount insured by FDIC.
- ✓ Collateral will be reviewed monthly to ensure the market value of the securities pledged exceeds investments.
- ✓ The City may not invest in any single money market fund, a dollar amount that exceeds 10% of the total assets of that fund.
- ✓ Business with any single security type or any one financial institution may not exceed 40%.

Report Mechanics:

- ✓ Par, Cost, Book, and Market Value = amounts on the Sympro Portfolio Report.
- ✓ Security prices checked and reasonable.
- ✓ Percentage of Market Value to Book Value looks reasonable.
- ✓ Summary totals agree to totals of Reconciliation.
- ✓ WAM looks reasonable according to Sales & Purchases, Fund Type, & Policy.
- ✓ Change to Market Value and WAM agree to Quarterly reconciliation change to value + Sales and Purchases Change.
- ✓ Review and question any major changes in Change to Market Value or WAM on Book and Market Report.

- ✓ Check ending totals and WAM to Sympro Report.
- ✓ Review Purchases and Sales for compliance with Policy.
- ✓ All securities are recorded in proper categories.
- ✓ Randomly agree beginning book/market to ending prior quarter.
- ✓ Review concentration of broker transactions.
- ✓ Sign Page 1 and return the original to Lee Ann Bunselmeyer.



Scott McIntyre, CFA
Managing Director



City of Corinth, Texas
Portfolio Exceptions
Quarter Ending September 30, 2024
Fund Groups Included: Consolidated, Eco Development, Crime Control and Street Maintenance Tax.

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

There were no exceptions noted.

A handwritten signature in black ink, appearing to read "Scott D. McIntyre". The signature is fluid and cursive.

December 4, 2024

Scott D. McIntyre, CFA
Managing Director
Hilltop Securities Asset Management, LLC

Date



City of Corinth, Texas
Portfolio Assessment
Quarter Ending September 30, 2024

Fund Groups Included: Consolidated, Eco Development, Crime Control and Street Maintenance Tax.

- The Fed held the overnight funds target range steady at 5.25% to 5.5% for over a year. In September, they began the first easing campaign since 2020 with a rate cut of 50 basis points. In September, Fed officials expected to cut steadily over the next two years, while the bond market priced in an even more aggressive easing rate. At the time of this review, the November election results have altered the outlook, suggesting persistent inflation and a significantly more patient approach by the Fed going forward.
- The City's consolidated portfolio yield was 5.15% at quarter end, up from 4.29% last year at this time and 1.18% two years prior. The ending portfolio yield is now two basis above the six-month trailing average of the six-month Treasury-bill yield of 5.13%.
- *There was no undue credit risk assumed; no direct or indirect exposure to foreign markets, leverage, or speculation in any of the portfolios.*
- The City portfolio's average maturity of approximately two (2) months indicates ample liquidity.
- Bank deposits are adequately secured through a Federal Home Loan Bank (FHLB) standby letter of credit in the amount of \$15 million, expiring 12/6/2024. Additional security collateral, of approximately \$20 million in quarter end market value ensures proper coverage for \$25 million in deposits.
- The portfolio strategy and investment management appear prudent, and investment reporting appears accurate.

A handwritten signature in black ink, appearing to read "Scott D. McIntyre".

December 4, 2024

Scott D. McIntyre, CFA
Managing Director

Date



CITY OF CORINTH
Staff Report

Meeting Date:	12/19/2024	Title:	Report Rebatable Arbitrage
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		

Item/Caption

Receive a report and hold a discussion on the Fiscal Year 2023-2024 Summary of Rebatable Arbitrage.

Item Summary/Background/Prior Action

Arbitrage rebate requirements require that any excess earnings or arbitrage be rebated to the Federal Government. Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding taxable securities. The rebate amount due to the Federal Government is equal to the excess of the amount earned on all non-purposed investment purchased with gross proceeds of the bonds over the amount which would have been earned if such non-purchase investments were invested at a rate equal to the yield on the bonds.

The rebate computation and payment to the Federal Government, if applicable, is required to be made at least every five-year period an issue remains outstanding, and upon the retirement of an issue. The payment is due to the Federal Government within 60 days from either each Rebate Installment Computation Date or Final Rebate Computation Date. Failure to comply with these Federal Rebate Requirements could lead to substantial late filing penalties and interest and/or, potentially the loss of tax-exempt status for these bonds and subsequent bonds.

Hilltop Securities Asset Management has performed the annual computation to ensure the City's compliance with the Federal Government Requirements. The attached 2023-2024 Summary of Rebatable Arbitrage includes the required annual computation for all bonds through September 30, 2024.

Applicable Owner/Stakeholder Policy

In accordance with the Federal Tax Reform Act, tax-exempt bonds which were issued on or after September 1, 1986 are subject to federal arbitrage rebate requirements.

Staff Recommendation/Motion

There is no action to be taken on this item.

City of Corinth, Texas
Summary of Rebataable Arbitrage and Yield Restriction
As of September 30, 2024

Final Numbers*

(Issues delivered prior to 5/14/2010, which are not presented herein, no longer require calculations)

Delivery Date	Par Amount	Issue Description	Bond Yield	Rebataable	Rebataable	Upcoming IRS Dates		
				Arbitrage / Yield Restriction 9/30/2023	Arbitrage / Yield Restriction 9/30/2024	Next IRS Calculation Date**	Next IRS Payment Date**	
5/14/2010	\$1,500,000	Combination Tax and Rev. CO, Series 2010	3.404388%	(1)	(1)	--	--	
5/19/2016	\$1,510,000	General Obligation Refunding Bonds, Series 2016						
5/19/2016	<u>\$13,275,000</u>	Combination Tax and Ltd. Surplus Rev. CO, Series 2016	2.382943%	(450,082.60)	(460,871.70)	5/19/2026	7/20/2026	
	\$14,785,000	Combined Liability						
8/3/2017	\$14,240,000	General Obligation Refunding Bonds, Series 2017						
8/3/2017	<u>\$4,855,000</u>	Combination Tax and Ltd. Surplus Rev. CO, Series 2017	2.281137%	(105,747.24)	(108,173.23)	8/3/2027	10/4/2027	
	\$19,095,000	Combined Liability						
4/4/2019	\$19,205,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2019	2.879136%	(1,222,031.47)	(1,170,432.33)	4/4/2029	6/4/2029	
11/19/2020	\$9,260,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2020	1.366956%					
				Rebate Liability:	(45,799.34)	83,913.32		
				Yield Restriction Liability:	N/A	111,753.10		
				Greater of Rebate/Yield Restriction:	(45,799.34)	<u>111,753.10</u>	11/19/2025	1/19/2026
2/18/2021	\$4,740,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2021	1.226191%	(51,645.23)	(54,366.11)	2/18/2026	4/20/2026	
11/18/2021	\$4,285,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2021A	1.720209%	38,378.69	77,459.36	11/18/2026	1/18/2027	
4/13/2023	\$10,980,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2023	3.550700%	96,809.32	311,954.71	4/13/2028	6/12/2028	
Total Cumulative Liability				<u>\$135,188.01</u>	<u>\$501,167.17</u>			

(1) All bonds have been redeemed. No further calculations required.

* Unless otherwise noted, all liabilities represent annual estimations of the rebate and yield restriction amounts as of your current fiscal year end.

** Next IRS Pay Date represents potential payments that are upcoming after the current fiscal year end. Actual IRS Calculation Dates and Payment Dates may be accelerated as a result of refundings/defeasances occurring after the date of this summary.