

****PUBLIC NOTICE****



FINANCE AUDIT COMMITTEE
Thursday, April 18, 2024 at 3:30 PM
City Hall | 3300 Corinth Parkway

A. CALL TO ORDER

B. 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.

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 17, 2023 Regular Session.
2. Consider and act on the 2024 Authorized Broker listing for the City of Corinth.

D. BUSINESS AGENDA

3. Accept, hold a discussion and provide staff direction on the annual external audit and Annual Comprehensive Financial Report (ACFR).
4. 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.
5. Consider and act on the Fiscal Year 2023 Annual Investment Report.
6. Receive a report and hold a discussion on the Fiscal Year 2022-2023 Summary of Rebutable Arbitrage.

E. 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.

- F. **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.**

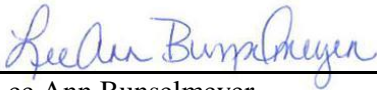
G. RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS

H. 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.

I. ADJOURN

Posted on this 12 day of April 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:	4/18/2024	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 17, 2023 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 17, 2023

City Hall | 3300 Corinth Parkway

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

On this, the 17th day of August 2023, 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
Catherine Miller

Staff Members Present:

Scott Campbell, City Manager
Lee Ann Bunselmeyer, Director of Finance & Strategic Services
Juanita Ortiz, Assistant Finance Director
Chris Rodriguez, Budget Officer

CALL TO ORDER

Chairman Garber called the meeting to order at 4:02 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 20, 2023, Regular Session.

Motion made by Councilmember Burke to approve the consent agenda. Seconded by Councilmember Heidemann.

Voting Yea: Heidemann, Burke, Garber

BUSINESS AGENDA

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

No action taken.

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

Motion made by Councilmember Heidemann to accept the comprehensive Month Financial Report.

Seconded by Councilmember Burke.

Voting Yea: Heidemann, Burke, Garber

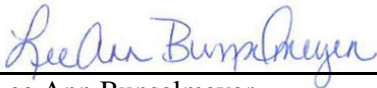
- 3. Consider and act on the Quarterly Investment Report.

Motion made by Councilmember Heidemann to approve the Quarterly Investment Report. Seconded by Councilmember Burke.

Voting Yea: Heidemann, Burke, Garber

ADJOURN

Chairman Garber adjourned the meeting at 4:45 pm.



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



CITY OF CORINTH Staff Report

Meeting Date:	4/18/2024	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 2024 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 2023-2024

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 Grand Prairie 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 Grass Valey City of Palestine City of Cathedral City	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	2022/23 Average Monthly Yield*	Management Fee
Independent Financial Bank <i>Approved Since 2009</i>	\$1	Over \$16 billion	Before 4:30 p.m.		3.54%	0%
TexPool <i>Approved Pool Since 2007</i>	\$1	\$28.7 billion	Before 4:00 p.m.	Max- 60 days Avg- 39 days	4.30%	.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	4.28%	.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:	04/18/2024	Title:	Annual Audit
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

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

Item Summary/Background/Prior Action

The audit of the city of Corinth’s financial records for the year-ending September 30, 2023 was conducted by Eide Bailey, L.L.P. The audit firm issued an unqualified opinion on the financial statement, stating that the financial statements present fairly, in all material respects, the City’s financial position in conformity with generally accepted accounting principles.

The Annual Comprehensive Financial Report is scheduled to be presented to the City Council on April 18, 2024.

Applicable Owner/Stakeholder Policy

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. At the close of each fiscal year, the Council shall direct that an independent audit be made on all accounts of the City by a certified public accountant.

Staff Recommendation/Motion

Staff recommends approval of the Annual Comprehensive Financial Report.



City of Corinth Monthly Financial Report For the Period End September 2023

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 2023

Section D, Item 3.

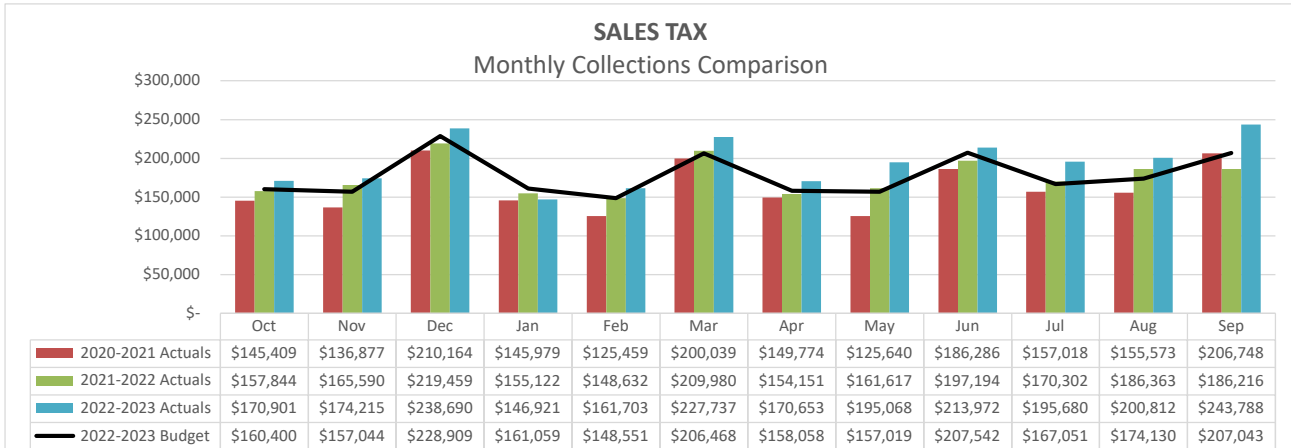
	Current Fiscal Year, 2022-2023					Prior Year
	Budget FY 2022-2023	Sep-2023 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2022 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 11,858,790	7,001	\$ 11,727,307	\$ (131,483)	98.9%	\$ 10,997,720
Delinquent Tax, Penalties & Interest	78,500	(2,948)	90,609	12,109	115.4%	81,900
Sales Tax	2,148,674	646,945	2,361,496	212,822	109.9%	2,127,306
Franchise Fees	1,025,790	253,820	1,097,209	71,419	107.0%	1,151,664
Utility Fees	152,314	-	50,420	(101,894)	33.1%	193,310
Traffic Fines & Forfeitures	704,275	51,963	618,271	(86,004)	87.8%	592,628
Development Fees & Permits	576,625	38,541	1,181,641	605,016	204.9%	876,044
Police Fees & Permits	637,421	1,521	632,435	(4,986)	99.2%	607,017
Recreation Program Revenue	88,000	4,703.00	85,155	(2,845)	96.8%	73,781
Fire Services	3,610,644	393,102	3,990,044	379,400	110.5%	3,750,449
Investment Income	44,000	31,382	274,656	230,656	624.2%	39,226
Miscellaneous	1,047,975	865	42,509	(1,005,465)	4.1%	41,352
Transfers In	2,843,620	29,959	2,873,578	29,959	101.1%	1,104,119
TOTAL ACTUAL RESOURCES	\$ 24,816,627	\$ 1,456,852	\$ 25,025,330	\$ 208,703	100.8%	\$ 21,703,852
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 24,816,627	\$ 1,456,852	\$ 25,025,330	\$ 208,703		\$ 21,703,852
EXPENDITURES						
Wages & Benefits	\$ 16,199,210	\$ 2,087,310	\$ 15,986,441	\$ (212,769)	98.7%	\$ 14,466,382
Professional Fees	1,657,033	311,374	1,524,028	(133,005)	92.0%	1,465,390
Maintenance & Operations	781,114	81,684	697,245	(83,869)	89.3%	1,150,718
Supplies	275,744	50,613	247,737	(28,007)	89.8%	220,400
Utilities & Communications	1,170,069	165,302	1,137,371	(32,698)	97.2%	697,118
Vehicles/Equipment & Fuel	435,122	71,700	430,040	(5,082)	98.8%	413,788
Training	156,460	5,000	100,118	(56,342)	64.0%	105,277
Capital Outlay	596,048	221,477	448,132	(147,916)	75.2%	183,003
Capital Lease	134,759	9,497	127,461	(7,298)	94.6%	123,060
Transfer Out	1,866,200	-	1,866,200	-	100.0%	2,056,290
TOTAL EXPENDITURES	\$ 23,271,759	\$ 3,003,956	\$ 22,564,774	\$ (706,985)	97.0%	\$ 20,881,425
EXCESS/(DEFICIT)	\$ 1,544,868	\$ (1,547,104)	\$ 2,460,557			\$ 822,427

KEY TRENDS	
Resources	Expenditures
<p>Property Taxes are received primarily in December & January and become delinquent February 1st.</p> <p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September revenues are remitted to the City in November. Sales Tax received in September represents July collections.</p> <p>Franchise Fees - Oncor and Atmos franchise payments represent half of the total franchise taxes budgeted. Oncor remits payments on a quarterly basis. Atmos franchise payments are received annually, typically in January or February.</p> <p>Transfer In includes \$993,013 cost allocation from the Utility Fund, \$62,861 cost allocation from the EDC Fund, \$92,102 cost allocation from Storm Drainage, \$58,372 from the Hotel Fund, and \$15,000 from the Court Security Fund. Transfer in also includes the proceeds for the sale of land in the amount of \$1,547,556.</p>	<p>Transfer Out includes \$193,329 to the Tech Replacement Fund for the future purchases of computers, \$50,000 to the Tech Replacement Fund for Public Safety radios, \$190,898 cost allocation to the Utility Fund, \$204,158 to the Street Rehabilitation Fund, \$100,000 to the Street Rehabilitation Fund for sidewalks, \$350,001 from Fire to the Fire Vehicle & Equipment Fund, \$55,000 from Parks to the Park Development Fund, \$100,000 from City Admin to the General Asset Management Fund, \$50,000 from Public Works to the General Vehicle/Equipment Replacement Fund.</p> <p>Capital Outlay includes \$150,000 from Parks for the Agora Park furniture and \$569,000 from Technology Services for the Agora Park audio visual.</p> <p>Budget Amendments approved by City Council; #23-02-16-03 for \$90,000 for the purchase of a Fire chassis approved on 2/16/23. Budget Amendment #23-05-04-17 for \$208,000 for facility needs and demolition of city property approved on 5/4/23. Budget Amendment #23-06-15-22 for \$44,576 for a Senior Planner and a Facilities Manager approved on 6/15/23.</p>



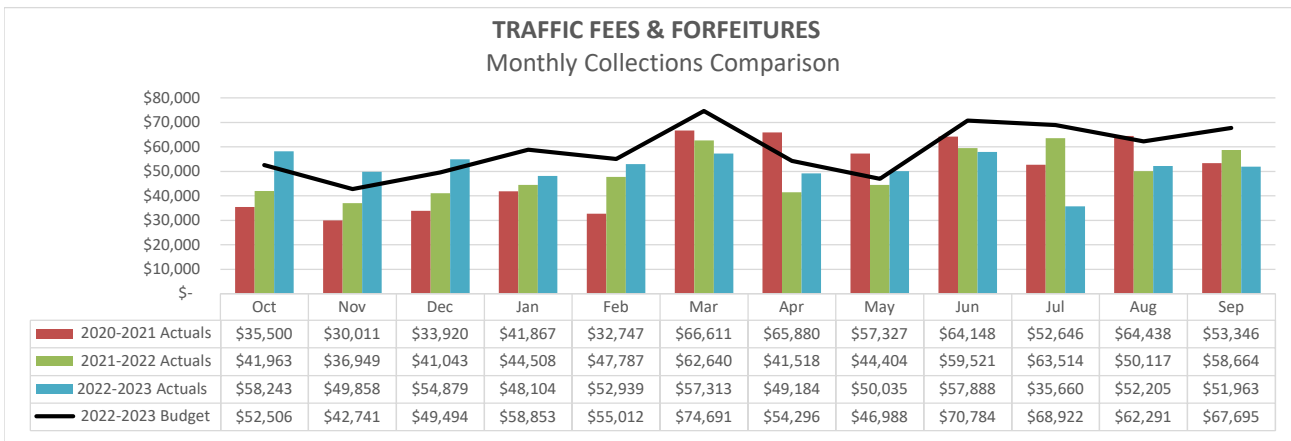
City of Corinth
General Fund
 Revenue Analysis
 For the Period End September 2023

Section D, Item 3.



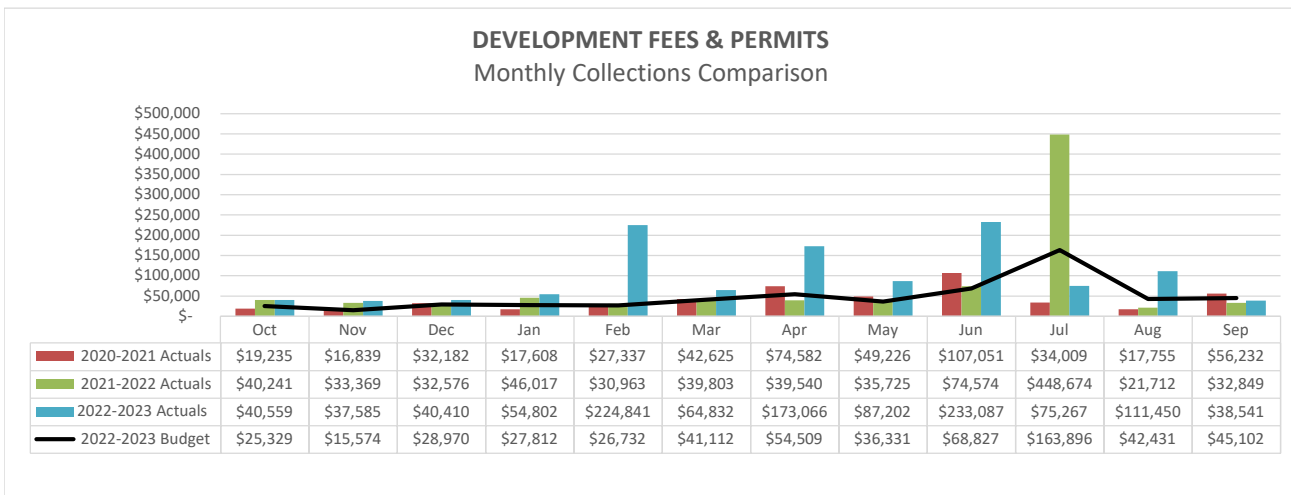
SALES TAX VARIANCE

Actual to Budget (%)	8.2%	Current Yr to Prior Yr (%)	8.9%
Actual to Budget (\$)	\$143,439	Current Yr to Prior Yr (\$)	\$155,648



TRAFFIC FEES & FORFEITURES VARIANCE

Actual to Budget (%)	-12.2%	Current Yr to Prior Yr %	4.3%
Actual to Budget (\$)	(\$86,004)	Current Yr to Prior Yr \$	\$25,642



DEVELOPMENT FEES & PERMITS VARIANCE

Actual to Budget (%)	104.9%	Current Yr to Prior Yr (%)	34.9%
Actual to Budget (\$)	\$605,016	Current Yr to Prior Yr (\$)	\$305,598



City of Corinth
Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period End September 2023

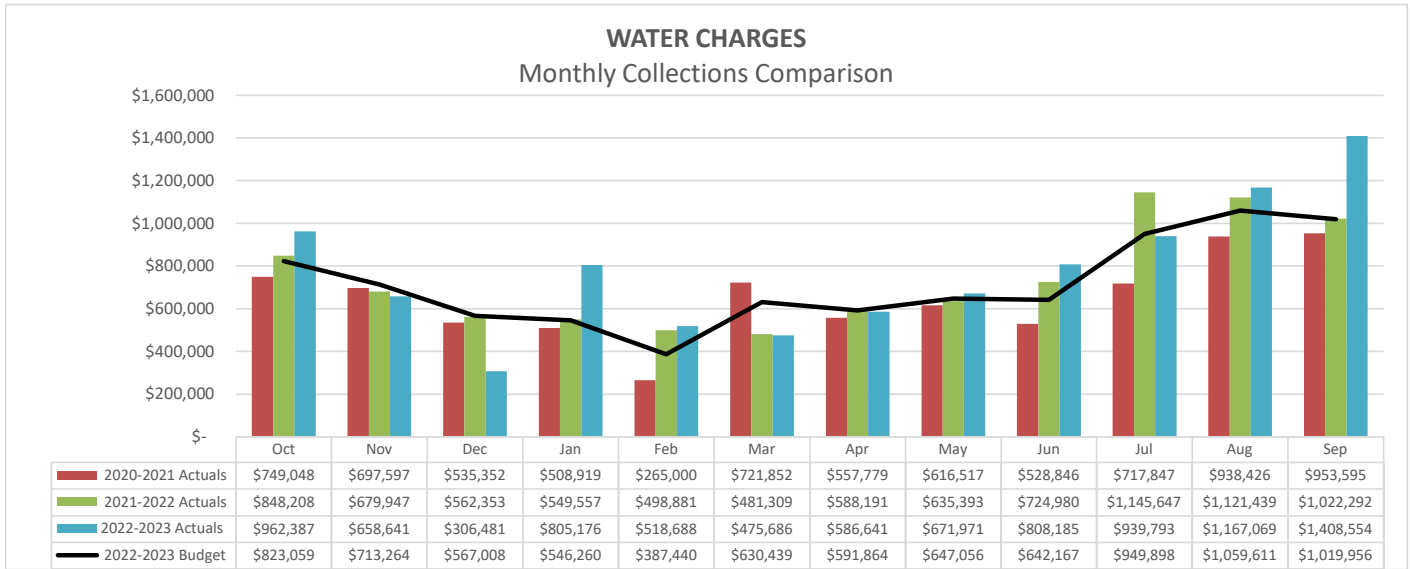
Section D, Item 3.

	Current Fiscal Year, 2022-2023					Prior Year
	Budget FY 2022-2023	Sep-2023 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2022 Y-T-D Actual
RESOURCES						
City Water Charges	\$ 3,680,182	\$ 754,178	\$ 4,112,565	\$ 432,383	111.7%	\$ 3,864,779
Upper Trinity Water Charges*	4,897,840	654,376	5,196,706	298,866	106.1%	4,993,417
City Wastewater Disposal Charges	2,005,256	192,387	2,105,109	99,853	105.0%	2,043,554
Upper Trinity Wastewater Disposal Charges*	2,837,143	249,330	2,935,275	98,132	103.5%	2,867,732
Garbage Revenue	1,165,478	103,742	1,106,613	(58,865)	94.9%	1,000,943
Garbage Sales Tax Revenue	105,538	8,202	95,608	(9,930)	90.6%	86,989
Water Tap Fees	225,000	9,000	382,621	157,621	170.1%	125,725
Wastewater Tap Fees	130,000	7,260	306,036	176,036	235.4%	87,030
Service/Reconnect & Inspection Fees	110,000	4,033	91,406	(18,594)	83.1%	115,203
Penalties & Late Charges	140,000	15,800	149,645	9,645	106.9%	174,255
Grant Revenue	-	-	-	-	0.0%	10,187
Investment Interest	5,000	25,322	137,516	132,516	2750.3%	19,663
Credit Card Processing Fees	-	-	-	-	0.0%	-
Miscellaneous	21,000	904.40	27,380	6,380	130.4%	23,812
Transfers In	485,382	-	287,588	(197,794)	59.2%	197,792
TOTAL ACTUAL RESOURCES	\$ 15,807,819	\$ 2,024,532	\$ 16,934,067	\$ 1,126,248	107.1%	\$ 15,611,081
Use of Fund Balance	1,094,177	-	-	-	-	-
TOTAL RESOURCES	\$ 16,901,996	\$ 2,024,532	\$ 16,934,067			\$ 15,611,081
EXPENDITURES						
Wages & Benefits	\$ 2,203,951	\$ 239,065	\$ 2,114,263	\$ (89,688)	95.9%	\$ -
Professional Fees	1,706,924	224,485	1,698,871	(8,053)	99.5%	1,489,426
Maintenance & Operations	612,737	76,729	588,675	(24,062)	96.1%	459,186
Supplies	64,123	16,110	63,744	(379)	99.4%	98,295
Upper Trinity Region Water District	7,617,356	677,274	7,367,565	(249,791)	96.7%	7,254,612
Utilities & Communication	564,419	88,589	548,543	(15,876)	97.2%	218,439
Vehicles/Equipment & Fuel	82,445	13,098	77,387	(5,058)	93.9%	93,934
Training	34,380	8,340	32,012	(2,368)	93.1%	32,703
Capital Outlay	565,304	46,464	554,923	(10,381)	98.2%	44,031
Debt Service	1,329,083	10,458	1,315,626	(13,457)	99.0%	1,294,775
Transfers	2,121,274	-	2,121,274	-	100.0%	1,611,452
TOTAL EXPENDITURES	\$ 16,901,996	\$ 1,400,611	\$ 16,482,883	\$ (419,113)	97.5%	\$ 12,596,853
EXCESS/(DEFICIT)	\$ -	\$ 623,921	\$ 451,184			\$ 3,014,229

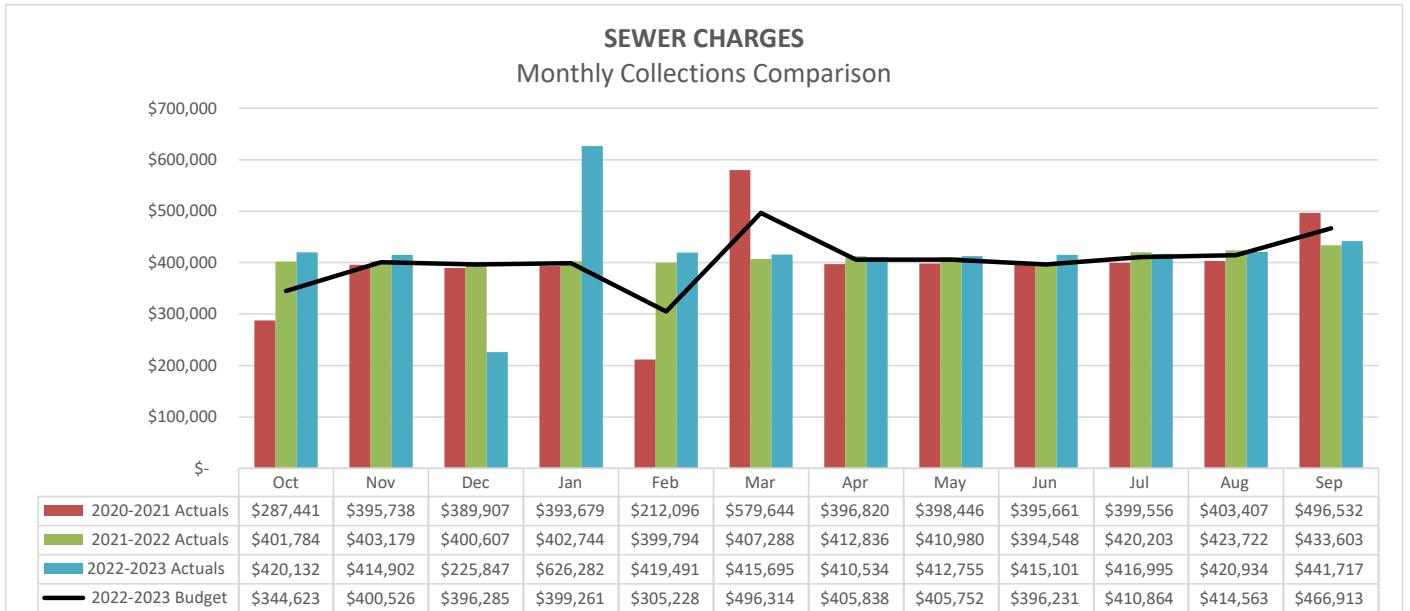
KEY TRENDS	
Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p>Water and Wastewater Charges: the rates are separated out by the Upper Trinity and City portion of the rate revenue, as adopted by ordinance in September 2017.</p> <p>Transfer In includes The transfer in of \$190,898 for the cost allocation from the General Fund, \$19,168 from Storm Drainage, \$77,522 from ARP fund for Inspector.</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 \$100,000 for new construction water meters, \$300,000 for conversion to new AMI system, \$80,000 for Pecan Creek fire hydrants, \$70,000 for scada system for water well, \$24,000 for vehicle equipment and \$25,000 for leak detector.</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, \$28,261 to the Tech Replacement Fund for the future purchases of computers, \$993,013 cost allocation to the General Fund, \$300,000 to the Utility Asset Mgmt Reserve Fund, \$150,000 to the Utility Rate Stabilization Fund and \$300,000 to the Utility Capital Project Fund for Burl Lift Station project.</p>



City of Corinth
Water/Wastewater Fund
 Revenue Analysis
 For the Period End September 2023



WATER CHARGES VARIANCE	Actual to Budget (%)	8.5%	Current Yr to Prior Yr (%)	5.1%
	Actual to Budget (\$)	\$731,249	Current Yr to Prior Yr (\$)	\$451,075



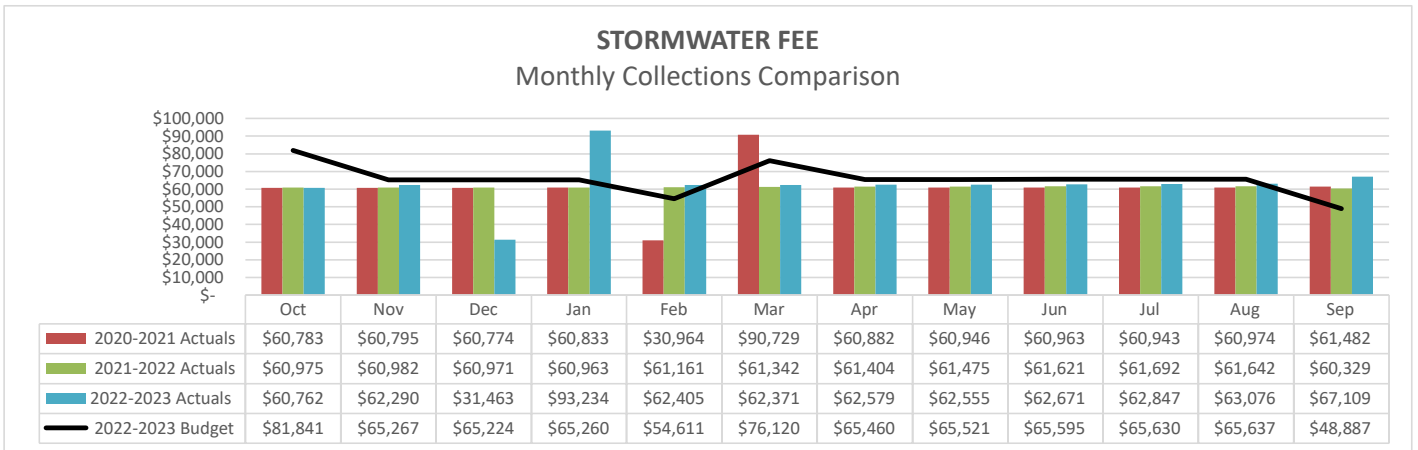
SEWER CHARGES VARIANCE	Actual to Budget (%)	4.0%	Current Yr to Prior Yr (%)	2.6%
	Actual to Budget (\$)	\$194,947	Current Yr to Prior Yr (\$)	\$129,097



City of Corinth
Stormwater Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period End September 2023

	Current Fiscal Year, 2022-2023					Prior Year
	Budget FY 2022-2023	Sep-2023 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-2022 Y-T-D Actual
RESOURCES						
Stormwater Utility Fee	\$ 785,055	\$ 67,109	\$ 753,362	\$ (31,693)	96.0%	\$ 734,555
Investment Interest	1,400	3,888	25,582	24,182	1827.3%	3,026
Miscellaneous	38,250	-	34,744	(3,506)	90.8%	111,991
TOTAL ACTUAL RESOURCES	\$ 824,705	\$ 70,997	\$ 813,688	\$ (11,017)	98.7%	\$ 849,572
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 824,705	\$ 70,997	\$ 813,688	\$ (11,017)		\$ 849,572
EXPENDITURES						
Wages & Benefits	\$ 216,697	\$ 17,434	\$ 190,265	\$ (26,432)	87.8%	\$ 168,492
Professional Fees	144,973	65,049	117,638	(27,335)	81.1%	66,934
Maintenance & Operations	43,594	4,430	33,868	(9,726)	77.7%	21,392
Supplies	11,116	4,399	12,518	1,402	112.6%	8,371
Utilities & Communication	3,189	385	2,882	(307)	90.4%	2,503
Vehicles/Equipment & Fuel	30,642	3,977	27,422	(3,220)	89.5%	22,612
Training	2,580	-	1,519	(1,061)	58.9%	3,035
Capital Outlay	39,694	15,952	35,183	(4,511)	88.6%	92,060
Debt Service	167,125	986	167,061	(64)	100.0%	167,248
Transfers	142,670	-	142,670	-	100.0%	148,654
TOTAL EXPENDITURES	\$ 802,280	\$ 112,612	\$ 731,027	\$ (71,253)	91.1%	\$ 701,301
Ending Fund Balance	\$ 22,425	\$ (41,615)	\$ 82,661			\$ 148,271



DRAINAGE FEE VARIANCE	Actual to Budget (%)	-4.0%	Current Yr to Prior Yr (%)	10.3%
	Actual to Budget (\$)	(\$31,693)	Current Yr to Prior Yr (\$)	\$18,807

KEY TRENDS	
<p>Resources Investment Interest - The budget for investment interest is based on prior year trends.</p>	<p>Expenditures Debt Service payments are processed in February and August. Capital Outlay includes \$21,694 for a mini loader and trailer. Transfer Out includes \$1,400 to the Tech Replacement Fund for the future purchases of computers, \$92,102 cost allocation to the General Fund, \$19,168 cost allocation to the Utility Fund, and \$30,000 to the Drainage Asset Mgmt Reserve Fund.</p>



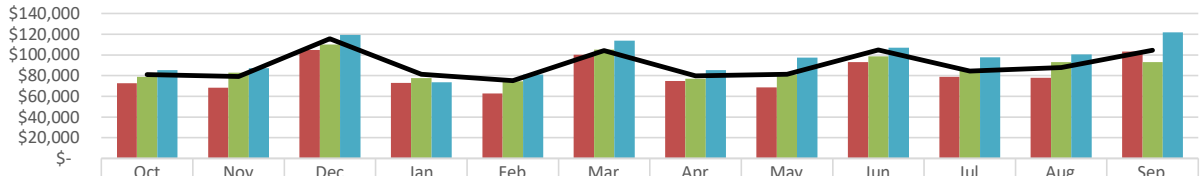
City of Corinth

Sales Tax Funds

Revenue Analysis
For the Period End September 2023

Section D, Item 3.

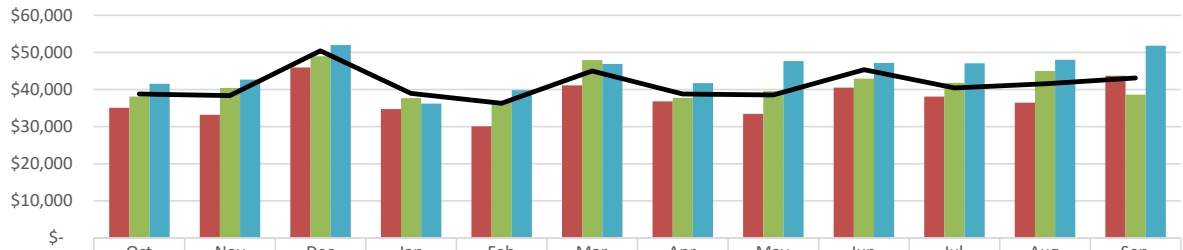
ECONOMIC DEVELOPMENT SALES TAX Monthly Collections Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2020-2021 Actuals	\$72,703	\$68,437	\$105,080	\$72,979	\$62,720	\$100,005	\$74,876	\$68,505	\$93,129	\$78,822	\$77,775	\$103,359
2021-2022 Actuals	\$78,910	\$82,783	\$110,038	\$77,550	\$74,585	\$104,974	\$77,064	\$81,038	\$98,582	\$85,315	\$93,167	\$93,094
2022-2023 Actuals	\$85,438	\$87,306	\$119,327	\$73,450	\$80,930	\$113,852	\$85,314	\$97,519	\$106,970	\$97,825	\$100,391	\$121,876
2022-2023 Budget	\$80,917	\$79,228	\$115,586	\$81,246	\$75,041	\$104,136	\$79,724	\$81,400	\$104,697	\$84,440	\$87,839	\$104,423

SALES TAX VARIANCE	Actual to Budget (%)	6.9%	Current Yr to Prior Yr (%)	8.9%
	Actual to Budget (\$)	\$61,517	Current Yr to Prior Yr (\$)	\$77,093

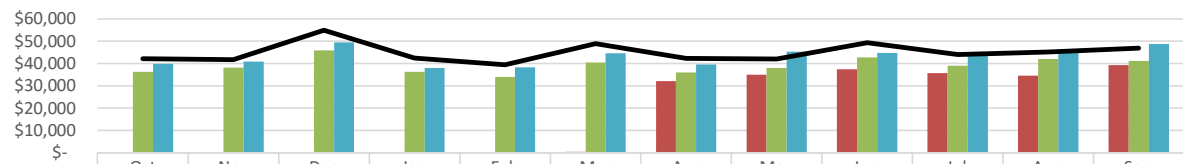
CRIME CONTROL SALES TAX Monthly Collections Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2020-2021 Actuals	\$35,120	\$33,187	\$45,943	\$34,742	\$30,072	\$41,153	\$36,839	\$33,443	\$40,513	\$38,090	\$36,471	\$43,719
2021-2022 Actuals	\$38,135	\$40,456	\$48,957	\$37,643	\$36,656	\$47,932	\$37,767	\$39,562	\$42,899	\$41,840	\$44,969	\$38,636
2022-2023 Actuals	\$41,583	\$42,702	\$51,966	\$36,230	\$39,856	\$46,860	\$41,715	\$47,653	\$47,193	\$47,035	\$48,044	\$51,800
2022-2023 Budget	\$38,771	\$38,328	\$50,434	\$38,952	\$36,225	\$44,971	\$38,804	\$38,545	\$45,304	\$40,403	\$41,525	\$43,081

SALES TAX VARIANCE	Actual to Budget (%)	7.8%	Current Yr to Prior Yr (%)	7.5%
	Actual to Budget (\$)	\$32,055	Current Yr to Prior Yr (\$)	\$30,947

FIRE DISTRICT SALES TAX Monthly Collections Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2020-2021 Actuals	\$-	\$-	\$-	\$-	\$-	\$450	\$32,079	\$35,028	\$37,414	\$35,682	\$34,602	\$39,278
2021-2022 Actuals	\$36,337	\$38,209	\$45,856	\$36,216	\$33,963	\$40,413	\$36,011	\$37,988	\$42,726	\$38,951	\$42,000	\$41,127
2022-2023 Actuals	\$39,845	\$40,929	\$49,557	\$38,021	\$38,329	\$44,555	\$39,608	\$45,313	\$44,785	\$45,245	\$46,017	\$48,707
2022-2023 Budget	\$42,215	\$41,732	\$54,913	\$42,412	\$39,442	\$48,966	\$42,251	\$41,968	\$49,328	\$43,991	\$45,213	\$46,907

SALES TAX VARIANCE	Actual to Budget (%)	-4.7%	Current Yr to Prior Yr (%)	10.2%
	Actual to Budget (\$)	(\$21,030)	Current Yr to Prior Yr (\$)	\$39,517



City of Corinth
Fund Balance Summary
 For the Period End September 2023

Section D, Item 3.

	Unaudited Appropriable Fund Balance 9/30/2022	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/2023
OPERATING FUNDS					
100 General Fund	\$ 5,181,303	\$ 22,151,752	\$ 20,698,574	\$ 1,007,378	\$ 7,641,860
110 Utility Fund	3,965,076	16,646,479	14,361,609	(1,833,686)	4,416,260
120 Stormwater Utility Fund	494,712	813,688	588,357	(142,670)	577,373
130 Economic Development Corporation	1,167,716	4,014,003	236,969	(770,790)	4,173,959
131 Crime Control & Prevention	799,648	574,086	584,476	-	789,258
132 Street Maintenance Sales Tax	769,603	13,558	753,202	(29,959)	0
133 Fire Control, Prevention, EMS District	289,888	535,776	497,745	(30,000)	297,919
	\$ 12,667,945	\$ 44,749,341	\$ 37,720,931	\$ (1,799,727)	\$ 17,896,629
RESERVE FUNDS					
200 General Debt Service Fund	\$ 312,260	\$ 4,123,133	\$ 4,293,394	\$ 449,714	\$ 591,712
201 General Asset Mgmt Reserve Fund	305,589	13,086	-	100,000	418,676
202 Utility Asset Mgmt Reserve Fund	1,136	10,145	-	300,000	311,281
203 Drainage Asset Mgmt Reserve Fund	192,865	8,387	-	30,000	231,252
204 Rate Stabilization Fund	18,168	6,329	-	150,000	174,496
	\$ 830,018	\$ 4,161,080	\$ 4,293,394	\$ 1,029,714	\$ 1,727,418
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects	\$ 1,607,091	\$ 121,483	\$ 1,188,373	\$ 906,515	\$ 1,446,716
194 Water/Wastewater Capital Projects	2,796,797	79,583	2,209,114	600,000	1,267,266
195 Drainage Capital Projects	158,291	9,539	2,719	95,188	260,299
706 2016 C.O. General Bond Fund	427,648	4,652	35,504	(300,000)	96,796
708 2019 C.O. General Bond Fund	9,139,292	339,275	3,042,257	300,000	6,736,311
709 2017 C.O. General Bond Fund	167,454	1,481	149,437	(19,498)	-
710 2020 C.O. General Bond Fund	8,453,535	241,798	3,437,737	-	5,257,595
711 2021 C.O. General Bond Fund	4,760,866	137,315	4,898,181	-	-
712 2021A C.O. General Bond Fund	3,850,108	129,436	2,295,502	-	1,684,042
803 2016 C.O. Utility Bond Fund	1,800,483	61,372	26,664	-	1,835,192
806 2019 C.O. Water Bond Fund	3,186,214	37,073	895,791	100,000	2,427,496
	\$ 36,347,779	\$ 1,163,008	\$ 18,181,279	\$ 1,682,205	\$ 21,011,713
INTERNAL SERVICE FUNDS					
300 General Capital Replacement Fund	\$ 292,635	\$ 155,244	\$ 188,539	\$ 50,000	\$ 309,340
301 LCFD Capital Replacement Fund	252,865	8,700	400,640	350,001	210,926
302 Technology Capital Replacement Fund	428,585	24,894	116,641	274,150	610,988
310 Utility Capital Replacement Fund	400,655	37,740	92,980	150,000	495,415
311 Utility Meter Replacement Fund	260,352	13,561	-	100,000	373,913
320 Insurance Claims and Risk Fund	309,267	142,615	99,165	-	352,717
	\$ 1,944,359	\$ 382,753	\$ 897,965	\$ 924,151	\$ 2,353,298
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 235,332	\$ 128,853	\$ 137,342	\$ (58,372)	\$ 168,471
401 Keep Corinth Beautiful	37,944	1,272	7,536	-	31,680
404 County Child Safety Program	43,136	30,115	26,782	-	46,469
405 Municipal Court Security	118,859	23,623	-	(15,000)	127,482
406 Municipal Court Technology	32,281	17,826	-	-	50,107
420 Police Lease Fund	2,896	2,063	4,950	-	9
421 Police Donations	10,730	1,215	6,700	-	5,245
422 Police Confiscation - State	11,633	4,779	-	-	16,412
423 Police Confiscation - Federal	-	-	-	-	-
440 Street Rehabilitation	230,917	18,685	99,999	304,158	453,761
451 Parks Development	371,610	14,416	-	(150,000)	236,026
452 Community Park Improvement	19,694	11,824	-	-	31,518
453 Tree Mitigation Fund	427,252	150,188	49,999	(300,000)	227,441
460 Fire Donations	35,266	8,072	-	-	43,338
470 Reinvestment Zone #2	55,303	40,059	-	-	95,361
471 Reinvestment Zone #3	-	53,681	-	-	53,681
475 EDC Foundation	72,967	1,275,751	-	(1,348,718)	-
490 Short Term Vehicle Rental Tax	42,980	152,715	-	-	195,695
150 Broadband Utility	210,850	125,576	36,152	-	300,274
	\$ 1,959,650	\$ 2,060,713	\$ 369,460	\$ (1,564,932)	\$ 2,085,971
GRANT FUNDS					
522 Bullet Proof Vest Grant	\$ -	\$ -	\$ -	\$ -	\$ -
525 American Rescue Plan Grant	2,266	3,546,238	1,314,452	(77,522)	2,156,529
526 Lynchburg Creek Grant	-	-	102,465	-	(102,465)
526 Opioid Abatement Grant	-	24,357	-	-	24,357
	\$ 2,266	\$ 3,570,594	\$ 1,416,917	\$ (77,522)	\$ 2,078,421
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	\$ 1,101,951	\$ 450,974	\$ 17,750	\$ -	\$ 1,535,175
611 Wastewater Impact Fees	582,334	350,832	23,275	(300,000)	609,890
620 Storm Drainage Impact Fees	95,188	-	-	(95,188)	-
630 Roadway Impact Fees	985,682	193,499	337,251	201,299	1,043,230
699 Street Escrow	-	-	-	-	-
	\$ 2,765,155	\$ 995,305	\$ 378,276	\$ (193,889)	\$ 3,188,295
TOTAL ALL FUNDS	\$ 56,517,172	\$ 57,082,795	\$ 63,258,221	\$ 0	\$ 50,341,745



City of Corinth
Capital Improvement Program
 For the Period End September 2023

Project No.	Project Name	Budget	Encumbrance	Expenditures	Available Balance
DRAINAGE CAPITAL PROJECTS					
1027	Blake Street Engineering	\$ 165,588	\$ 16,000	\$ -	\$ 149,588
1037*	Lynchburg Creek Flood Mitigation	5,417,242	203,026	251,204	4,963,013
1069	Shady Shores Drainage	2,000,000	-	-	2,000,000
		\$ 7,582,830	\$ 219,026	\$ 251,204	\$ 7,112,601
WATER CAPITAL PROJECTS					
1006	Woods Ground Storage Tank	\$ 1,333,624	\$ -	\$ 1,333,624	\$ -
1007	Quail Run EST Offsite Water	2,100,000	26,767	29,780	2,043,453
1008	LCMUA Interconnect	300,000	134,988	39,891	125,121
1031	I/35 Lake Sharon Elevated Storage Tank	2,031,630	124,956	255,954	1,650,719
1153	I35 Utility Relocation	5,500,000	384,892	9,304	5,105,804
1147	Smart Hydrants	15,650	-	15,260	390
1148	Barrel Strap Piping	122,064	-	122,064	-
		\$ 11,402,967	\$ 671,603	\$ 1,805,876	\$ 8,925,487
WASTEWATER CAPITAL PROJECTS					
1043	Lake Bluff & Northwood Lift Station	\$ 54,169	\$ 27,569	\$ 26,600	\$ -
1026	Parkridge Wastewater Line (LCMUA)	175,000	36,615	38,385	100,000
1051A	Clearview Street WW Line	20,000	-	20,000	-
1055	Lift Station Burl Street UTRWD	950,000	-	23,418	926,583
		\$ 1,199,169	\$ 64,184	\$ 108,403	\$ 1,026,583
STREET CAPITAL PROJECTS					
1000*	Parkridge Collector	\$ 1,234,036	\$ -	\$ -	\$ 1,234,036
1002*	TOD Streets	11,328,284	2,572,671	8,248,298	507,315
1003	Lake Sharon/Dobbs Realignment	5,197,410	207,263	3,393,977	1,596,170
1011	NCTC Way	2,520,000	151,728	307,618	2,060,654
1012	Lake Sharon Traffic Signal	185,127	-	-	185,127
1015*	Walton Street	4,463,140	224,632	118,508	4,120,000
1051	Clearview Street Replacement	317,683	-	317,683	0
		\$ 25,245,680	\$ 3,156,294	\$ 12,386,084	\$ 9,703,302
PARKS CAPITAL PROJECTS					
1013	Commons ROW & Drainage	\$ 2,500,000	\$ 1,249,680	\$ 626,750	\$ 623,570
1016	Commons Park	4,639,354	1,664,128	2,975,226	0
1017	Commons Design & Engineering	1,753,093	23,939	825,400	903,754
1030	Dog Park	139,000	-	133,902	5,098
		\$ 9,031,446	\$ 2,937,746	\$ 4,561,279	\$ 1,532,422
GENERAL CAPITAL PROJECTS					
1021	Fire Training Field	\$ 450,000	\$ -	\$ 419,206	\$ 30,794
1039A	City Hall Improvements	12,000	-	-	12,000
1022	Work Order/Asset Management Software	179,684	5,663	131,825	42,197
		\$ 641,684	\$ 5,663	\$ 551,031	\$ 84,991
CIP Project Totals		55,103,777	\$ 7,054,515	\$ 19,663,876	\$ 28,385,385



April 4, 2024

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

We have audited the financial statements of the City of Corinth, Texas as of and for the year ended September 30, 2023, and have issued our report thereon dated April 4, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated October 16, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City’s major federal program. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Corinth, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City’s major federal program compliance, is to express an opinion on the compliance for the City’s major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the City’s internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 4, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated April 4, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in Note 3, the City changed accounting policies related to accounting for leases to adopt the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning October 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the allowance for accounts receivable is a sensitive accounting estimate. The amount of the allowance is based on management's evaluation of collectability of accounts receivable, including historical collections experience, economic conditions, and other relevant factors.

Management's estimate of its net pension and total OPEB liabilities is based on reports received from the Texas Municipal Retirement System (TMRS). The net pension and total OPEB liabilities reported by TMRS are based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by other auditors, whose financial statements received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the City to TMRS and the City's controls over the census submission process that were used to develop the estimate of its net pension and total OPEB liabilities to determine that the estimates are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to long-term obligations, commitments and contingencies, and the pension and OPEB plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

As discussed in Note 3 to the financial statements, the City has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended September 30, 2023. As a result of implementing the standard, there was no effect on the governmental activities beginning net position as of October 1, 2022. Our opinions are not modified with respect to this matter.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated April 4, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Additionally, in accordance with such standards, we have reviewed the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

The audited financial statements include the financial statements of the City of Corinth, Texas and the Corinth Economic Development Corporation and the Corinth Economic Development Foundation, discretely presented component units of the City of Corinth, Texas, which we consider to be significant component units of the audited financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the City of Corinth, Texas, the Corinth Economic Development Corporation, and the Corinth Economic Development Foundation, and their environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the City of Corinth, Texas and the Corinth Economic Development Corporation and the Corinth Economic Development Foundation and completion of further audit procedures.

The audited financial statements include the financial statements of the City of Corinth, Texas and the Corinth Crime Control and Prevention District and the Fire District, blended component units of the City of Corinth, Texas. For purposes of our audit, we consider the City of Corinth, Texas to be a significant component of the audited financial statements; however we do not consider the Corinth Crime Control and Prevention District and the Fire District to be significant components of the audited financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the City of Corinth, Texas, the Corinth Crime Control and Prevention District, and the Fire District, and their environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the City of Corinth, Texas and the Corinth Crime Control and Prevention District and the Fire District and completion of further audit procedures.

This report is intended solely for the information and use of the Mayor, the City Council, and management of the City of Corinth, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Handwritten signature in cursive script that reads "Eric Sully LLP".

Abilene, Texas



Federal Awards Reports in Accordance
with the Uniform Guidance
September 30, 2023
City of Corinth, Texas

City of Corinth, Texas
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September 30, 2023

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated April 4, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Abilene, Texas
April 4, 2024

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Corinth, Texas’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2023. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated April 4, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Abilene, Texas
April 4, 2024

City of Corinth, Texas
 Schedule of Expenditures of Federal Awards
 Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
Federal Awards			
Department of the Treasury			
Direct Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>\$ 1,391,974</u>
Total Department of the Treasury			<u>1,391,974</u>
Passed through Texas Water Development Board			
Flood Mitigation Assistance	97.029	1900012534	<u>76,849</u>
Total Department of Homeland Security			<u>76,849</u>
Total Federal Financial Assistance			<u><u>\$ 1,468,823</u></u>

City of Corinth, Texas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Corinth, Texas, (the City) under programs of the federal government for the year ended September 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note B – Summary of Significant Accounting Principles

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

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

Note C – Indirect Cost Rate

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

City of Corinth, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs for federal awards:	\$750,000
Auditee qualified as low-risk auditee?	No

City of Corinth, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

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

Annual Comprehensive Financial Report

For fiscal year ended
September 30, 2023

City of Corinth, Texas



CITY OF CORINTH, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2023



Scott Campbell
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Dawn Taylor
Controller

Linda Thoms
Accounting Manager

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INTRODUCTORY SECTION





3300 Corinth Parkway · Corinth, TX · 940.498.3200

April 4, 2024

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

The City Manager and the Finance department of the City of Corinth are pleased to submit the Annual Comprehensive Financial Report of the City of Corinth for the fiscal year ended September 30, 2023. The purpose of this report is to provide the council, staff, citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

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

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

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

INDEPENDENT AUDIT

The City of Corinth’s financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2023, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Corinth’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

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

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

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

As Corinth continues to pioneer a new path and secure its vision for the future, its core values will remain rooted in its family-oriented traditions, and its commitment will remain anchored by achieving the highest quality of life possible for all its citizens.

LOCAL ECONOMY

Corinth’s location, straddling the I-35E corridor in Denton County, is ideal for both businesses and residents, many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas. The city’s estimated population is 23,200. This estimate is based on the North Central Texas Council of Governments’ population estimates.

Augmented by its high-performing schools, outstanding recreation facilities, open spaces, and remarkable demographics, Corinth is competitively positioned to attract investment well into the future. In July 2022, the City broke ground on the Commons at Agora on Corinth Parkway just east of I-35E. The multi-purpose public park and iconic community gathering place will be the catalyst for millions of dollars of private investment within a new city center known as “Agora at Corinth.” Renowned real estate developers, Realty Capital Management,

Wolverine Interests, and Mansfield Multifamily Land LLC, have partnered with the City to introduce nearby lifestyle-oriented developments to the Corinth market. Realty Capital Management has plans to develop a mixed-use community that will transform the vacant southwest corner of I-35E and Corinth Parkway. The plans call for the construction of up to 312 residential units, 24,500 square feet of retail and restaurant spaces, a dual brand, 80-room hotel, and a linear parkway of formal open space that will become an icon for the development and the Corinth community. Beginning in 2024, Wolverine Interests will anchor the north side of the park with 300 residential units and 30,000 square feet of shops and restaurants. The five-story mixed-use project will feature the City's first multi-level parking garage serving the development's residents, shoppers, diners, and the public. Mansfield Multifamily Land LLC plans to construct an urban residential development consisting of 587 multifamily units in two phases. The first phase is anticipated to begin in 2024. Elsewhere in the City, other residential developers are investing in Corinth with 749 single family lots, 52 townhome lots, and 1,339 multifamily and condominium units either completed and ready for occupancy, under construction, or in the design stage. In all, these developments will accommodate approximately 7,000 new residents in Corinth.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 13.46% for the 2023 tax year over the 2022 certified value.

Sales tax revenue is the second largest tax revenue source for the City's General Fund. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Crime Control & Prevention District, .50% to the Economic Development Corporation, and .25% to the Fire Control, Prevention and Emergency Services District.

MAJOR INITIATIVES

The Embracing the Future – 2030 Strategic Plan outlines priorities set by City Council. Informed by long-range goals and master plans, this direction is brought to life through the city budget, department operations, and an adaptive strategic management system focused on delivering results and improving community outcomes. The budget provides the basis to achieve the vision of the City Council and the residents. The identified strategies and priorities are essential for the City to achieve its vision of becoming a community that is conveniently located, delivers outstanding services, engages its residents, and provides the right mix of high-quality retail, restaurants, and entertainment. This budget provides for investments in economic development, mobility, the transit-oriented development (TOD) district, infrastructure, quality development, regional cooperation, broadband, and employees, and recognizes that partnerships are essential to excellent service delivery. The Strategic Plan must be re-evaluated each year to ensure it is relevant to changing priorities. It is also important to provide updates on the Strategic Plan to monitor the effectiveness of the plan.

ATTRACTING QUALITY DEVELOPMENT

Strategic Goal: Enhance the quality of life for residents by attracting new residents and businesses to Corinth.

Planning: Staff performs a variety of services intended to protect, maintain, and develop an attractive, safe, and healthy community. We will continue to recommend strategic amendments and improvements to the City's Unified Development Code to be more reflective of today's market conditions and our desire for quality, sustainable development. With development pressure continuing to increase on the City's remaining, vacant tracts of land, staff will be facilitating multiple zoning, site plan, and platting applications for new residential neighborhoods, businesses, and mixed-use developments. The Department will continue to emphasize customer service to facilitate the timely review and approval of projects and improve communications with our customers, including more user-friendly information on the Department's web page. The City created a Residential Property Enhancement Program. This new partnership will provide aid to residential homeowners with a financial burden in maintaining older homes through reimbursable grants to assist with exterior home and fence repairs and provide a positive message to residents who may lack the physical and/or financial resources to make the repairs.

Economic Development: Encouraging development along the I-35E Corridor was one of the key goals, as was to continue to promote the Agora at Corinth to residents, brokers, developers, retailers, restaurants, and end-users as a unique destination to live, work, play, shop, eat, recreate, and educate. Planning efforts with developers and property owners will continue for the development and expansion of vacant/under-utilized properties within the City of Corinth. Other initiatives include administering and managing Tax Increment Reinvestment Zones (TIRZs) 2 and 3, building upon the Business Retention and Expansion function, and telling Corinth's unique story of progress and growth as a place to start, grow and build a business.

HEALTH & SAFETY

Strategic Goal: Being safe in our home and in our community to enjoy a sustainable environment, a healthy lifestyle, and cost-effective improvements to streets and critical infrastructure.

Public Safety: The City is fortunate to have two progressive public safety organizations that provide outstanding fire, rescue, and emergency medical services and police services to our community. The primary focuses for both organizations are the retention and recruitment of staff and mental health resiliency.

Utility System Operations: Although on an annual basis, the average usage of water is at a lower level, the water system must have the capacity to service residents and commercial businesses at a greater level to meet peak demands. To determine the utility capacity requirements, the number of connections and the size of each connection, in addition to the usage patterns of the customers, must be considered. It is anticipated that the utility system will expand by 1,000 connections each year for the next five years. Along with the growth, it is important for the utility to adopt a preventative maintenance program to ensure the overall health of the system. The budget incorporates water and wastewater rate increases to meet future facility needs and maintain the integrity of the system.

ORGANIZATIONAL DEVELOPMENT

Strategic goal: Focus is on improving the organization's capability through the alignment of strategy, structure, people, and management process.

Organizational Succession: Succession planning allows for identifying critical positions within the organization and develops action plans for individuals to assume those positions. This helps ensure business continuity and performance, particularly during times of shifting leadership and change. The budget begins transitioning the organization to implement succession planning to ensure continuity, identify critical positions, understand the organization's competency levels, recognize the potential and workforce development, and begin evaluating the workforce and departmental needs. This continues to be a priority for the organization.

Employee Retention and Recruitment: The City has outstanding employees. The goal of the organization is to reduce turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, providing competitive pay and benefits and a healthy work-life balance. Work will continue with supervisory training, staff development, and alignment of the values and organizational culture with an integrative and developmental focus with an emphasis to improve internal communication and coordination.

PROACTIVE GOVERNMENT

Strategic Goal: Providing a city government that works effectively and collaboratively - that is equitable, transparent, ethical, and innovative.

Asset Management Plan (AMP): The AMP was developed to support the City's vision for its asset management practice and programs. It provides key asset attribute data, including current composition of the City's infrastructure portfolio, inventory, replacement costs, and useful life, summarizes the physical health of the capital assets, enumerates the City's current capital spending framework, and outlines financial strategies to achieve fiscal sustainability in the long term while reducing and eventually eliminating funding gaps. The City identified over \$700 million invested in public assets – streets, utility lines, buildings, and equipment. Many of these assets were built in the 1980's and 90's with a life cycle of 40 to 50 years.

The City Council, by ordinance, adopted an asset management reserve fund to be funded through prior year surplus monies. The AMP forecasts a need of \$6 million per year. At a minimum, the American Water Works

Association guideline is to invest a minimum of an amount equal to the annual depreciation on the assets. Although this is a goal for the City, due to funding constraints the city evaluates funding levels each year.

Rate Stabilization Fund: The City also maintains a utility stabilization fund to provide a prudent contingency to absorb fluctuations in revenues and to stabilize water and wastewater rates. This is to be funded through prior year surplus of revenues over expenditures.

Information Technology: The Technology Services department strives to enhance the vitality and quality of life by empowering the employees, residents, visitors, and businesses through sustainable, reliable, efficient, and effective technology services, infrastructure, and smarter government. A Technology Steering Committee comprised of City staff reviewed projects and determined the best utilization of city resources to be invested in technology across the city departments. The following priorities were identified: cybersecurity, disaster recovery, and business intelligence.

REGIONAL COOPERATION

Strategic Goal: Reduce service costs for the residents through cost sharing for projects with common benefits with cities in the region.

Lake Cities: The City continues to participate in Lake Cities (Corinth, Hickory Creek, Lake Dallas, and Shady Shores) joint meetings and expand service delivery opportunities. The city also continues the multi-jurisdictional fiber optic network to improve government network infrastructure offering residential services with speeds of 1 gig to every home; the agreement between Corinth and Shady Shores with Town of Hickory Creek for animal shelter services; and delivering quality geographic information systems (GIS) services to Lake Cities Municipal Utility Authority through an interlocal agreement.

Intergovernmental Relations: It is important that the City establish and maintain intergovernmental relations with the following communities and/or organizations outside the Lake Cities: City of Denton, City of Lewisville, Denton County, Denton County Transportation Authority (DCTA), Denton ISD, Lake Dallas ISD, North Central Texas College, Lake Cities Municipal Utility Authority, Upper Trinity Regional Water District, and Texas Department of Transportation.

LONG-TERM FINANCIAL PLAN

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

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater Fund and the Storm Drainage Fund.

In March 2023, S&P Global Ratings raised its underlying rating (SPUR) to "AA+" from "AA" on the City's existing general obligation debt and certificates of obligation, and Moody's affirmed its "Aa2" rating. The rating agencies attributed their opinions to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

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

CASH MANAGEMENT POLICIES AND PRACTICES

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

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 111 days. On September 30, 2023, the annualized yield on investments was 4.294%, compared to 1.184% for the same period in 2022. Cash and investments for the City at September 30, 2023, were \$59.3 million.

AWARDS AND ACKNOWLEDGEMENTS

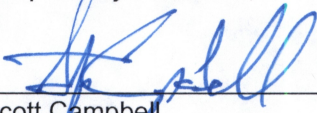
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Corinth for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the fourteenth consecutive year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

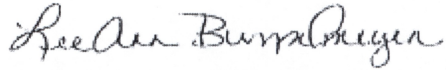
In addition, GFOA awarded a Distinguished Budget Presentation Award to the City for its annual budget document dated October 1, 2022. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories, including serving as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Scott Campbell
City Manager



Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic
Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Corinth
Texas**

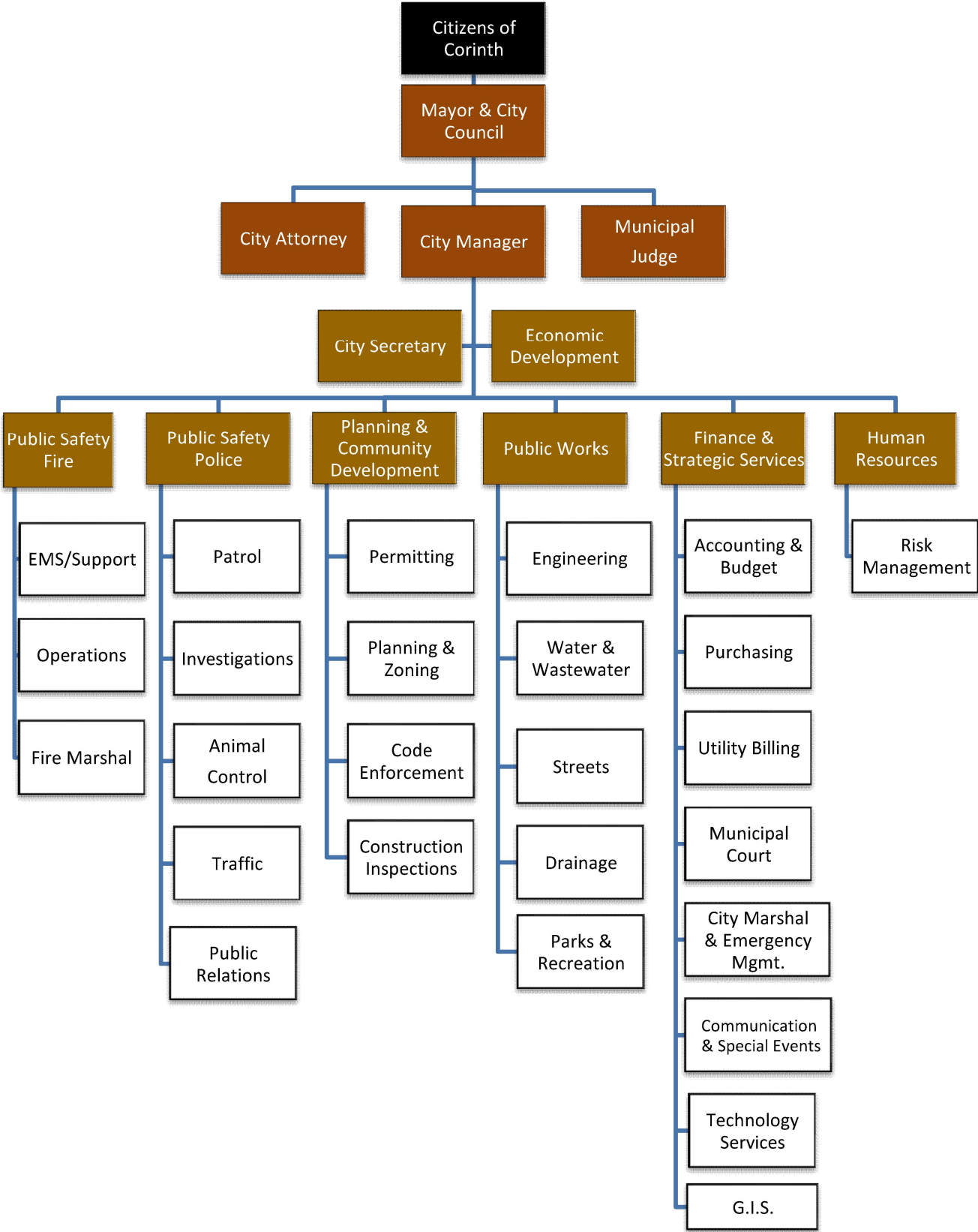
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



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

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Steve Holzwarth
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Scott Campbell, City Manager

Lana Wylie, City Secretary

Elise Back, Director of Economic Development

Jerry Garner, Chief of Police

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

Glenn Barker, Director of Public Works, Parks and Recreation,
and Utility Operations

Melissa Dailey, Director of Development Services

Chad Thiessen, Fire Chief

Guadalupe Ruiz, Director of Human Resources

FINANCIAL SECTION





Independent Auditor’s Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 3 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, for the year ended September 30, 2023. As a result of implementing the standard, there was no effect on the governmental activities beginning net position as of October 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abilene, Texas
April 4, 2024

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As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,144,425.
- Total net position increased \$6,554,170 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,379,769, a decrease of \$5,218,788 compared to the prior year. Of the combined ending balances, \$7,504,530 or 22% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the General Fund was \$7,504,530 or 35% of total General Fund expenditures.
- Long-term liabilities increased to \$77,988,221 during fiscal year 2022-2023. The increase is due primarily to the issuance of bonds.

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

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

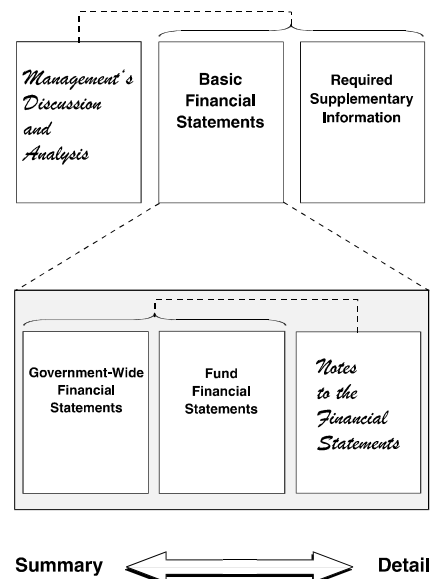


Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the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

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

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

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

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

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

Economic Development Corporation and Economic Development Foundation - as component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found in the Basic Financial Statements section of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over

resources that have been segregated for specific activities or objectives. The City of Corinth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

The City of Corinth reports thirty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, 2019 CO Fund, 2020 CO Fund, 2021 CO Fund, 2023 CO Fund and COVID CARES Act Fund, which are major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found in the Basic Financial Statements section of this report.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$86,144,425 at the close of the most recent fiscal year as shown in Table I.

By far, the largest portion of the City of Corinth's net position (\$63,235,424 or 73%) reflects its investment in capital assets (e.g., land, buildings, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$5,810,839 or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,098,162 or 20%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$59,324,475 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

City of Corinth's changes in fund balance. The City's governmental funds decreased fund balance by \$5,218,788. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall decrease to governmental fund balances and the \$4,413,705 net increase to governmental activities net position illustrates the differences in reporting between the modified-accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

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

Exhibit A-6 in the Basic Financial Statements section provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures, and changes in fund balances of governmental funds.

Governmental activities. Governmental activities increased the City's net position by \$4,413,705 as shown in Table II. Public safety, community services, public works, and planning and community development account for 80% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 20% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$16,033,365 or 47%, charges for services accounted for \$7,418,723 or 22%, sales tax received was \$3,425,043 or 10%, franchise taxes provided \$1,217,973 or 4%, capital grants and contributions provided \$1,571,878 or 5% and operating grants and contributions provided \$516,860 or 2% for the governmental activities. The remaining \$4,138,157 or 10% of revenue is made up of hotel occupancy tax, vehicle tax, investment income, gain on sale of capital assets, and other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Figure 2: Program Revenues v. Expenses

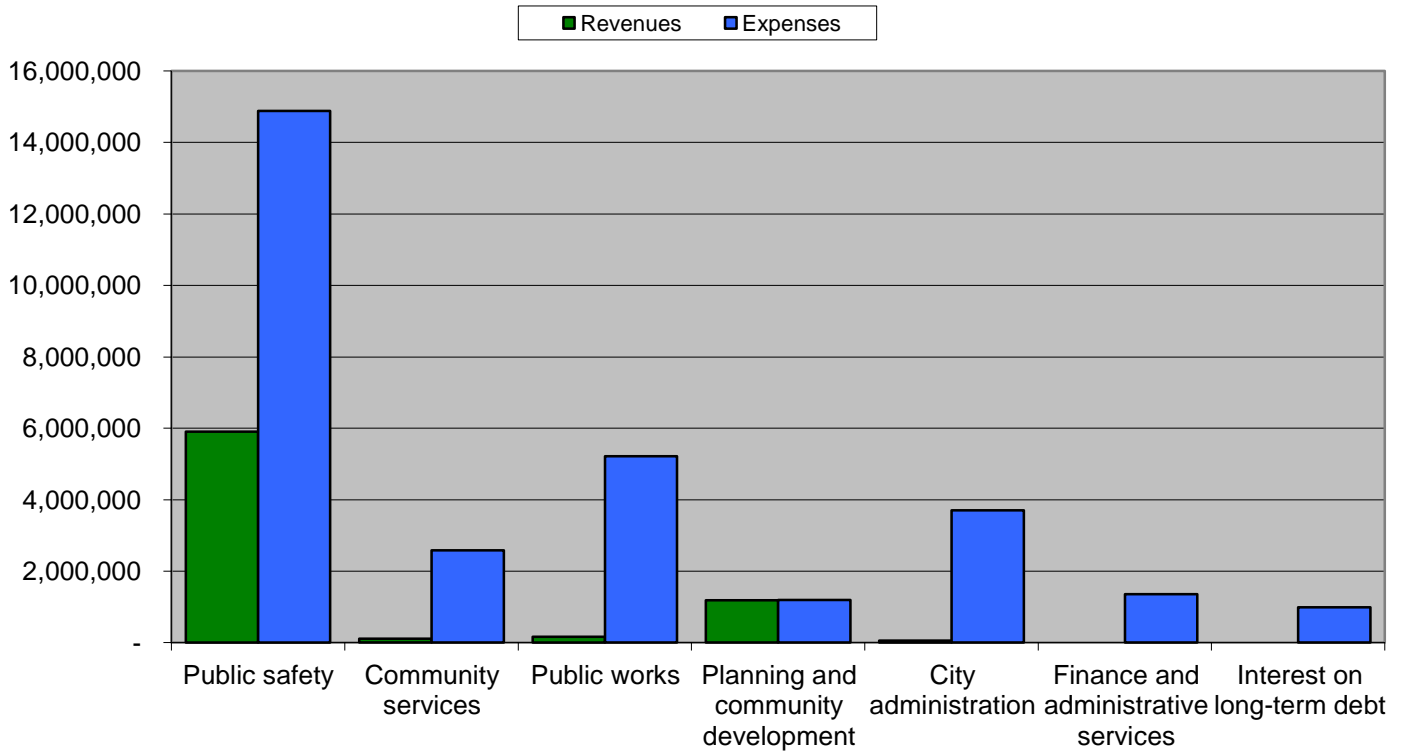


TABLE I

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 43,862,277	\$ 49,347,297	\$ 23,434,950	\$ 18,099,534	\$ 67,297,227	\$ 67,446,831
Capital assets	78,855,918	65,294,097	32,351,936	30,434,457	111,207,854	95,728,554
Total assets	122,718,195	114,641,394	55,786,886	48,533,991	178,505,081	163,175,385
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss from refunding	-	-	24,019	32,024	24,019	32,024
Deferred outflows - pension	4,900,440	1,425,234	639,358	224,144	5,539,798	1,649,378
Deferred outflows - OPEB	104,926	122,962	15,443	17,750	120,369	140,712
Total deferred outflows of resources	5,005,366	1,548,196	678,820	273,918	5,684,186	1,822,114
LIABILITIES						
Long-term liabilities outstanding	65,617,002	56,027,242	15,597,397	10,304,113	81,214,399	66,331,355
Other liabilities	12,660,495	12,735,830	3,618,713	3,045,309	16,279,208	15,781,139
Total liabilities	78,277,497	68,763,072	19,216,110	13,349,422	97,493,607	82,112,494
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	3,750	4,999	-	-	3,750	4,999
Deferred inflows - lease related	231,792	112,955	-	-	231,792	112,955
Deferred inflows - pension	68,161	2,738,699	9,402	379,061	77,563	3,117,760
Deferred inflows - OPEB	210,074	51,283	28,056	7,753	238,130	59,036
Total deferred inflows of resources	513,777	2,907,936	37,458	386,814	551,235	3,294,750
NET POSITION						
Net investment in capital assets	37,573,975	35,071,832	25,661,449	24,050,367	63,235,424	59,122,199
Restricted	3,684,712	4,052,217	2,126,127	1,779,473	5,810,839	5,831,690
Unrestricted	7,673,600	5,394,533	9,424,562	9,241,833	17,098,162	14,636,366
Total net position	\$ 48,932,287	\$ 44,518,582	\$ 37,212,138	\$ 35,071,673	\$ 86,144,425	\$ 79,590,255

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

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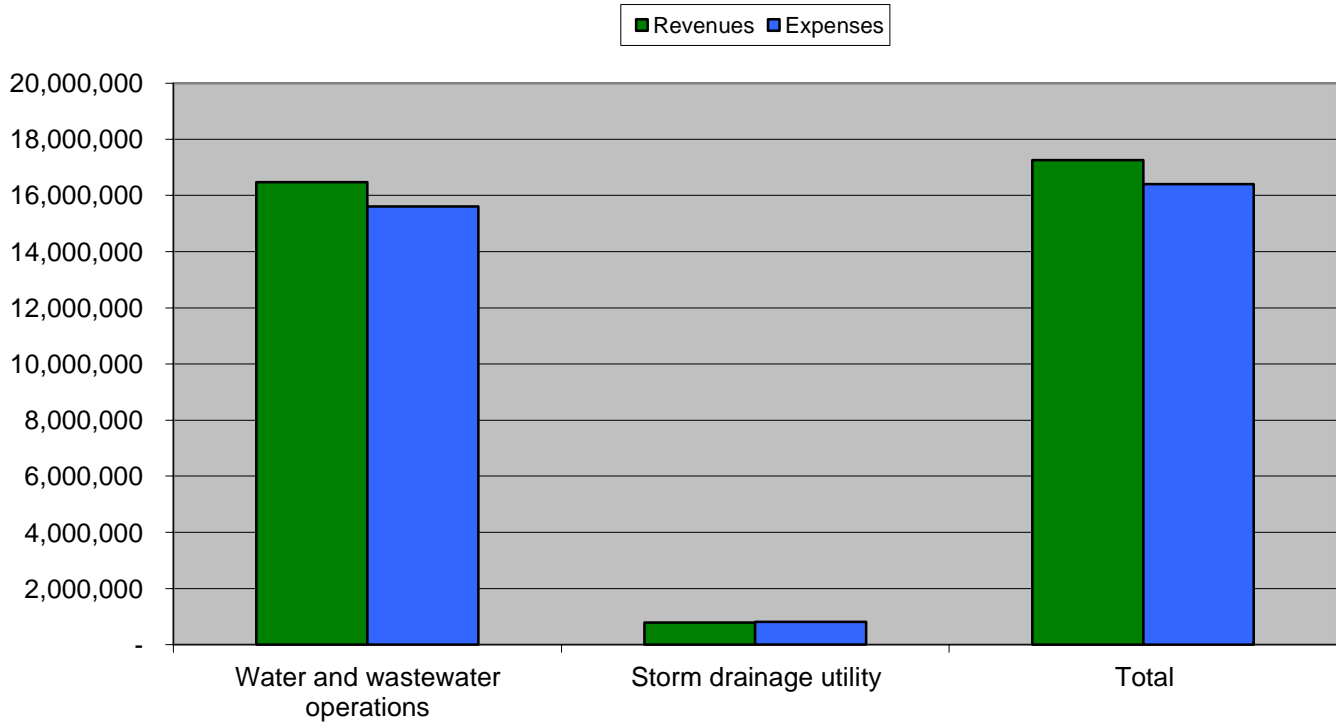
TABLE II

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 7,418,723	\$ 6,749,791	\$17,270,995	\$16,206,923	\$24,689,718	\$22,956,714
Operating grants and contributions	516,860	802,798	-	10,187	516,860	812,985
Capital grants and contributions	1,571,878	3,426,005	1,052,841	2,565,707	2,624,719	5,991,712
General revenues						
Property taxes	16,033,365	14,683,023	-	-	16,033,365	14,683,023
Sales taxes	3,425,043	3,091,696	-	-	3,425,043	3,091,696
Franchise taxes	1,217,973	1,283,833	-	-	1,217,973	1,283,833
Hotel taxes	119,539	109,825	-	-	119,539	109,825
Vehicle taxes	147,926	42,361	-	-	147,926	42,361
Miscellaneous	1,735,720	98,336	26,075	23,058	1,761,795	121,394
Investment interest	1,787,287	(53,482)	476,066	70,074	2,263,353	16,592
Gain on sale of capital assets	56,350	40,314	20,026	-	76,376	40,314
Total revenues	<u>34,030,664</u>	<u>30,274,500</u>	<u>18,846,003</u>	<u>18,875,949</u>	<u>52,876,667</u>	<u>49,150,449</u>
Expenses:						
Public safety	14,880,320	12,229,945	-	-	14,880,320	12,229,945
Community services	2,584,004	2,172,726	-	-	2,584,004	2,172,726
Public works	5,217,679	5,273,963	-	-	5,217,679	5,273,963
Planning and community development	1,190,610	864,967	-	-	1,190,610	864,967
City administration	3,693,108	4,482,255	-	-	3,693,108	4,482,255
Finance and administrative services	1,355,623	1,192,590	-	-	1,355,623	1,192,590
Interest on long-term debt	986,950	1,338,507	-	-	986,950	1,338,507
Water and wastewater			15,606,723	14,129,665	15,606,723	14,129,665
Storm drainage	-	-	807,480	660,768	807,480	660,768
Total expenses	<u>29,908,294</u>	<u>27,554,953</u>	<u>16,414,203</u>	<u>14,790,433</u>	<u>46,322,497</u>	<u>42,345,386</u>
Increase (decrease) in net position before transfers, contributions and special items	4,122,370	2,719,547	2,431,800	4,085,516	6,554,170	6,805,063
Net transfers	291,335	612,937	(291,335)	(612,937)	-	-
Increase (decrease) in net position	<u>4,413,705</u>	<u>3,332,484</u>	<u>2,140,465</u>	<u>3,472,579</u>	<u>6,554,170</u>	<u>6,805,063</u>
Net position - beginning	44,518,582	41,186,098	35,071,673	31,599,094	79,590,255	72,785,192
Net position - ending	<u>\$48,932,287</u>	<u>\$44,518,582</u>	<u>\$37,212,138</u>	<u>\$35,071,673</u>	<u>\$86,144,425</u>	<u>\$79,590,255</u>

Business-type activities. Business-type activities increased the City's net position by \$2,140,465 as shown in Table II. Developer contributions of \$295,000 and impact fees of \$757,841 contributed to the increase. Charges for services is a major revenue source in both the Water and Wastewater Fund and the Storm Drainage Fund, producing \$16,482,889 and \$788,106, respectively, in revenue. Charges for services accounted for 92% of the total business-type activities revenue. Contributions of assets arising from new property development within the City and capital grants totaled \$1,052,841 or 6% of total business-type activities revenue. The remaining 2% of total business-type activities revenue consisted of investment interest, other income, and gain on sale of capital assets.

Total revenue from water and wastewater sales and services was \$16,482,889; associated operating costs of water, wastewater treatment, operations, maintenance and other costs accounted for \$15,606,723 of the total business-type expenses of \$16,414,203. The remaining \$807,480 in expenses for business-type activities was associated with the storm drainage utility. Storm drainage utility fees brought in \$788,106 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,379,769, a decrease of \$5,218,788 from the prior year. The net decrease in combined ending fund balances is due to the following: a net increase of \$2,352,247 in the General Fund, a net increase of \$387,482 in the Debt Service Fund, a net decrease of \$2,831,733 in the 2019 CO Fund due primarily to increased capital project activity, a net decrease of \$3,138,412 in the 2020 CO Fund due primarily to increased capital project activity, a net decrease of \$4,760,866 in the 2021 CO Fund due primarily to increased capital project activity, a net increase of \$6,044,076 in the 2023 CO Fund due to issuance of bonds, a net increase of \$92,928 in the COVID CARES Act Fund, and a net decrease of \$3,364,510 in other governmental funds due primarily to increased capital project activity.

Of the combined total governmental fund balances of \$34,379,769, \$7,504,530 reflects the General Fund *unassigned* fund balance, which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs amounts, and construction projects amounts of \$1,005,331, \$4,622,240, and \$17,666,758, respectively. The fund balance that is designated as *committed*, \$3,544,894 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$29,908, and inventories, \$6,108.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$7,504,530 while total fund balance reached \$7,533,546.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 34.8% of total General Fund expenditures, while total fund balance represents 34.9% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of \$2,834,146. Property taxes, utility fees, traffic fines and forfeitures, police fees and permits, parks and recreation fees, and donations were less than budget by \$119,374, \$101,894, \$86,003, \$4,986, \$2,845, and \$8,445, respectively. Sales tax, franchise fees, development fees and permits, fire services, interest income, miscellaneous income, and charges for services were above budget by \$212,822, \$71,421, \$605,016, \$379,400, \$137,226, \$1,688,947, and \$62,861, respectively. While revenues were over budget by \$2,834,146, expenditures were over budget by \$165,535. The net effect at year end was an increase of \$2,253,887 of actual revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$1,005,331, all of which is restricted for the payment of debt service.

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

2020 CO Fund. This fund is used to track revenues and expenditures related to the 2020 CO Debt Issuance. Funds will be used for acquiring NCTC Street, Lake Sharon Extension, Commons ROW and Drainage, Lynchburg Creek Flood Mitigation, TANKO Street Lights and Walton Street.

2021 CO Fund. This fund is used to track revenues and expenditures related to the 2021 CO Debt Issuance. Funds will be used for acquiring and improving North Corinth, Main, Agora and NCTC Streets.

2023 CO Fund. This fund is used to track revenues and expenditures related to the 2023 CO Debt Issuance. Funds will be used for improving Walton Drive and Shady Shores Drainage.

COVID CARES Act Fund. This fund is used to track revenues and expenditures related to the funding signed into law on March 11, 2021, designed to speed up the recovery from the pandemic and ongoing recession. These grant funds have been earmarked for equipment and infrastructure investments within the city.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Fire District Sales Tax Fund, Broadband Utility Fund, Reinvestment Zone #2, Short-term Rental Vehicle Tax Fund, Street Rehabilitation Fund, Reinvestment Zone #3, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, 2016 CO Fund, 2017 CO Fund, 2021A CO Fund, and LCFD Public Property Fund. Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District Fund accounts for a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$47,293 more than budgeted, interest earnings were more than budgeted by \$29,185 and expenditures were \$590,934 more than budgeted. Due to the positive variances in revenues the negative variances in expenditures, actual fund balance decreased \$10,391.
- The Fire District Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were less than budgeted by \$18,426, interest earnings were more than budgeted by \$11,264, miscellaneous income was more than budgeted by \$2,600 and expenditures were less than budgeted by \$33,424. These combined increased actual fund balance by \$9,676.

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

**CITY OF CORINTH, TEXAS
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Water and Wastewater Fund assets of \$49,869,451 and deferred outflows of resources of \$607,005 exceeded liabilities of \$18,444,033 and deferred inflows of resources of \$34,128, reporting net position of \$31,998,295. Total net position increased \$1,968,367 for the fiscal year and unrestricted net position decreased to \$8,254,257 from \$8,291,918 for the prior fiscal year. The water and wastewater utility reported operating income of \$1,435,436 in fiscal year 2022-2023. The net non-operating revenues and expenses were (\$80,611), which included interest income, debt service interest, and miscellaneous income, as well as, gains on the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was \$559,270 of interest expense.

Storm Drainage Fund assets of \$5,917,435 and deferred outflows of \$71,815 exceeded liabilities of \$772,077 and deferred inflows of resources of \$3,330, leaving total net position of \$5,213,843. Total net position increased \$172,098 for the fiscal year and unrestricted net position increased to \$1,170,305 from \$949,915 for the prior fiscal year. The storm drainage utility reported operating income of (\$4,305) in fiscal year 2022-2023. Net non-operating revenues and expenses were \$28,439, which includes \$43,508 in interest income and \$15,069 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2022-2023, General Fund actual expenditures (including transfers) were \$23,437,294 compared to the final budget of \$23,271,759. The negative \$165,535 expenditure (including transfers) variance was due to reduced costs of \$149,821 in Public Safety, \$388,695 in Community Services, \$83,679 in Public Works, \$51,489 in Planning and Community Development, \$469,691 in City Administration and \$371 in Finance and Administrative Services, and increased costs of \$1,309,281 in Capital Outlay. Actual revenue (including transfers) was \$25,013,427 compared to the final budget of \$23,834,455. The \$1,178,972 positive revenue (including transfers) variance was due to increased revenue of \$212,822 for sales tax, \$71,421 for franchise fees, \$605,016 for development fees and permits, \$379,400 for fire services, \$137,226 for interest income, \$1,688,947 for miscellaneous income, \$62,861 for charges for services, along with decreased revenue of \$119,374 for property taxes, \$101,894 for utility fees, \$86,003 for traffic fines and forfeitures, \$4,986 for police fees and permits, \$2,845 for parks and recreation fees, \$8,445 for donations and \$1,655,174 for transfers in.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$111,207,854 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, infrastructure, right-to-use leased and right-to-use subscription-based information technology arrangement assets. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
Land	\$ 14,596,666	\$ 13,943,705	\$ 538,350	\$ 538,350	\$ 15,135,016	\$14,482,055
CIP	19,052,499	4,817,177	887,029	1,893,500	19,939,528	6,710,677
Buildings	12,992,476	12,881,056	1,395,479	1,358,880	14,387,955	14,239,936
Machinery and equipment	3,401,789	3,128,786	964,392	311,010	4,366,181	3,439,796
Infrastructure	25,576,054	28,207,015	28,268,735	26,149,306	53,844,789	54,356,321
Right-to-use leased assets	2,582,604	2,316,358	297,951	183,411	2,880,555	2,499,769
Right-to-use SBITA assets	653,830	-	-	-	653,830	-
Total capital assets	\$ 78,855,918	\$ 65,294,097	\$ 32,351,936	\$ 30,434,457	\$111,207,854	\$95,728,554

Additional information on the City's capital assets can be found in the notes to the financial statements in the Basic Financial Statements section of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$66,465,004, consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total outstanding debt increased by \$7,380,000 in fiscal year 2022-2023 due primarily to the issuance of bonds (see Note 6).

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 2,681,239	\$ 3,269,518	\$ 3,038,765	\$ 3,705,486	\$ 5,720,004	\$ 6,975,004
Certificates of Obligation	49,365,410	45,761,394	11,379,590	6,348,606	60,745,000	52,110,000
Total bonded debt	\$ 52,046,649	\$ 49,030,912	\$ 14,418,355	\$ 10,054,092	\$ 66,465,004	\$ 59,085,004

These amounts do not include net unamortized premiums/(discounts) of \$4,716,436 nor net deferred gain/(loss) on refunding of (\$20,270). Additional information on the City's long-term debt can be found in the Basic Financial Statements section of this report.

In March 2023, S&P Global Ratings raised its underlying rating (SPUR) to "AA+" from "AA" on the City's existing general obligation debt and certificates of obligation, and Moody's affirmed its "Aa2" rating. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 2.05%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 13.46% for the 2023 tax year over the 2022 certified value. Sales tax, the second largest tax revenue source for the General Fund during FY 2022-2023, also increased by 11.0% over the prior year's receipts. The City is focused on the implementation its Embracing the Future – 2030 Strategic Plan to achieve its vision of becoming a community that is conveniently located, delivers outstanding services, engages its residents, and provides the right mix of high-quality retail, restaurants, and entertainment. The City is focusing on its investments in economic development, mobility, the transit-oriented development (TOD) district, infrastructure, quality development, regional cooperation, broadband, and employees, and recognizes that partnerships are essential to excellent service delivery. Multiple developments, including mixed-used communities and residential developments, are currently underway or planned that will accommodate approximately 7,000 new residents in Corinth. As a result of these developments, the city expects a substantial increase in ad valorem and sales tax over the next few years.

The City Council approved a tax rate of \$0.54000 for fiscal year 2022-2023. General operations and maintenance will receive \$0.40200 of the total and the remaining \$0.13800 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets					
Cash and cash equivalents	\$ 8,830,191	\$ 3,159,775	\$ 11,989,966	\$ 1,089,124	\$ -
Investments	30,017,104	17,317,405	47,334,509	2,891,575	-
Receivables (net of allowance)					
Accounts	4,978,966	2,860,782	7,839,748	222,028	-
Inventories	6,108	96,509	102,617	-	-
Prepaid items	29,908	479	30,387	-	-
Capital assets not being depreciated					
Land	14,596,666	538,350	15,135,016	1,216,400	1,805,903
Construction in progress	19,052,499	887,029	19,939,528	-	-
Capital assets (net of accumulated depreciation/amortization)					
Buildings	12,992,476	1,395,479	14,387,955	-	-
Machinery and equipment	3,401,789	964,392	4,366,181	-	-
Infrastructure	25,576,054	28,268,735	53,844,789	-	-
Right to use leased assets	2,582,604	297,951	2,880,555	-	-
Right to use SBITA assets	653,830	-	653,830	-	-
Total assets	<u>122,718,195</u>	<u>55,786,886</u>	<u>178,505,081</u>	<u>5,419,127</u>	<u>1,805,903</u>
Deferred Outflows of Resources					
Deferred loss from refunding	-	24,019	24,019	-	-
Deferred outflows - pension	4,900,440	639,358	5,539,798	67,692	-
Deferred outflows - OPEB	104,926	15,443	120,369	1,251	-
Total deferred outflows of resources	<u>5,005,366</u>	<u>678,820</u>	<u>5,684,186</u>	<u>68,943</u>	<u>-</u>
Liabilities					
Accounts payable	1,901,530	1,234,225	3,135,755	9,978	-
Accrued liabilities	347,877	31,434	379,311	1,398	-
Accrued interest payable	363,259	232,774	596,033	-	-
Municipal court bonds	9,484	-	9,484	-	-
Customer meter deposits	-	716,345	716,345	-	-
Other liabilities	2,557,607	-	2,557,607	-	-
Unearned revenues	2,084,972	-	2,084,972	-	-
Noncurrent liabilities					
Due within one year	5,395,766	1,403,935	6,799,701	1,016	-
Due in more than one year	56,730,786	14,457,734	71,188,520	-	-
Net pension liability	8,557,728	1,094,891	9,652,619	115,950	-
Total OPEB liability	328,488	44,772	373,260	3,881	-
Total liabilities	<u>78,277,497</u>	<u>19,216,110</u>	<u>97,493,607</u>	<u>132,223</u>	<u>-</u>

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

City of Corinth, Texas
 Statement of Net Position (Exhibit A-1)
 September 30, 2023

Deferred Inflows of Resources					
Deferred gain on refunding	3,750	-	3,750	-	-
Deferred inflows - lease related	231,792	-	231,792	-	-
Deferred inflows - pension	68,161	9,402	77,563	783	-
Deferred inflows - OPEB	210,074	28,056	238,130	2,700	-
Total deferred inflows of resources	<u>513,777</u>	<u>37,458</u>	<u>551,235</u>	<u>3,483</u>	<u>-</u>
Net Position					
Net investment in capital assets	37,573,975	25,661,449	63,235,424	1,216,400	1,805,903
Restricted for capital projects	347,061	2,126,127	2,473,188	-	-
Restricted for specific programs	2,646,434	-	2,646,434	-	-
Restricted for debt service	691,217	-	691,217	-	-
Restricted for economic development	-	-	-	4,135,964	-
Unrestricted	7,673,600	9,424,562	17,098,162	-	-
Total net position	<u>\$ 48,932,287</u>	<u>\$ 37,212,138</u>	<u>\$ 86,144,425</u>	<u>\$ 5,352,364</u>	<u>\$ 1,805,903</u>

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 14,880,320	\$ 5,906,447	\$ -	\$ 1,571,878
Community services	2,584,004	109,498	12,055	-
Public works	5,217,679	170,717	-	-
Planning and community development	1,190,610	1,181,641	-	-
City administration	3,693,108	50,420	74,589	-
Finance and administrative services	1,355,623	-	-	-
Interest on long-term debt	986,950	-	430,216	-
Total governmental activities	<u>29,908,294</u>	<u>7,418,723</u>	<u>516,860</u>	<u>1,571,878</u>
Business-type activities				
Water and sewer	15,606,723	16,482,889	-	898,874
Storm drainage	807,480	788,106	-	153,967
Total business-type activities	<u>16,414,203</u>	<u>17,270,995</u>	<u>-</u>	<u>1,052,841</u>
Total primary government	<u>46,322,497</u>	<u>24,689,718</u>	<u>516,860</u>	<u>2,624,719</u>
Component units				
Corinth Economic Development Corporation	1,356,426	-	-	-
Corinth Economic Development Foundation	1,356,413	-	-	-
Total component units	<u>\$ 2,712,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Vehicle tax				
Investment income (loss)				
Other income				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

City of Corinth, Texas
 Statement of Activities (Exhibit A-2)
 Year Ended September 30, 2023

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
\$ (7,401,995)	\$ -	\$ (7,401,995)		
(2,462,451)	-	(2,462,451)		
(5,046,962)	-	(5,046,962)		
(8,969)	-	(8,969)		
(3,568,099)	-	(3,568,099)		
(1,355,623)	-	(1,355,623)		
<u>(556,734)</u>	<u>-</u>	<u>(556,734)</u>		
<u>(20,400,833)</u>	<u>-</u>	<u>(20,400,833)</u>		
-	1,775,040	1,775,040		
-	134,593	134,593		
-	1,909,633	1,909,633		
<u>(20,400,833)</u>	<u>1,909,633</u>	<u>(18,491,200)</u>		
			(1,356,426)	-
			<u>-</u>	<u>(1,356,413)</u>
			<u>(1,356,426)</u>	<u>(1,356,413)</u>
16,033,365	-	16,033,365	-	-
3,425,043	-	3,425,043	1,170,197	-
1,217,973	-	1,217,973	-	-
119,539	-	119,539	-	-
147,926	-	147,926	-	-
1,787,287	476,066	2,263,353	105,275	1,748
1,735,720	26,075	1,761,795	3,000	-
56,350	20,026	76,376	-	-
291,335	(291,335)	-	-	-
<u>24,814,538</u>	<u>230,832</u>	<u>25,045,370</u>	<u>1,278,472</u>	<u>1,748</u>
4,413,705	2,140,465	6,554,170	(77,954)	(1,354,665)
<u>44,518,582</u>	<u>35,071,673</u>	<u>79,590,255</u>	<u>5,430,318</u>	<u>3,160,568</u>
<u>\$ 48,932,287</u>	<u>\$ 37,212,138</u>	<u>\$ 86,144,425</u>	<u>\$ 5,352,364</u>	<u>\$ 1,805,903</u>

	General	Debt Service	2019 CO Fund	2020 CO Fund
Assets				
Cash and cash equivalents	\$ 70,885	\$ 761,786	\$ 73,458	\$ 503,858
Investments	7,626,183	244,927	7,365,757	5,195,476
Receivables (net of allowance)				
Property taxes	147,724	47,466	-	-
Sales taxes	444,600	-	-	-
Accounts	472	-	-	-
Interest	39,160	63	27	1,091
Warrants	2,118,631	-	-	-
Ambulance	978,476	-	-	-
Leases	-	-	-	-
Miscellaneous	342,659	-	-	-
Due from other governments	42,953	234	-	-
Inventories	6,108	-	-	-
Prepaid items	22,908	-	-	-
	<u>\$ 11,840,759</u>	<u>\$ 1,054,476</u>	<u>\$ 7,439,242</u>	<u>\$ 5,700,425</u>
Liabilities				
Accounts payable	\$ 781,424	\$ -	\$ 616,033	\$ 327,454
Accrued liabilities	267,104	-	-	-
Municipal court bonds	9,484	-	-	-
Other liabilities	1,129,004	-	515,649	57,849
Unearned revenue	-	-	-	-
Total liabilities	<u>2,187,016</u>	<u>-</u>	<u>1,131,682</u>	<u>385,303</u>
Deferred Inflows of Resources				
Lease related	-	-	-	-
Unavailable revenue	2,120,197	49,145	-	-
Total deferred inflows of resources	<u>2,120,197</u>	<u>49,145</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	29,016	-	-	-
Restricted	-	1,005,331	6,307,560	5,315,122
Committed	-	-	-	-
Unassigned	7,504,530	-	-	-
Total fund balances	<u>7,533,546</u>	<u>1,005,331</u>	<u>6,307,560</u>	<u>5,315,122</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,840,759</u>	<u>\$ 1,054,476</u>	<u>\$ 7,439,242</u>	<u>\$ 5,700,425</u>

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

City of Corinth, Texas
Balance Sheet – Governmental Funds (Exhibit A-3)
September 30, 2023

2021 CO Fund	2023 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 638,804	\$ 2,161,009	\$ 4,620,391	\$ 8,830,191
-	5,379,381	-	4,205,380	30,017,104
-	-	-	-	195,190
-	-	-	194,569	639,169
-	-	-	-	472
-	25,891	-	10,743	76,975
-	-	-	-	2,118,631
-	-	-	-	978,476
-	-	-	233,416	233,416
-	-	-	350,791	693,450
-	-	-	-	43,187
-	-	-	-	6,108
-	-	-	7,000	29,908
<u>\$ -</u>	<u>\$ 6,044,076</u>	<u>\$ 2,161,009</u>	<u>\$ 9,622,290</u>	<u>\$ 43,862,277</u>
\$ -	-	\$ 4,480	\$ 172,139	\$ 1,901,530
-	-	-	80,773	347,877
-	-	-	-	9,484
-	-	-	855,105	2,557,607
-	-	2,061,335	-	2,061,335
<u>-</u>	<u>-</u>	<u>2,065,815</u>	<u>1,108,017</u>	<u>6,877,833</u>
-	-	-	231,792	231,792
-	-	-	203,541	2,372,883
<u>-</u>	<u>-</u>	<u>-</u>	<u>435,333</u>	<u>2,604,675</u>
-	-	-	7,000	36,016
-	6,044,076	95,194	4,527,046	23,294,329
-	-	-	3,544,894	3,544,894
-	-	-	-	7,504,530
<u>-</u>	<u>6,044,076</u>	<u>95,194</u>	<u>8,078,940</u>	<u>34,379,769</u>
<u>\$ -</u>	<u>\$ 6,044,076</u>	<u>\$ 2,161,009</u>	<u>\$ 9,622,290</u>	<u>\$ 43,862,277</u>

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Total Fund Balances - Governmental Funds	\$ 34,379,769
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	78,855,918
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
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Leases payable	(2,288,769)
SBITAs payable	(619,616)
Bonds payable	(55,645,143)
Notes payable	(2,020,168)
Accrued compensated absences	(1,552,856)

Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	(3,750)
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Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(363,259)
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Included in liabilities is the recognition of the City's net pension liability in the amount of \$8,557,727, a deferred inflow of resources of \$68,161 and a deferred outflow of resources of \$4,900,440. This results in a decrease in net position.	(3,725,449)
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Included in liabilities is the recognition of the City's total OPEB liability in the amount of \$328,488, a deferred inflow of resources of \$210,074, and a deferred outflow of resources of \$104,926. This results in a decrease in net position.	(433,636)
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Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$201,996, net fines, fees and court costs receivable of \$999,159, net fees for ambulance receivables of \$904,288, franchise tax receivable for \$63,427, grant receivable of \$179,904, and net receivable for other items of \$472, were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	2,349,246
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Net Position of Governmental Activities	<u>\$ 48,932,287</u>
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The accompanying notes are an integral part of these financial statements.

	General	Debt Service	2019 CO Fund	2020 CO Fund
Revenues				
Taxes				
Property	\$ 11,817,916	\$ 4,078,467	\$ -	\$ -
Sales	2,361,496	-	-	-
Hotel occupancy tax	-	-	-	-
Franchise	1,097,211	-	-	-
Vehicle	-	-	-	-
Escrow and impact fees	-	-	-	-
Utility fees	50,420	-	-	-
Traffic fines and forfeitures	618,272	-	-	-
Development fees and permits	1,181,641	-	-	-
Police fees and permits	585,798	-	-	-
Parks and recreation fees	85,155	-	-	-
Fire services	3,990,044	-	-	-
Donations	12,055	-	-	-
Investment income	181,226	52,696	426,173	357,175
Grants	-	-	-	-
Miscellaneous income	1,734,249	430,216	-	-
Charges for services	109,498	-	-	-
Total revenues	<u>23,824,981</u>	<u>4,561,379</u>	<u>426,173</u>	<u>357,175</u>
Expenditures				
Current				
Public safety	12,258,023	-	-	-
Community services	1,747,452	-	-	340,658
Public works	862,423	-	83,419	28,744
Planning and community development	1,108,543	-	-	-
City administration	3,025,619	-	-	-
Finance and administrative services	1,259,753	-	-	-
Debt service				
Principal	-	3,277,552	-	-
Interest	-	1,014,343	-	-
Issuance cost and fees	-	1,500	-	-
Capital outlay	1,309,281	-	3,474,487	3,126,185
Total expenditures	<u>21,571,094</u>	<u>4,293,395</u>	<u>3,557,906</u>	<u>3,495,587</u>
Excess (Deficiency) of Revenues over (under) Expenditures	2,253,887	267,984	(3,131,733)	(3,138,412)
Other Financing Sources (Uses)				
Bond proceeds	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Loan proceeds	56,512	-	-	-
Lease proceeds	182,516	-	-	-
Subscription IT proceeds	537,086	-	-	-
Transfers out	(1,866,200)	-	-	-
Transfers in	1,188,446	119,498	300,000	-
Total other financing sources (uses)	<u>98,360</u>	<u>119,498</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	2,352,247	387,482	(2,831,733)	(3,138,412)
Fund Balance - October 1 (Beginning)	5,181,299	617,849	9,139,293	8,453,534
Fund Balance - September 30 (Ending)	<u>\$ 7,533,546</u>	<u>\$ 1,005,331</u>	<u>\$ 6,307,560</u>	<u>\$ 5,315,122</u>

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

City of Corinth, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit A-5)
Year Ended September 30, 2023

2021 CO Fund	2023 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 90,451	\$ 15,986,834
-	-	-	1,063,547	3,425,043
-	-	-	119,539	119,539
-	-	-	119,943	1,217,154
-	-	-	147,926	147,926
-	-	-	170,717	170,717
-	-	-	-	50,420
-	-	-	56,557	674,829
-	-	-	-	1,181,641
-	-	-	29,046	614,844
-	-	-	145,940	231,095
-	-	-	-	3,990,044
-	-	-	74,589	86,644
137,315	119,970	92,928	419,804	1,787,287
-	-	1,391,974	-	1,391,974
-	-	1,357	138,038	2,303,860
-	-	-	-	109,498
<u>137,315</u>	<u>119,970</u>	<u>1,486,259</u>	<u>2,576,097</u>	<u>33,489,349</u>
-	-	-	782,775	13,040,798
-	-	-	78,572	2,166,682
-	-	-	885,776	1,860,362
-	-	-	-	1,108,543
-	-	-	164,016	3,189,635
-	-	-	-	1,259,753
-	-	-	574,057	3,851,609
-	-	-	65,948	1,080,291
-	106,145	-	-	107,645
4,898,181	-	917,665	5,212,554	18,938,353
<u>4,898,181</u>	<u>106,145</u>	<u>917,665</u>	<u>7,763,698</u>	<u>46,603,671</u>
(4,760,866)	13,825	568,594	(5,187,601)	(13,114,322)
-	5,654,700	-	-	5,654,700
-	375,551	-	-	375,551
-	-	-	144,696	144,696
-	-	-	-	56,512
-	-	-	653,138	835,654
-	-	-	-	537,086
-	-	(475,666)	(1,819,005)	(4,160,871)
-	-	-	2,844,262	4,452,206
<u>-</u>	<u>6,030,251</u>	<u>(475,666)</u>	<u>1,823,091</u>	<u>7,895,534</u>
(4,760,866)	6,044,076	92,928	(3,364,510)	(5,218,788)
4,760,866	-	2,266	11,443,450	39,598,557
<u>\$ -</u>	<u>\$ 6,044,076</u>	<u>\$ 95,194</u>	<u>\$ 8,078,940</u>	<u>\$ 34,379,769</u>

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City of Corinth, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds		\$ (5,218,788)
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		18,954,634
The net book value of capital assets disposed reduces net position.		(88,346)
Depreciation and amortization are not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(5,567,402)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	(5,654,700)	
Issuance of bond premium	(375,551)	
Issuance of leases	(835,654)	
Issuance of SBITAs	(537,086)	
Issuance of notes payable	(56,512)	
Bond principal repayments	2,638,963	
Lease principal repayment	879,409	
SBITA principal repayment	180,405	
Notes payable principal repayment	152,832	
Amortization of bond premium	313,301	
Amortization of deferred gain on bond refunding	<u>1,249</u>	
		(3,293,344)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(241,462)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.		
The current year change in the interest accrual is a decrease in net position.		(113,564)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,637,841. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$2,129,444.		(491,604)
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$29,986. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$41,370.		(11,384)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		<u>484,965</u>
Change in Net Position of Governmental Activities		<u>\$ 4,413,705</u>

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

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 2,472,972	\$ 686,803	\$ 3,159,775
Investments	16,860,310	457,095	17,317,405
Receivables (net of allowance)			
Accounts	2,698,234	94,276	2,792,510
Interest	66,065	-	66,065
Miscellaneous	2,207	-	2,207
Inventories	87,586	8,923	96,509
Prepaid items	479	-	479
Total current assets	<u>22,187,853</u>	<u>1,247,097</u>	<u>23,434,950</u>
Noncurrent assets			
Capital assets			
Land	526,350	12,000	538,350
Construction in progress	288,450	598,579	887,029
Buildings	1,911,916	-	1,911,916
Machinery and equipment	1,550,978	371,210	1,922,188
Infrastructure	51,716,770	7,541,127	59,257,897
Right to use leased assets	371,167	30,571	401,738
Less accumulated amortization	(91,886)	(11,901)	(103,787)
Less accumulated depreciation	<u>(28,592,147)</u>	<u>(3,871,248)</u>	<u>(32,463,395)</u>
Total capital assets, net	<u>27,681,598</u>	<u>4,670,338</u>	<u>32,351,936</u>
Total assets	<u>49,869,451</u>	<u>5,917,435</u>	<u>55,786,886</u>
Deferred Outflows of Resources			
Deferred charge on refunding	20,770	3,249	24,019
Deferred outflows - pension	572,008	67,350	639,358
Deferred outflows - OPEB liability	14,227	1,216	15,443
Total deferred outflows of resources	<u>607,005</u>	<u>71,815</u>	<u>678,820</u>
Liabilities			
Current liabilities			
Accounts payable	1,222,384	11,841	1,234,225
Accrued liabilities	30,035	1,399	31,434
Accrued interest payable	229,261	3,513	232,774
Customer deposits	716,345	-	716,345
Current portion of leases	67,776	5,221	72,997
Current portion of compensated absences	73,802	2,729	76,531
Current portion of bonds	1,104,193	150,214	1,254,407
Total current liabilities	<u>3,443,796</u>	<u>174,917</u>	<u>3,618,713</u>

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

City of Corinth, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2023

Noncurrent liabilities			
Leases	122,835	2,697	125,532
Compensated absences	47,317	2,995	50,312
Net pension liability	978,358	116,533	1,094,891
Total OPEB liability	41,754	3,018	44,772
Bonds	13,809,973	471,917	14,281,890
Total noncurrent liabilities	<u>15,000,237</u>	<u>597,160</u>	<u>15,597,397</u>
Total liabilities	<u>18,444,033</u>	<u>772,077</u>	<u>19,216,110</u>
Deferred Inflows of Resources			
Deferred inflows - pension	8,615	787	9,402
Deferred inflows - OPEB	25,513	2,543	28,056
Total deferred inflows of resources	<u>34,128</u>	<u>3,330</u>	<u>37,458</u>
Net Position			
Net investment in capital assets	21,617,911	4,043,538	25,661,449
Restricted for capital projects	2,126,127	-	2,126,127
Unrestricted	8,254,257	1,170,305	9,424,562
Total net position	<u>\$ 31,998,295</u>	<u>\$ 5,213,843</u>	<u>\$ 37,212,138</u>

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City of Corinth, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)
Year Ended September 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 9,309,271	\$ -	\$ 9,309,271
Sewer disposal	5,040,384	-	5,040,384
Storm drainage fees	-	753,362	753,362
Garbage	1,202,221	-	1,202,221
Penalties and reconnect fees	183,320	-	183,320
Tap fees	688,657	-	688,657
Service fees	1,305	-	1,305
Inspections	57,731	34,744	92,475
Total Operating Revenues	<u>16,482,889</u>	<u>788,106</u>	<u>17,270,995</u>
Operating Expenses			
Wages and benefits	2,201,765	197,788	2,399,553
Professional services and contracts	1,732,446	117,635	1,850,081
Upper Trinity contract fees	7,367,564	-	7,367,564
Maintenance and operations	508,329	33,607	541,936
Supplies	85,917	8,694	94,611
Utilities and communication	548,542	2,882	551,424
Vehicles/equipment and fuel	301,042	30,142	331,184
Travel and training	32,013	1,519	33,532
Amortization	15,441	-	15,441
Depreciation	2,254,394	400,144	2,654,538
Total Operating Expenses	<u>15,047,453</u>	<u>792,411</u>	<u>15,839,864</u>
Operating Income	<u>1,435,436</u>	<u>(4,305)</u>	<u>1,431,131</u>
Nonoperating Revenues (Expenses)			
Interest income	432,558	43,508	476,066
Miscellaneous income (expense)	26,075	-	26,075
Gain on sale of capital assets	20,026	-	20,026
Interest expense	(559,270)	(15,069)	(574,339)
Total Nonoperating (Expenses) Revenues	<u>(80,611)</u>	<u>28,439</u>	<u>(52,172)</u>
Income Before Contributions and Transfers	<u>1,354,825</u>	<u>24,134</u>	<u>1,378,959</u>
Contributions and Transfers			
Special assessment - water and sewer impact fees	757,841	-	757,841
Capital contributions	141,033	153,967	295,000
Transfers in	10,846,025	231,855	11,077,880
Transfers out	(11,131,357)	(237,858)	(11,369,215)
Total Contributions and Transfers	<u>613,542</u>	<u>147,964</u>	<u>761,506</u>
Change in Net Position	1,968,367	172,098	2,140,465
Net Position, Beginning	<u>30,029,928</u>	<u>5,041,745</u>	<u>35,071,673</u>
Net Position, Ending	<u>\$ 31,998,295</u>	<u>\$ 5,213,843</u>	<u>\$ 37,212,138</u>

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

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 16,194,303	\$ 784,621	\$ 16,978,924
Payments to or on behalf of employees	(2,116,028)	(190,880)	(2,306,908)
Payments to Upper Trinity for contract fees	(7,367,564)	-	(7,367,564)
Payments to suppliers	(3,072,984)	(196,861)	(3,269,845)
Net Cash Provided by Operating Activities	<u>3,637,727</u>	<u>396,880</u>	<u>4,034,607</u>
Cash Flows from Noncapital Financing Activities			
Transfers out	(11,131,357)	(237,858)	(11,369,215)
Transfers in	<u>10,846,025</u>	<u>231,855</u>	<u>11,077,880</u>
Net Cash Used by Noncapital Financing Activities	<u>(285,332)</u>	<u>(6,003)</u>	<u>(291,335)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(4,150,607)	(141,851)	(4,292,458)
Issuance of bonds	5,325,300	-	5,325,300
Issuance of leases	128,545	-	128,545
Principal paid on bonds	(837,702)	(123,335)	(961,037)
Principal paid on leases	(69,642)	(8,970)	(78,612)
Interest paid on bonds	(155,870)	(34,757)	(190,627)
Proceeds from sale of assets	20,026	-	20,026
Special assessments- impact fees	<u>757,841</u>	<u>-</u>	<u>757,841</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,017,891</u>	<u>(308,913)</u>	<u>708,978</u>
Cash Flows from Investing Activities			
Decrease (increase) in short-term investments	(7,145,311)	(20,215)	(7,165,526)
Interest received	<u>396,294</u>	<u>43,508</u>	<u>439,802</u>
Net Cash (Used) Provided by Investing Activities	<u>(6,749,017)</u>	<u>23,293</u>	<u>(6,725,724)</u>
Net Change in Cash and Cash Equivalents	(2,378,731)	105,257	(2,273,474)
Cash and Cash Equivalents, Beginning	<u>4,851,703</u>	<u>581,546</u>	<u>5,433,249</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,472,972</u>	<u>\$ 686,803</u>	<u>\$ 3,159,775</u>

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

City of Corinth, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 1,435,436	\$ (4,305)	\$ 1,431,131
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	2,269,835	400,144	2,669,979
(Increase) decrease in accounts receivable	(340,101)	(3,485)	(343,586)
(Increase) decrease in inventories	(33,134)	(3,826)	(36,960)
(Increase) decrease in prepaid items	(479)	-	(479)
Increase (decrease) in accounts payable	168,918	1,444	170,362
Increase (decrease) in customer deposits	51,515	-	51,515
Increase (decrease) in accrued liabilities	85,737	6,908	92,645
Net Cash Provided by Operating Activities	<u>\$ 3,637,727</u>	<u>\$ 396,880</u>	<u>\$ 4,034,607</u>
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	\$ 141,033	\$ 153,967	\$ 295,000

Note 1 - Reporting Entity

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

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

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

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

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

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

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

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

The Corinth Economic Development Foundation (CEDF) was organized as a nonprofit corporation to promote and enhance the economic and business community in the City of Corinth. The CEDF is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDF is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDF does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

- The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- The **2019 CO Fund** is used to account for the resources obtained from the issuance of the 2019 \$19,205,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2020 CO Fund** is used to account for the resources obtained from the issuance of the 2020 \$9,260,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2021 CO Fund** is used to account for the resources obtained from the issuance of the 2021 \$4,740,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2023 CO Fund** is used to account for the resources obtained from the issuance of the 2023 \$5,654,700 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **COVID CARES Act Fund** is used to account for grant funding received from the CARES Act.

The City reports the following major proprietary fund types:

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

Additionally, the City reports the following fund types:

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

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

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

Implementation of GASB Statement No. 96

As of October 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard had no effect on beginning net position. The additional disclosures required by this standard are included in Note 6.

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

Cash and Cash Equivalents

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

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.

Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at amortized cost. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

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

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$1,728,594 for General Fund, \$8,091 for Debt Service Fund, \$62,380 for Water and Sewer Fund and \$180 for Storm Drainage Fund.

Inventory

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

Pensions

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

OPEB

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

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

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

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

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

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

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and Wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-50 years
Park equipment	10-20 years

Right to use leased assets are recognized at the lease commencement date and represent the City’s right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 17 months to 10 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent City’s right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Lease liabilities represent the City’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

Compensated Absences

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

Use of Estimates

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

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2023, was \$.54 per \$100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not spendable form or because of legal or contractual constraints. The City had \$6,108 and \$22,908 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund, and \$7,000 in nonspendable fund balance for prepaid items in Hotel Motel Tax at September 30, 2023.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled \$1,005,331 as of September 30, 2023. Fund balance restricted for future capital projects included the 2019 CO Fund, 2020 CO Fund, 2023 CO Fund, 2016 CO Fund, and 2021A CO Fund and totaled \$6,307,560, \$5,315,122, \$6,044,076, \$96,796, and \$1,531,949 respectively. Special revenue fund balance restricted for specific programs included COVID CARES Act, Crime Control and Prevention, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety Special Revenue, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, Short-term Rental Vehicle Tax, and Reinvestment Zone #3 totaled \$95,194, \$789,256, \$161,472, \$31,680, \$46,468, \$720, \$127,482, \$50,107, \$16,410, \$236,026, \$31,518, \$227,441, \$347,061, \$299,565, \$188,358, \$95,361, \$195,695, and \$53,681, respectively, as of September 30, 2023.

Committed fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue and Street Rehabilitation totaling \$183,779 and \$453,761, respectively, as of September 30, 2023. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, and LCFD Public Property and totaled \$1,446,326, \$309,340, \$210,926, \$610,988, and \$329,774, respectively, as of September 30, 2023.

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

Minimum fund balance policy

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

Flow Assumptions

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

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, Short-term Rental Vehicle Tax, Street Rehabilitation and Reinvestment Zone #3 special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the Director. Transfers between functional departments require the approval of the Director, Budget Manager, and Finance Director. Transfers between funds may require Council approval. All transfers of appropriations require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager may approve all budget amendments that alter department or operating appropriations. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments).

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City, CEDC and CEDF at September 30, 2023, were entirely secured by FDIC insurance and pledged collateral held by the City’s agent bank.

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

Following are the City’s investments at September 30, 2023, including classification by level, within the fair value hierarchy:

Primary Government

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>		
					<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
TexSTAR	\$ 29,236,610	N/A	AAAm	< 60 days	None		
<u>Investment Maturity in Years</u>							
<u>Other Investments</u>					<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
U.S. Government Backed Securities	18,097,899	Level 2	AA+	\$ 5,610,348	\$ 12,487,551	\$ -	
Total Investments	<u>\$ 47,334,509</u>			<u>\$ 5,610,348</u>	<u>\$ 12,487,551</u>	<u>\$ -</u>	

CEDC

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>		
					<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
TexPool	\$ 2,072,027	N/A	AAAm	< 60 days	None		
<u>Investment Maturity in Years</u>							
<u>Other Investments</u>					<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
Money market	819,548	Level 1	N/A	\$ 819,548	\$ -	\$ -	
Total Investments	<u>\$ 2,891,575</u>			<u>\$ 819,548</u>	<u>\$ -</u>	<u>\$ -</u>	

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

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

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

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

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2023, the City’s investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor’s.

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

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

Capital Assets

A summary of changes in capital assets follows:

	(Restated) Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 13,943,705	\$ 652,961	\$ -	\$ -	\$ 14,596,666
Construction in progress	4,817,177	14,559,484	(324,162)	-	19,052,499
Total assets not being depreciated	18,760,882	15,212,445	(324,162)	-	33,649,165
Capital assets, being depreciated:					
Buildings	17,585,710	620,978	14,185	-	18,220,873
Machinery and equipment	9,919,948	1,121,177	236,618	542,985	10,734,758
Infrastructure	108,049,419	530,108	73,359	127,945	108,524,941
Total capital assets being depreciated	135,555,077	2,272,263	324,162	670,930	137,480,572
Less accumulated depreciation					
Buildings	4,704,654	523,743	-	-	5,228,397
Machinery and equipment	6,791,162	1,056,347	-	514,540	7,332,969
Infrastructure	79,842,404	3,234,428	-	127,945	82,948,887
Total accumulated depreciation	91,338,220	4,814,518	-	642,485	95,510,253
Total capital assets being depreciated, net	44,216,857	(2,542,255)	324,162	28,445	41,970,319
Right to use leased assets, being amortized:					
Buildings	236,587	-	-	-	236,587
Machinery and equipment	2,729,338	925,792	-	48,379	3,606,751
Infrastructure	126,959	-	-	126,959	-
Total right to use leased assets, being amortized:	3,092,884	925,792	-	175,338	3,843,338
Less accumulated amortization					
Buildings	47,317	47,317	-	-	94,634
Machinery and equipment	695,680	518,799	-	48,379	1,166,100
Infrastructure	33,529	33,529	-	67,058	-
Total accumulated amortization	776,526	599,645	-	115,437	1,260,734
Total right to use leased assets being amortized, net	2,316,358	326,147	-	59,901	2,582,604
Right to use SBITA assets, being amortized:					
-	262,935	544,134	-	-	807,069
Less accumulated amortization	-	153,239	-	-	153,239
Net right to use SBITA assets	262,935	390,895	-	-	653,830
Total leased and subscription IT assets, net	2,579,293	64,748	-	59,901	2,584,140
Governmental activities capital assets, net	\$ 65,557,032	\$ 13,387,232	\$ -	\$ 88,346	\$ 78,855,918

City of Corinth, Texas
Notes to Financial Statements
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	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 538,350	\$ -	\$ -	\$ -	\$ 538,350
Construction in progress	1,893,500	106,666	(1,113,137)	-	887,029
Total assets not being depreciated	<u>2,431,850</u>	<u>106,666</u>	<u>(1,113,137)</u>	<u>-</u>	<u>1,425,379</u>
Capital assets, being depreciated:					
Buildings	1,781,226	128,190	2,500	-	1,911,916
Machinery and equipment	1,438,431	847,988	-	364,231	1,922,188
Infrastructure	54,772,627	3,374,633	1,110,637	-	59,257,897
Total capital assets being depreciated	<u>57,992,284</u>	<u>4,350,811</u>	<u>1,113,137</u>	<u>364,231</u>	<u>63,092,001</u>
Less accumulated depreciation					
Buildings	422,346	94,091	-	-	516,437
Machinery and equipment	1,127,421	194,606	-	364,231	957,796
Infrastructure	28,623,321	2,365,841	-	-	30,989,162
Total accumulated depreciation	<u>30,173,088</u>	<u>2,654,538</u>	<u>-</u>	<u>364,231</u>	<u>32,463,395</u>
Total capital assets being depreciated, net	<u>27,819,196</u>	<u>1,696,273</u>	<u>1,113,137</u>	<u>-</u>	<u>30,628,606</u>
Right to use leased assets, being amortized:					
Machinery and equipment	274,600	129,981	-	2,843	401,738
Total right to use leased assets, being amortized:	<u>274,600</u>	<u>129,981</u>	<u>-</u>	<u>2,843</u>	<u>401,738</u>
Less accumulated amortization					
Machinery and equipment	91,189	15,441	-	2,843	103,787
Total accumulated amortization	<u>91,189</u>	<u>15,441</u>	<u>-</u>	<u>2,843</u>	<u>103,787</u>
Total right to use leased assets being amortized, net	<u>183,411</u>	<u>114,540</u>	<u>-</u>	<u>-</u>	<u>297,951</u>
Business activities capital assets, net	<u>\$ 30,434,457</u>	<u>\$ 1,917,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,351,936</u>
CEDC					
Capital assets, not being depreciated					
Land	\$ 4,313,348	\$ -	\$ -	\$ 3,096,948	\$ 1,216,400
Total assets not being depreciated	<u>4,313,348</u>	<u>-</u>	<u>-</u>	<u>3,096,948</u>	<u>1,216,400</u>
CEDC capital assets, net	<u>\$ 4,313,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,096,948</u>	<u>\$ 1,216,400</u>
CEDF					
Capital assets, not being depreciated					
Land	\$ 3,087,601	\$ -	\$ -	\$ 1,281,698	\$ 1,805,903
Total assets not being depreciated	<u>3,087,601</u>	<u>-</u>	<u>-</u>	<u>1,281,698</u>	<u>1,805,903</u>
CEDF capital assets, net	<u>\$ 3,087,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,281,698</u>	<u>\$ 1,805,903</u>

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

Governmental activities		
Public safety		\$ 1,313,589
Community services		377,127
Public works		3,336,172
Planning and community development		35,197
City administration		446,583
Finance and administrative services		58,734
Total depreciation/amortization expense - Governmental activities		\$ 5,567,402
Business-type activities		
Water and sewer		\$ 2,269,835
Storm drainage		400,144
Total depreciation/amortization expense - Business-type activities		\$ 2,669,979

Lessee Activities

The City entered into various lease agreements as lessee for the use of buildings, machinery and equipment, and infrastructure. As of September 30, 2023, the value of the lease liability was \$2,487,298. The City is required to make monthly or annual principal and interest payments through November 2028. The lease liability was valued using a discount rate ranging from 0.25% to 6.63% as determined by the City’s management based on the City’s estimated incremental borrowing rate.

Lessor Activities

The City has accrued a receivable for one land lease and two infrastructure leases. The remaining receivable for these leases was \$233,416 for the year ended September 30, 2023. Deferred inflows related to these leases were \$231,792 as of September 30, 2023. The interest rate on the leases ranged from 0.64% – .901%. Final receipt is expected in fiscal year 2028.

Subscription IT Activities

As of September 30, 2023, the value of the SBITA liability was \$619,616. The City is required to make annual principal and interest payments through November 2027. The lease liability was valued using a discount rate ranging from 2.36% to 3.26% as determined by the City’s management based on the City’s estimated incremental borrowing rate.

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2023, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	\$ 1,188,446	\$ 1,866,200	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	119,498	-	Administrative Transfer
2019 CO Street	300,000	-	Capital Projects Reallocation
COVID CARES Act	-	475,666	Administrative Transfer
Other Governmental	2,844,262	1,819,005	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	10,846,025	11,131,357	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
Storm Drainage	231,855	237,858	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
	\$ 15,530,086	\$ 15,530,086	

Long-term Obligations

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

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

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

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2023:

	(Restated) Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 45,761,394	\$ 5,654,700	\$ (2,050,684)	\$ 49,365,410	\$ 2,222,607
General obligation bonds	3,269,518	-	(588,279)	2,681,239	621,091
Bond premiums/discounts (net)	3,536,244	375,551	(313,301)	3,598,494	313,301
Compensated absences	1,311,394	1,794,727	(1,553,265)	1,552,856	1,082,071
Lease obligation	2,332,524	835,654	(879,409)	2,288,769	671,456
SBITA obligation	262,935	537,086	(180,405)	619,616	208,928
Notes payable	2,116,488	56,512	(152,832)	2,020,168	276,312
Total governmental activities	<u>\$ 58,590,497</u>	<u>\$ 9,254,230</u>	<u>\$ (5,718,175)</u>	<u>\$ 62,126,552</u>	<u>\$ 5,395,766</u>
Business-type activities					
Certificates of obligation	\$ 6,348,606	\$ 5,325,300	\$ (294,316)	\$ 11,379,590	\$ 392,393
General obligation bonds	3,705,486	-	(666,721)	3,038,765	703,909
Bond premiums/discounts (net)	922,312	353,735	(158,105)	1,117,942	158,105
Compensated absences	96,971	107,600	(77,728)	126,843	76,531
Lease obligation	148,596	128,545	(78,612)	198,529	72,997
Total business type activities	<u>11,221,971</u>	<u>5,915,180</u>	<u>(1,275,482)</u>	<u>15,861,669</u>	<u>1,403,935</u>
Primary government	<u>\$ 69,812,468</u>	<u>\$ 15,169,410</u>	<u>\$ (6,993,657)</u>	<u>\$ 77,988,221</u>	<u>\$ 6,799,701</u>
CEDC					
Compensated absences	\$ 20,408	\$ 21,212	\$ (40,604)	\$ 1,016	\$ 1,016
	<u>\$ 20,408</u>	<u>\$ 21,212</u>	<u>\$ (40,604)</u>	<u>\$ 1,016</u>	<u>\$ 1,016</u>

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

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2023	Business Type Amount Outstanding 9/30/2023
Certificates of Obligation	4/21/2016	\$ 13,275,000	2.00%-5.00%	2/15/2036	\$ 10,017,505	\$ 1,087,495
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	2,681,239	3,038,761
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	2,840,178	1,269,826
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	13,943,027	3,696,973
Certificates of Obligation	10/22/2020	9,260,000	2.00%-4.00%	2/15/2040	8,515,000	-
Certificates of Obligation	1/21/2021	4,740,000	1.70%-4.00%	2/15/2041	4,445,000	-
Certificates of Obligation	10/21/2021	4,285,000	2.20%-4.00%	2/15/2041	3,950,000	-
Certificates of Obligation	4/13/2023	10,980,000	5%	2/15/2033	5,654,700	5,325,300
					\$ 52,046,649	\$ 14,418,355

The annual requirements to retire general long-term debt, including interest, as of September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2024	\$ 2,843,698	\$ 1,874,224	\$ 4,717,922
2025	3,052,944	1,670,915	4,723,859
2026	3,174,871	1,542,292	4,717,163
2027	3,323,818	1,395,831	4,719,649
2028	2,719,753	1,254,225	3,973,978
2029-2033	15,355,681	4,531,874	19,887,555
2034-2038	15,708,789	1,921,723	17,630,512
2039-2043	5,867,095	290,339	6,157,434
Total	\$ 52,046,649	\$ 14,481,423	\$ 66,528,072

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2024	\$ 1,096,302	\$ 668,941	\$ 1,765,243
2025	1,232,056	535,151	1,767,207
2026	1,285,129	476,980	1,762,109
2027	1,351,182	413,135	1,764,317
2028	560,247	365,767	926,014
2029-2033	3,204,319	1,425,381	4,629,700
2034-2038	3,566,211	732,625	4,298,836
2039-2043	2,122,909	193,634	2,316,543
Total	\$ 14,418,355	\$ 4,811,614	\$ 19,229,969

The annual requirements to retire lease obligations, including interest, as of September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2024	\$ 744,453	\$ 57,791	\$ 802,244
2025	625,037	53,746	678,783
2026	547,982	13,667	561,649
2027	313,436	7,455	320,891
2028	256,390	2,199	258,589
Total	<u>\$ 2,487,298</u>	<u>\$ 134,858</u>	<u>\$ 2,622,156</u>

The annual requirements to retire SBITA obligations, including interest, as of September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2024	\$ 208,928	\$ 11,034	\$ 219,962
2025	188,868	10,592	199,460
2026	123,662	5,493	129,155
2027	98,158	2,320	100,478
Total	<u>\$ 619,616</u>	<u>\$ 29,439</u>	<u>\$ 649,055</u>

The annual requirements to retire notes payable, including interest, as of September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2024	\$ 274,284	\$ 58,496	\$ 332,780
2025	299,229	33,550	332,779
2026	284,352	30,151	314,503
2027	154,957	26,675	181,632
2028	158,513	23,119	181,632
2029-2033	848,833	59,325	908,158
Total	<u>\$ 2,020,168</u>	<u>\$ 231,316</u>	<u>\$ 2,251,484</u>

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

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

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	167
Active employees	169
Total	450

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.03% and 15.03% in calendar years 2022 and 2023, respectively. The City’s contributions to TMRS for the year ended September 30, 2023, were \$2,102,987, and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Entity-Wide			
Balance at 12/31/2021	\$ 53,612,546	\$ 51,416,427	\$ 2,196,119
Changes for the year:			
Service cost	2,310,175	-	2,310,175
Interest	3,645,292	-	3,645,292
Change in benefit terms	-	-	-
Difference between expected and actual experience	627,730	-	627,730
Change in assumptions	-	-	-
Contributions - employer	-	1,884,823	(1,884,823)
Contributions - employee	-	879,868	(879,868)
Net investment income	-	(3,760,221)	3,760,221
Benefit payments, including refunds of contributions	(1,526,622)	(1,526,622)	-
Administrative expense	-	(32,478)	32,478
Other changes	-	38,755	(38,755)
Net changes	5,056,575	(2,515,875)	7,572,450
Balance at 12/31/2022	<u>\$ 58,669,121</u>	<u>\$ 48,900,552</u>	<u>\$ 9,768,569</u>

Primary Government	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
	Balance at 12/31/2021	\$ 53,020,024	\$ 50,853,325
Changes for the year:			
Service cost	2,282,754	-	2,282,754
Interest	3,602,023	-	3,602,023
Change in benefit terms	-	-	-
Difference between expected and actual experience	620,279	-	620,279
Change in assumptions	-	-	-
Contributions - employer	-	1,862,451	(1,862,451)
Contributions - employee	-	869,424	(869,424)
Net investment income	-	(3,715,588)	3,715,588
Benefit payments, including refunds of contributions	(1,508,501)	(1,508,501)	-
Administrative expense	-	(32,092)	32,092
Other changes	-	34,941	(34,941)
Net changes	4,996,555	(2,489,365)	7,485,920
Balance at 12/31/2022	\$ 58,016,579	\$ 48,363,960	\$ 9,652,619

CEDC	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
	Balance at 12/31/2021	\$ 592,522	\$ 563,102
Changes for the year:			
Service cost	27,421	-	27,421
Interest	43,269	-	43,269
Change in benefit terms	-	-	-
Difference between expected and actual experience	7,451	-	7,451
Change in assumptions	-	-	-
Contributions - employer	-	22,372	(22,372)
Contributions - employee	-	10,444	(10,444)
Net investment income	-	(44,633)	44,633
Benefit payments, including refunds of contributions	(18,121)	(18,121)	-
Administrative expense	-	(386)	386
Other changes	-	3,814	(3,814)
Net changes	60,020	(26,510)	86,530
Balance at 12/31/2022	\$ 652,542	\$ 536,592	\$ 115,950

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

City of Corinth, Texas
Notes to Financial Statements
September 30, 2023

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 19,646,051	\$ 9,768,569	\$ 1,836,440
Reported by Governmental Activities	17,210,869	8,557,728	1,608,808
Reported by Business-Type Activities	2,201,989	1,094,891	205,834
Reported by Component Unit, CEDC	233,193	115,950	21,798
	<u>\$ 19,646,051</u>	<u>\$ 9,768,569</u>	<u>\$ 1,836,440</u>

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

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

For the year ended September 30, 2023, the City recognized pension expense of \$2,671,422.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 582,977	\$ 78,346	\$ 576,057	\$ 77,563	\$ 6,920	\$ 783
Changes in actuarial assumptions	-	-	-	-	-	-
Difference between projected and actual investment earnings	3,386,672	-	3,345,341	-	41,331	-
Contributions subsequent to the measurement date	1,637,841	-	1,618,400	-	19,441	-
Total	<u>\$ 5,607,490</u>	<u>\$ 78,346</u>	<u>\$ 5,539,798</u>	<u>\$ 77,563</u>	<u>\$ 67,692</u>	<u>\$ 783</u>

\$1,637,841 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2024	\$ 396,655	\$ 391,816	\$ 4,839
2025	1,049,308	1,036,508	12,800
2026	999,174	986,986	12,188
2027	1,446,166	1,428,525	17,641
	\$ 3,891,303	\$ 3,843,835	\$ 47,468

Note 8 - Other Post Employment Benefits

Plan Description

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

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	31
Active employees	169
Total	269

Contributions

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

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

	2023
Employer rate	0.29%
Employer contributions	\$ 34,934

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 11.50%, including inflation
Discount rate	4.05%

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

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

Actuarial assumptions used in the December 31, 2022 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 4.05% was based on the Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2022.

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

At September 30, 2023, the City reported a total OPEB liability of \$377,141 measured at December 31, 2022. For the year ended September 30, 2023, the City recognized OPEB expense of \$35,429.

As of December 31, 2022, the discount rate used in the development of the total OPEB liability was 4.05% compared to 1.84% as of December 31, 2021.

Changes in the total OPEB liability for the measurement year ended December 31, 2022 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability		
	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2021	\$ 565,895	\$ 559,857	\$ 6,038
Changes for the year:			
Service cost	44,979	44,731	248
Interest on total OPEB liability	10,757	10,646	111
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(13,120)	(12,985)	(135)
Effect of assumption changes or inputs	(223,873)	(221,569)	(2,304)
Benefit payments*	(7,497)	(7,420)	(77)
Balance as of December 31, 2022	\$ 377,141	\$ 373,260	\$ 3,881

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

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate.

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total OPEB liability	\$ 461,582	\$ 377,141	\$ 312,669
Reported by Governmental Activities	402,036	328,488	272,333
Reported by Business-Type Activities	54,796	44,772	37,118
Reported by Component Unit, CEDC	4,750	3,881	3,218
	\$ 461,582	\$ 377,141	\$ 312,669

At December 31, 2022, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,322	\$ 47,108	\$ 6,257	\$ 46,623	\$ 65	\$ 485
Changes in actuarial assumptions	85,312	193,722	84,435	191,507	877	2,215
Contributions subsequent to the measurement date	29,986	-	29,677	-	309	-
Total	<u>\$ 121,620</u>	<u>\$ 240,830</u>	<u>\$ 120,369</u>	<u>\$ 238,130</u>	<u>\$ 1,251</u>	<u>\$ 2,700</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2024 in the amount of \$29,986. The other net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2024	\$ (21,833)	\$ (21,608)	\$ (225)
2025	(24,539)	(24,286)	(253)
2026	(27,865)	(27,578)	(287)
2027	(34,661)	(34,304)	(357)
2028	(38,739)	(38,339)	(400)
Thereafter	(1,559)	(1,339)	(220)
	<u>\$ (149,196)</u>	<u>\$ (147,454)</u>	<u>\$ (1,742)</u>

Note 9 - Risk Management

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

Note 10 - Commitments and Contingencies

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

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$23,343,245.

Upper Trinity Regional Water District (UTRWD)

On June 26, 1995, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedule – General Fund (Exhibit B-1)

Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 11,937,290	\$ 11,937,290	\$ 11,817,916	\$ (119,374)
Sales	2,148,674	2,148,674	2,361,496	212,822
Franchise	1,025,790	1,025,790	1,097,211	71,421
Utility fees	152,314	152,314	50,420	(101,894)
Traffic fines and forfeitures	704,275	704,275	618,272	(86,003)
Development fees and permits	576,625	576,625	1,181,641	605,016
Police fees and permits	590,784	590,784	585,798	(4,986)
Parks and recreation fees	88,000	88,000	85,155	(2,845)
Fire services	3,610,644	3,610,644	3,990,044	379,400
Donations	20,500	20,500	12,055	(8,445)
Interest income	44,000	44,000	181,226	137,226
Grants	-	-	-	-
Miscellaneous income	45,302	45,302	1,734,249	1,688,947
Charges for services	46,637	46,637	109,498	62,861
Total revenues	20,990,835	20,990,835	23,824,981	2,834,146
Expenditures				
Current				
Public safety	12,188,090	12,407,844	12,258,023	149,821
Community services	2,142,636	2,136,147	1,747,452	388,695
Public works	951,936	946,102	862,423	83,679
Planning and community development	1,165,109	1,160,032	1,108,543	51,489
City administration	4,078,676	3,495,310	3,025,619	469,691
Finance and administrative services	1,109,350	1,260,124	1,259,753	371
Capital outlay	-	-	1,309,281	(1,309,281)
Total expenditures	21,635,797	21,405,559	21,571,094	(165,535)
Excess (Deficiency) of Revenues over (under) Expenditures	(644,962)	(414,724)	2,253,887	2,668,611
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	2,529,729	982,173	-	(982,173)
Loan proceeds	-	-	56,512	56,512
Lease proceeds	-	-	182,516	182,516
Subscription IT proceeds	-	-	537,086	537,086
Transfers out	(1,293,386)	(1,866,200)	(1,866,200)	-
Transfers in	1,221,348	2,843,620	1,188,446	(1,655,174)
Total Financing Sources (Uses)	2,457,691	1,959,593	98,360	(1,861,233)
Net Change in Fund Balance	1,812,729	1,544,869	2,352,247	807,378
Fund Balance -				
October 1 (Beginning)	5,181,299	5,181,299	5,181,299	-
Fund Balance -				
September 30 (Ending)	\$ 6,994,028	\$ 6,726,168	\$ 7,533,546	\$ 807,378

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Total Pension Liability				
Service cost	\$ 2,310,175	\$ 2,195,301	\$ 2,139,635	\$ 1,974,459
Interest on total pension liability	3,645,292	3,351,329	3,106,077	2,830,658
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	627,730	257,440	(308,779)	51,976
Change of assumptions	-	-	-	202,141
Benefit payments/refunds of contributions	(1,526,622)	(1,486,392)	(1,176,404)	(946,673)
Net change in total pension liability	5,056,575	4,317,678	3,760,529	4,112,561
Total pension liability, beginning	53,612,546	49,294,868	45,534,339	41,421,778
Total pension liability, ending (a)	\$ 58,669,121	\$ 53,612,546	\$ 49,294,868	\$ 45,534,339
Fiduciary Net Position				
Contributions - Employer	\$ 1,884,823	\$ 1,882,874	\$ 1,838,580	\$ 1,708,397
Contributions - Employee	879,868	831,553	812,683	754,021
Net investment income	(3,760,221)	5,799,034	3,035,308	5,153,390
Benefit payments/refunds of contributions	(1,526,622)	(1,486,392)	(1,176,404)	(946,673)
Administrative expenses	(32,478)	(26,791)	(19,611)	(29,078)
Other	38,755	184	(765)	(874)
Net change in fiduciary net position	(2,515,875)	7,000,462	4,489,791	6,639,183
Fiduciary net position, beginning	51,416,427	44,415,965	39,926,174	33,286,991
Fiduciary net position, ending (b)	\$ 48,900,552	\$ 51,416,427	\$ 44,415,965	\$ 39,926,174
Net pension liability (asset), ending = (a) - (b)	9,768,569	2,196,119	4,878,903	5,608,165
Fiduciary net position as a percentage of total pension liability	83.35%	95.90%	90.10%	87.68%
Covered payroll	\$ 12,494,184	\$ 11,879,334	\$ 11,553,105	\$ 10,771,734
Net pension liability as a percentage of covered payroll	78.18%	18.49%	42.23%	52.06%

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

City of Carroll, Texas
 Schedule of Changes in Net Pension Liability and Related Ratios –
 Texas Municipal Retirement System (Exhibit B-2)
 Year Ended September 30, 2023

Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
\$ 1,740,727	\$ 1,674,666	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
2,631,469	2,468,757	2,244,189	2,163,512	1,994,674
-	-	-	-	-
(461,003)	(628,235)	409,560	(356,486)	(293,384)
-	-	-	(252,429)	-
<u>(1,207,565)</u>	<u>(1,067,764)</u>	<u>(897,171)</u>	<u>(783,303)</u>	<u>(854,227)</u>
<u>2,703,628</u>	<u>2,447,424</u>	<u>3,393,227</u>	<u>2,385,780</u>	<u>2,291,463</u>
<u>38,718,150</u>	<u>36,270,726</u>	<u>32,877,499</u>	<u>30,491,719</u>	<u>28,200,256</u>
<u>\$ 41,421,778</u>	<u>\$ 38,718,150</u>	<u>\$ 36,270,726</u>	<u>\$ 32,877,499</u>	<u>\$ 30,491,719</u>
\$ 1,521,211	\$ 1,412,999	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
673,954	642,690	650,021	648,976	604,376
(999,066)	3,942,063	1,730,262	35,841	1,263,034
(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
(19,289)	(20,406)	(19,521)	(21,823)	(13,183)
(1,008)	(1,034)	(1,052)	(1,078)	(1,084)
<u>(31,763)</u>	<u>4,908,548</u>	<u>2,834,603</u>	<u>1,294,116</u>	<u>2,208,360</u>
<u>33,318,754</u>	<u>28,410,206</u>	<u>25,575,603</u>	<u>24,281,487</u>	<u>22,073,127</u>
<u>\$ 33,286,991</u>	<u>\$ 33,318,754</u>	<u>\$ 28,410,206</u>	<u>\$ 25,575,603</u>	<u>\$ 24,281,487</u>
<u>8,134,787</u>	<u>5,399,396</u>	<u>7,860,520</u>	<u>7,301,896</u>	<u>6,210,232</u>
80.36%	86.05%	78.33%	77.79%	79.63%
\$ 9,627,913	\$ 9,181,285	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
84.49%	58.81%	87.65%	78.92%	71.93%

Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-3)
Year Ended September 30, 2023

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 1,188,806	\$ 1,188,806	\$ -	\$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%
2021	1,858,514	1,858,514	-	11,721,580	15.86%
2022	1,950,232	1,950,232	-	12,789,899	15.25%
2023	2,102,987	2,102,987	-	13,432,635	15.66%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30.

City of Carroll, Texas
**Schedule of Changes in Total OPEB Liability and Related Ratios –
 Supplemental Death Benefits Plan (Exhibit B-4)
 Year Ended September 30, 2023**

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability						
Service cost	\$ 44,979	\$ 41,578	\$ 33,504	\$ 22,621	\$ 22,144	\$ 18,363
Interest on total OPEB liability	10,757	10,559	11,886	13,334	10,940	10,314
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(13,120)	(9,779)	(25,772)	(43,060)	25,487	-
Change of assumptions	(223,873)	19,951	76,774	76,718	(27,870)	28,959
Benefit payments	(7,497)	(7,128)	(2,311)	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	<u>(188,754)</u>	<u>55,181</u>	<u>94,081</u>	<u>67,459</u>	<u>28,775</u>	<u>55,800</u>
Total OPEB liability, beginning	<u>565,895</u>	<u>510,714</u>	<u>416,633</u>	<u>349,174</u>	<u>320,399</u>	<u>264,599</u>
Total OPEB liability, ending	<u>\$ 377,141</u>	<u>\$ 565,895</u>	<u>\$ 510,714</u>	<u>\$ 416,633</u>	<u>\$ 349,174</u>	<u>\$ 320,399</u>
Covered payroll	\$ 12,494,184	\$ 11,879,334	\$ 11,553,105	\$ 10,771,734	\$ 9,627,913	\$ 9,181,285
Total OPEB liability as a percentage of covered payroll	3.02%	4.76%	4.42%	3.87%	3.63%	3.49%

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

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

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

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

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City’s plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Notes:

There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate*	4.05%
Salary increases	3.50% to 11.50%, including inflation
Retirees’ share- benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rate- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rate- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

* The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” as of December 31, 2022.

Note C: Budgetary Process

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

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. All budget amendments received appropriate approval.
- g. All budget appropriations lapse at year end.

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
 September 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,321,542	\$ 2,298,849	\$ 4,620,391
Investments	1,753,593	2,451,787	4,205,380
Receivables (net of allowance)			
Sales taxes	194,569	-	194,569
Interest	10,743	-	10,743
Leases	233,416	-	233,416
Miscellaneous	334,772	16,019	350,791
Prepaid items	7,000	-	7,000
	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total assets	<u>\$ 4,855,635</u>	<u>\$ 4,766,655</u>	<u>\$ 9,622,290</u>
Liabilities			
Accounts payable	\$ 94,069	\$ 78,070	\$ 172,139
Accrued liabilities	80,773	-	80,773
Other liabilities	702,619	152,486	855,105
Unearned revenue	-	-	-
Total liabilities	<u>877,461</u>	<u>230,556</u>	<u>1,108,017</u>
Deferred Inflows of Resources			
Lease related	231,792	-	231,792
Unavailable revenue	203,541	-	203,541
Total deferred inflows of resources	<u>435,333</u>	<u>-</u>	<u>435,333</u>
Fund Balances			
Nonspendable	7,000	-	7,000
Restricted	2,898,301	1,628,745	4,527,046
Committed	637,540	2,907,354	3,544,894
Total fund balances	<u>3,542,841</u>	<u>4,536,099</u>	<u>8,078,940</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,855,635</u>	<u>\$ 4,766,655</u>	<u>\$ 9,622,290</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	\$ 90,451	\$ -	\$ 90,451
Sales	1,063,547	-	1,063,547
Hotel occupancy tax	119,539	-	119,539
Franchise	119,943	-	119,943
Vehicle	147,926	-	147,926
Escrow and impact fees	170,717	-	170,717
Traffic fines and forfeitures	56,557	-	56,557
Police fees and permits	29,046	-	29,046
Parks and recreation fees	145,940	-	145,940
Donations	13,429	61,160	74,589
Interest income	166,649	253,155	419,804
Miscellaneous income	138,038	-	138,038
Total revenues	<u>2,261,782</u>	<u>314,315</u>	<u>2,576,097</u>
Expenditures			
Current			
Public safety	782,775	-	782,775
Community services	76,780	1,792	78,572
Public works	873,778	11,998	885,776
City administration	89,882	74,134	164,016
Debt service			
Principal	217,956	356,101	574,057
Interest	21,409	44,539	65,948
Capital outlay	1,231,409	3,981,145	5,212,554
Total expenditures	<u>3,293,989</u>	<u>4,469,709</u>	<u>7,763,698</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,032,207)	(4,155,394)	(5,187,601)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	144,696	144,696
Lease proceeds	653,138	-	653,138
Transfers out	(990,796)	(828,209)	(1,819,005)
Transfers in	813,457	2,030,805	2,844,262
Total Other Financing Sources (Uses)	<u>475,799</u>	<u>1,347,292</u>	<u>1,823,091</u>
Net Change in Fund Balance	(556,408)	(2,808,102)	(3,364,510)
Fund Balance - October 1 (Beginning)	<u>4,099,249</u>	<u>7,344,201</u>	<u>11,443,450</u>
Fund Balance - September 30 (Ending)	<u>\$ 3,542,841</u>	<u>\$ 4,536,099</u>	<u>\$ 8,078,940</u>

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Assets			
Cash and cash equivalents	\$ 187,288	\$ -	\$ 223,471
Investments	576,534	-	-
Receivables (net of allowance)			
Sales taxes	99,844	-	-
Interest	-	-	-
Leases	-	-	-
Miscellaneous	-	-	18,349
Prepaid items	-	-	7,000
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 863,666</u>	<u>\$ -</u>	<u>\$ 248,820</u>
Liabilities			
Accounts payable	\$ 74,410	\$ -	\$ -
Accrued liabilities	-	-	80,348
Other liabilities	-	-	-
Total liabilities	<u>74,410</u>	<u>-</u>	<u>80,348</u>
Deferred Inflows of Resources			
Lease related	-	-	-
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	7,000
Restricted	789,256	-	161,472
Committed	-	-	-
Total fund balances	<u>789,256</u>	<u>-</u>	<u>168,472</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 863,666</u>	<u>\$ -</u>	<u>\$ 248,820</u>

City of Corinth, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2023

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
\$ 36,680	\$ 22,047	\$ 113,194	\$ 127,482	\$ 50,107
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	24,846	275,686	-	-
-	-	-	-	-
<u>\$ 36,680</u>	<u>\$ 46,893</u>	<u>\$ 388,880</u>	<u>\$ 127,482</u>	<u>\$ 50,107</u>
\$ -	\$ -	\$ 840	\$ -	\$ -
-	425	-	-	-
5,000	-	-	-	-
<u>5,000</u>	<u>425</u>	<u>840</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	203,541	-	-
-	-	<u>203,541</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
31,680	46,468	720	127,482	50,107
-	-	183,779	-	-
<u>31,680</u>	<u>46,468</u>	<u>184,499</u>	<u>127,482</u>	<u>50,107</u>
<u>\$ 36,680</u>	<u>\$ 46,893</u>	<u>\$ 388,880</u>	<u>\$ 127,482</u>	<u>\$ 50,107</u>

	Police Confiscation- State	Parks Development	Community Park Improvement
Assets			
Cash and cash equivalents	\$ 22,870	\$ 236,026	\$ 31,518
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Interest	-	-	-
Leases	-	-	-
Miscellaneous	-	-	-
Prepaid items	-	-	-
	<u>\$ 22,870</u>	<u>\$ 236,026</u>	<u>\$ 31,518</u>
Total assets	<u>\$ 22,870</u>	<u>\$ 236,026</u>	<u>\$ 31,518</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	6,460	-	-
Total liabilities	<u>6,460</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Lease related	-	-	-
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	16,410	236,026	31,518
Committed	-	-	-
Total fund balances	<u>16,410</u>	<u>236,026</u>	<u>31,518</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,870</u>	<u>\$ 236,026</u>	<u>\$ 31,518</u>

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2023

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
\$ 227,441	\$ 33,949	\$ 40,340	\$ 183,082	\$ 95,361	\$ 183,244
-	994,990	182,069	-	-	-
-	-	94,725	-	-	-
-	10,531	-	212	-	-
-	-	-	233,416	-	-
-	-	-	3,440	-	12,451
-	-	-	-	-	-
<u>\$ 227,441</u>	<u>\$ 1,039,470</u>	<u>\$ 317,134</u>	<u>\$ 420,150</u>	<u>\$ 95,361</u>	<u>\$ 195,695</u>
\$ -	\$ 1,250	\$ 17,569	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	691,159	-	-	-	-
-	692,409	17,569	-	-	-
-	-	-	231,792	-	-
-	-	-	-	-	-
-	-	-	231,792	-	-
-	-	-	-	-	-
227,441	347,061	299,565	188,358	95,361	195,695
-	-	-	-	-	-
<u>227,441</u>	<u>347,061</u>	<u>299,565</u>	<u>188,358</u>	<u>95,361</u>	<u>195,695</u>
<u>\$ 227,441</u>	<u>\$ 1,039,470</u>	<u>\$ 317,134</u>	<u>\$ 420,150</u>	<u>\$ 95,361</u>	<u>\$ 195,695</u>

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2023

	Street Rehabilitation	Reinvestment Zone #3	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	\$ 453,761	\$ 53,681	\$ 2,321,542
Investments	-	-	1,753,593
Receivables (net of allowance)			
Sales taxes	-	-	194,569
Interest	-	-	10,743
Leases	-	-	233,416
Miscellaneous	-	-	334,772
Prepaid items	-	-	7,000
Total assets	\$ 453,761	\$ 53,681	\$ 4,855,635
Liabilities			
Accounts payable	\$ -	\$ -	\$ 94,069
Accrued liabilities	-	-	80,773
Other liabilities	-	-	702,619
Total liabilities	-	-	877,461
Deferred Inflows of Resources			
Lease related	-	-	231,792
Unavailable revenue	-	-	203,541
Total deferred inflows of resources	-	-	435,333
Fund Balances			
Nonspendable	-	-	7,000
Restricted	-	53,681	2,898,301
Committed	453,761	-	637,540
Total fund balances	453,761	53,681	3,542,841
Total liabilities, deferred inflows of resources and fund balances	\$ 453,761	\$ 53,681	\$ 4,855,635

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	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Revenues			
Taxes			
Property	\$ -	\$ -	\$ -
Sales	542,636	-	-
Hotel occupancy tax	-	-	119,539
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	31,449	13,558	9,315
Miscellaneous income	-	-	-
Total revenues	<u>574,085</u>	<u>13,558</u>	<u>128,854</u>
Expenditures			
Current			
Public safety	281,287	-	-
Community services	-	-	-
Public works	-	753,202	-
City administration	-	-	44,997
Capital outlay	716,962	-	92,346
Debt service			
Principal	217,956	-	-
Interest	21,409	-	-
Total expenditures	<u>1,237,614</u>	<u>753,202</u>	<u>137,343</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(663,529)	(739,644)	(8,489)
Other Financing Sources (Uses)			
Lease proceeds	653,138	-	-
Transfers out	-	(29,959)	(58,372)
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>653,138</u>	<u>(29,959)</u>	<u>(58,372)</u>
Net Change in Fund Balance	(10,391)	(769,603)	(66,861)
Fund Balance - October 1 (Beginning)	<u>799,647</u>	<u>769,603</u>	<u>235,333</u>
Fund Balance - September 30 (Ending)	<u>\$ 789,256</u>	<u>\$ -</u>	<u>\$ 168,472</u>

City of Corinth, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2023

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	21,147	19,217	16,193
-	29,046	-	-	-
-	-	-	-	-
-	-	7,525	-	-
1,272	1,069	14,184	4,406	1,633
-	-	131,171	-	-
<u>1,272</u>	<u>30,115</u>	<u>174,027</u>	<u>23,623</u>	<u>17,826</u>
-	26,782	17,944	-	-
-	-	26,781	-	-
-	-	11,327	-	-
7,536	-	-	-	-
-	-	54,763	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,536</u>	<u>26,782</u>	<u>110,815</u>	<u>-</u>	<u>-</u>
(6,264)	3,333	63,212	23,623	17,826
-	-	-	-	-
-	-	(102,465)	(15,000)	-
-	-	3,000	-	-
<u>-</u>	<u>-</u>	<u>(99,465)</u>	<u>(15,000)</u>	<u>-</u>
(6,264)	3,333	(36,253)	8,623	17,826
<u>37,944</u>	<u>43,135</u>	<u>220,752</u>	<u>118,859</u>	<u>32,281</u>
<u>\$ 31,680</u>	<u>\$ 46,468</u>	<u>\$ 184,499</u>	<u>\$ 127,482</u>	<u>\$ 50,107</u>

	Police Confiscation- State	Parks Development	Community Park Improvement
Revenues			
Taxes			
Property	\$ -	\$ -	\$ -
Sales	-	-	-
Hotel occupancy tax	-	-	-
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	10,720
Donations	-	5,904	-
Interest income	512	8,512	1,104
Miscellaneous income	4,267	-	-
Total revenues	<u>4,779</u>	<u>14,416</u>	<u>11,824</u>
Expenditures			
Current			
Public safety	-	-	-
Community services	-	-	-
Public works	-	-	-
City administration	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	4,779	14,416	11,824
Other Financing Sources (Uses)			
Lease proceeds	-	-	-
Transfers out	-	(205,000)	-
Transfers in	-	55,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balance	4,779	(135,584)	11,824
Fund Balance - October 1 (Beginning)	<u>11,631</u>	<u>371,610</u>	<u>19,694</u>
Fund Balance - September 30 (Ending)	<u>\$ 16,410</u>	<u>\$ 236,026</u>	<u>\$ 31,518</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2023

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
\$ -	\$ -	\$ -	\$ -	\$ 37,477	\$ -
-	-	520,911	-	-	-
-	-	-	-	-	-
-	-	-	119,943	-	-
-	-	-	-	-	147,926
-	170,717	-	-	-	-
-	-	-	-	-	-
135,220	-	-	-	-	-
-	-	-	-	-	-
14,968	17,773	12,264	7,868	2,581	4,789
-	-	2,600	-	-	-
<u>150,188</u>	<u>188,490</u>	<u>535,775</u>	<u>127,811</u>	<u>40,058</u>	<u>152,715</u>
-	-	456,762	-	-	-
49,999	-	-	-	-	-
-	9,250	-	-	-	-
-	-	-	37,349	-	-
-	328,001	39,337	-	-	-
-	-	-	-	-	-
<u>49,999</u>	<u>337,251</u>	<u>496,099</u>	<u>37,349</u>	<u>-</u>	<u>-</u>
100,189	(148,761)	39,676	90,462	40,058	152,715
-	-	-	-	-	-
(300,000)	(250,000)	(30,000)	-	-	-
-	451,299	-	-	-	-
<u>(300,000)</u>	<u>201,299</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(199,811)	52,538	9,676	90,462	40,058	152,715
<u>427,252</u>	<u>294,523</u>	<u>289,889</u>	<u>97,896</u>	<u>55,303</u>	<u>42,980</u>
<u>\$ 227,441</u>	<u>\$ 347,061</u>	<u>\$ 299,565</u>	<u>\$ 188,358</u>	<u>\$ 95,361</u>	<u>\$ 195,695</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2023

	Street Rehabilitation	Reinvestment Zone #3	Total Nonmajor Special Revenue Funds
Revenues			
Taxes			
Property	\$ -	\$ 52,974	\$ 90,451
Sales	-	-	1,063,547
Hotel occupancy tax	-	-	119,539
Franchise	-	-	119,943
Vehicle	-	-	147,926
Escrow and impact fees	-	-	170,717
Traffic fines & forfeitures	-	-	56,557
Police fees & permits	-	-	29,046
Parks & recreation fees	-	-	145,940
Donations	-	-	13,429
Interest income	18,685	707	166,649
Miscellaneous income	-	-	138,038
Total revenues	18,685	53,681	2,261,782
Expenditures			
Current			
Public safety	-	-	782,775
Community services	-	-	76,780
Public works	99,999	-	873,778
City administration	-	-	89,882
Capital outlay	-	-	1,231,409
Debt service			
Principal	-	-	217,956
Interest	-	-	21,409
Total expenditures	99,999	-	3,293,989
Excess (Deficiency) of Revenues over Expenditures	(81,314)	53,681	(1,032,207)
Other Financing Sources (Uses)			
Lease proceeds	-	-	653,138
Transfers out	-	-	(990,796)
Transfers in	304,158	-	813,457
Total Other Financing Sources (Uses)	304,158	-	475,799
Net Change in Fund Balance	222,844	53,681	(556,408)
Fund Balance - October 1 (Beginning)	230,917	-	4,099,249
Fund Balance - September 30 (Ending)	\$ 453,761	\$ 53,681	\$ 3,542,841

Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 495,343	\$ 495,343	\$ 542,636	\$ 47,293
Interest income	2,264	2,264	31,449	29,185
Total revenues	<u>497,607</u>	<u>497,607</u>	<u>574,085</u>	<u>76,478</u>
Expenditures				
Current				
Public safety	250,272	315,890	281,287	34,603
Capital outlay	129,500	63,882	716,962	(653,080)
Debt service				
Principal	266,908	266,908	217,956	48,952
Interest	-	-	21,409	(21,409)
Total expenditures	<u>646,680</u>	<u>646,680</u>	<u>1,237,614</u>	<u>(590,934)</u>
Other Financing Sources (Uses)				
Lease proceeds	-	-	653,138	(653,138)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>653,138</u>	<u>(653,138)</u>
Net Change in Fund Balance	(149,073)	(149,073)	(10,391)	138,682
Fund Balance -				
October 1 (Beginning)	<u>799,647</u>	<u>799,647</u>	<u>799,647</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 650,574</u>	<u>\$ 650,574</u>	<u>\$ 789,256</u>	<u>\$ 138,682</u>

City of Carroll, Texas
 Street Maintenance Fund Budgetary Comparison Schedule (Exhibit C-6)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ 750	\$ 750	\$ 13,558	\$ 12,808
Total revenues	<u>750</u>	<u>750</u>	<u>13,558</u>	<u>12,808</u>
Expenditures				
Current				
Public works	686,435	782,994	753,202	29,792
Total expenditures	<u>686,435</u>	<u>782,994</u>	<u>753,202</u>	<u>29,792</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(29,959)	(29,959)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(29,959)</u>	<u>(29,959)</u>
Net Change in Fund Balance	(685,685)	(782,244)	(769,603)	12,641
Fund Balance -				
October 1 (Beginning)	<u>769,603</u>	<u>769,603</u>	<u>769,603</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 83,918</u>	<u>\$ (12,641)</u>	<u>\$ -</u>	<u>\$ 12,641</u>

Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-7)
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	\$ 93,750	\$ 93,750	\$ 119,539	\$ 25,789
Interest income	1,500	1,500	9,315	7,815
Total revenues	<u>95,250</u>	<u>95,250</u>	<u>128,854</u>	<u>33,604</u>
Expenditures				
Current				
City administration	36,878	52,532	44,997	7,535
Capital outlay	108,000	92,346	92,346	-
Total expenditures	<u>144,878</u>	<u>144,878</u>	<u>137,343</u>	<u>7,535</u>
Excess (Deficiency) of Revenues over Expenditures	(49,628)	(49,628)	(8,489)	41,139
Other Financing Sources (Uses)				
Transfers out	<u>(58,372)</u>	<u>(58,372)</u>	<u>(58,372)</u>	-
Total Other Financing Sources (Uses)	<u>(58,372)</u>	<u>(58,372)</u>	<u>(58,372)</u>	-
Net Change in Fund Balance	(108,000)	(108,000)	(66,861)	41,139
Fund Balance -				
October 1 (Beginning)	<u>235,333</u>	<u>235,333</u>	<u>235,333</u>	-
Fund Balance -				
September 30 (Ending)	<u>\$ 127,333</u>	<u>\$ 127,333</u>	<u>\$ 168,472</u>	<u>\$ 41,139</u>

City of Corinth, Texas
 Keep Corinth Beautiful Fund Budgetary Comparison Schedule (Exhibit C-8)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Interest income	-	-	1,272	1,272
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>1,272</u>	<u>(3,728)</u>
Expenditures				
Current				
City administration	<u>8,325</u>	<u>8,325</u>	<u>7,536</u>	<u>789</u>
Total expenditures	<u>8,325</u>	<u>8,325</u>	<u>7,536</u>	<u>789</u>
Net Change in Fund Balance	(3,325)	(3,325)	(6,264)	(2,939)
Fund Balance -				
October 1 (Beginning)	<u>37,944</u>	<u>37,944</u>	<u>37,944</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 34,619</u>	<u>\$ 34,619</u>	<u>\$ 31,680</u>	<u>\$ (2,939)</u>

City of Comal, Texas
 County Child Safety Fund Comparison Schedule (Exhibit C-9)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Police fees and permits	\$ 29,000	\$ 29,000	\$ 29,046	\$ 46
Interest income	-	-	1,069	1,069
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>30,115</u>	<u>1,115</u>
Expenditures				
Current				
Public safety	<u>28,820</u>	<u>28,820</u>	<u>26,782</u>	<u>2,038</u>
Total expenditures	<u>28,820</u>	<u>28,820</u>	<u>26,782</u>	<u>2,038</u>
Net Change in Fund Balance	180	180	3,333	3,153
Fund Balance -				
October 1 (Beginning)	<u>43,135</u>	<u>43,135</u>	<u>43,135</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 43,315</u>	<u>\$ 43,315</u>	<u>\$ 46,468</u>	<u>\$ 3,153</u>

City of Carroll, Texas

Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-10)
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 15,000	\$ 15,000	\$ 19,217	\$ 4,217
Interest income	-	-	4,406	4,406
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>23,623</u>	<u>8,623</u>
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	15,000	15,000	23,623	8,623
Other Financing Sources (Uses)				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	8,623	8,623
Fund Balance - October 1 (Beginning)	<u>118,859</u>	<u>118,859</u>	<u>118,859</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u><u>\$ 118,859</u></u>	<u><u>\$ 118,859</u></u>	<u><u>\$ 127,482</u></u>	<u><u>\$ 8,623</u></u>

City of Carroll, Texas

Municipal Court Technology Fund Comparison Schedule (Exhibit C-11)
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 15,000	\$ 15,000	\$ 16,193	\$ 1,193
Interest income	-	-	1,633	1,633
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>17,826</u>	<u>2,826</u>
Expenditures				
Current				
Community services	15,000	15,000	-	15,000
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	-	-	17,826	17,826
Fund Balance -				
October 1 (Beginning)	<u>32,281</u>	<u>32,281</u>	<u>32,281</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 32,281</u>	<u>\$ 32,281</u>	<u>\$ 50,107</u>	<u>\$ 17,826</u>

City of Carroll, Texas

Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-12)
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 512	\$ 512
Miscellaneous income	27,594	27,594	4,267	(23,327)
Total revenues	<u>27,594</u>	<u>27,594</u>	<u>4,779</u>	<u>(22,815)</u>
Expenditures				
Current				
Public safety	27,594	27,594	-	27,594
Total expenditures	<u>27,594</u>	<u>27,594</u>	<u>-</u>	<u>27,594</u>
Net Change in Fund Balance	-	-	4,779	4,779
Fund Balance -				
October 1 (Beginning)	<u>11,631</u>	<u>11,631</u>	<u>11,631</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 11,631</u>	<u>\$ 11,631</u>	<u>\$ 16,410</u>	<u>\$ 4,779</u>

City of Carroll, Texas
 Parks Development Fund Budgetary Comparison Schedule (Exhibit C-13)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ -	\$ -	\$ 5,904	\$ 5,904
Interest income	-	-	8,512	8,512
Total revenues	<u>-</u>	<u>-</u>	<u>14,416</u>	<u>14,416</u>
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	14,416	14,416
Other Financing Sources (Uses)				
Transfers in	55,000	55,000	55,000	-
Transfers out	<u>(205,000)</u>	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balance	(150,000)	(150,000)	(135,584)	14,416
Fund Balance -				
October 1 (Beginning)	<u>371,610</u>	<u>371,610</u>	<u>371,610</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 221,610</u>	<u>\$ 221,610</u>	<u>\$ 236,026</u>	<u>\$ 14,416</u>

City of Carroll, Texas
 Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-14)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks and recreation fees	\$ 7,500	\$ 7,500	\$ 10,720	\$ 3,220
Interest income	-	-	1,104	1,104
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>11,824</u>	<u>4,324</u>
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,500	7,500	11,824	4,324
Fund Balance -				
October 1 (Beginning)	<u>19,694</u>	<u>19,694</u>	<u>19,694</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 27,194</u>	<u>\$ 27,194</u>	<u>\$ 31,518</u>	<u>\$ 4,324</u>

City of Carroll, Texas
 Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-15)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks & recreation fees	\$ -	\$ -	\$ 135,220	\$ 135,220
Interest income	1,500	1,500	14,968	13,468
Total revenues	1,500	1,500	150,188	148,688
Expenditures				
Current				
Community services	50,000	50,000	49,999	1
Capital Outlay	300,000	-	-	-
Total expenditures	350,000	50,000	49,999	1
Excess (Deficiency) of Revenues over Expenditures	(348,500)	(48,500)	100,189	148,689
Other Financing Sources (Uses)				
Transfers out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	-	(300,000)	(300,000)	-
Net Change in Fund Balance	(348,500)	(348,500)	(199,811)	148,689
Fund Balance -				
October 1 (Beginning)	427,252	427,252	427,252	-
Fund Balance -				
September 30 (Ending)	<u>\$ 78,752</u>	<u>\$ 78,752</u>	<u>\$ 227,441</u>	<u>\$ 148,689</u>

City of Carroll, Texas
 Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-16)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ 170,717	\$ 170,717
Interest income	-	-	17,773	17,773
Total revenues	-	-	188,490	188,490
Expenditures				
Public works	29,650	29,650	9,250	20,400
Capital Outlay	-	330,000	328,001	1,999
Total expenditures	29,650	359,650	337,251	22,399
Excess (Deficiency) of Revenues over Expenditures	(29,650)	(359,650)	(148,761)	210,889
Other Financing Sources (Uses)				
Transfers in	-	-	451,299	451,299
Transfers out	(250,000)	(250,000)	(250,000)	-
Total Other Financing Sources (Uses)	(250,000)	(250,000)	201,299	451,299
Net Change in Fund Balance	(279,650)	(609,650)	52,538	662,188
Fund Balance - October 1 (Beginning)	294,523	294,523	294,523	-
Fund Balance - September 30 (Ending)	\$ 14,873	\$ (315,127)	\$ 347,061	\$ 662,188

City of Columbia, Texas
 Fire District Fund Budgetary Comparison Schedule (Exhibit C-17)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 539,337	\$ 539,337	\$ 520,911	\$ (18,426)
Interest income	1,000	1,000	12,264	11,264
Miscellaneous income	-	-	2,600	2,600
Total revenues	<u>540,337</u>	<u>540,337</u>	<u>535,775</u>	<u>(4,562)</u>
Expenditures				
Current				
Public safety	502,523	490,185	456,762	33,423
Capital outlay	27,000	39,338	39,337	1
Total expenditures	<u>529,523</u>	<u>529,523</u>	<u>496,099</u>	<u>33,424</u>
Excess (Deficiency) of Revenues over Expenditures	10,814	10,814	39,676	28,862
Other Financing Sources (Uses)				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balance	(19,186)	(19,186)	9,676	28,862
Fund Balance -				
October 1 (Beginning)	<u>289,889</u>	<u>289,889</u>	<u>289,889</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 270,703</u>	<u>\$ 270,703</u>	<u>\$ 299,565</u>	<u>\$ 28,862</u>

City of Carroll, Texas
 Broadband Utility Fund Budgetary Comparison Schedule (Exhibit C-18)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Franchise	\$ 110,500	\$ 110,500	\$ 119,943	\$ 9,443
Interest income	-	-	7,868	7,868
Total revenues	<u>110,500</u>	<u>110,500</u>	<u>127,811</u>	<u>17,311</u>
Expenditures				
City administration	<u>126,800</u>	<u>126,800</u>	<u>37,349</u>	<u>89,451</u>
Total expenditures	<u>126,800</u>	<u>126,800</u>	<u>37,349</u>	<u>89,451</u>
Excess (Deficiency) of Revenues over Expenditures	(16,300)	(16,300)	90,462	106,762
Other Financing Sources (Uses)				
Lease proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(16,300)	(16,300)	90,462	106,762
Fund Balance -				
October 1 (Beginning)	<u>97,896</u>	<u>97,896</u>	<u>97,896</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 81,596</u>	<u>\$ 81,596</u>	<u>\$ 188,358</u>	<u>\$ 106,762</u>

City of Carroll, Texas
 Reinvestment Zone #2 Fund Budgetary Comparison Schedule (Exhibit C-19)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 37,477	\$ 37,477	\$ 37,477	\$ -
Interest income	-	-	2,581	2,581
Total revenues	<u>37,477</u>	<u>37,477</u>	<u>40,058</u>	<u>2,581</u>
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	37,477	37,477	40,058	2,581
Fund Balance -				
October 1 (Beginning)	<u>55,303</u>	<u>55,303</u>	<u>55,303</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 92,780</u>	<u>\$ 92,780</u>	<u>\$ 95,361</u>	<u>\$ 2,581</u>

City of Carroll, Texas
 Short-term Rental Vehicle Tax Fund Budgetary Comparison Schedule (Exhibit C-20)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Vehicle	\$ 81,000	\$ 81,000	\$ 147,926	\$ 66,926
Interest income	-	-	4,789	4,789
Total revenues	<u>81,000</u>	<u>81,000</u>	<u>152,715</u>	<u>71,715</u>
Expenditures				
Current				
City administration	<u>28,074</u>	<u>28,074</u>	-	28,074
Total expenditures	<u>28,074</u>	<u>28,074</u>	-	28,074
Net Change in Fund Balance	52,926	52,926	152,715	99,789
Fund Balance -				
October 1 (Beginning)	<u>42,980</u>	<u>42,980</u>	<u>42,980</u>	-
Fund Balance -				
September 30 (Ending)	<u>\$ 95,906</u>	<u>\$ 95,906</u>	<u>\$ 195,695</u>	<u>\$ 99,789</u>

City of Carroll, Texas
 Street Rehabilitation Fund Budgetary Comparison Schedule (Exhibit C-21)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 18,685	\$ 18,685
Total revenues	-	-	18,685	18,685
Expenditures				
Current				
Public works	100,000	100,000	99,999	1
Total expenditures	100,000	100,000	99,999	1
Excess (Deficiency) of Revenues over Expenditures	(100,000)	(100,000)	(81,314)	18,686
Other Financing Sources (Uses)				
Transfers in	304,158	304,158	304,158	-
Total Other Financing Sources (Uses)	304,158	304,158	304,158	-
Net Change in Fund Balance	204,158	204,158	222,844	18,686
Fund Balance -				
October 1 (Beginning)	230,917	230,917	230,917	-
Fund Balance -				
September 30 (Ending)	\$ 435,075	\$ 435,075	\$ 453,761	\$ 18,686

City of Carroll, Texas
 Reinvestment Zone #3 Fund Budgetary Comparison Schedule (Exhibit C-22)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 52,974	\$ 52,974	\$ 52,974	\$ -
Interest income	-	-	707	707
Total revenues	<u>52,974</u>	<u>52,974</u>	<u>53,681</u>	<u>707</u>
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	52,974	52,974	53,681	707
Net Change in Fund Balance	52,974	52,974	53,681	707
Fund Balance -				
October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 52,974</u>	<u>\$ 52,974</u>	<u>\$ 53,681</u>	<u>\$ 707</u>

City of Carroll, Texas
 Debt Service Fund Budgetary Comparison Schedule (Exhibit C-23)
 Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 4,102,290	\$ 4,102,290	\$ 4,078,467	\$ (23,823)
Interest Income	-	-	52,696	52,696
Miscellaneous	430,216	430,216	430,216	-
Total revenues	<u>4,532,506</u>	<u>4,532,506</u>	<u>4,561,379</u>	<u>28,873</u>
Expenditures				
Debt Service:				
Principal	2,638,964	2,638,964	3,277,552	(638,588)
Interest	1,858,043	1,858,043	1,014,343	843,700
Bond fees	10,000	10,000	1,500	8,500
Total expenditures	<u>4,507,007</u>	<u>4,507,007</u>	<u>4,293,395</u>	<u>213,612</u>
Excess (Deficiency) of Revenues over Expenditures	<u>25,499</u>	<u>25,499</u>	<u>267,984</u>	<u>242,485</u>
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	119,498	19,498
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>119,498</u>	<u>19,498</u>
Net Change in Fund Balance	125,499	125,499	387,482	261,983
Fund Balance -				
October 1 (Beginning)	<u>617,849</u>	<u>617,849</u>	<u>617,849</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 743,348</u>	<u>\$ 743,348</u>	<u>\$ 1,005,331</u>	<u>\$ 261,983</u>

	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle and Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
Assets				
Cash and cash equivalents	\$ 689,527	\$ 293,321	\$ 210,926	\$ 636,208
Investments	808,341	-	-	-
Receivables (net of allowance)				
Miscellaneous	-	16,019	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,497,868</u>	<u>\$ 309,340</u>	<u>\$ 210,926</u>	<u>\$ 636,208</u>
Liabilities				
Accounts payable	\$ 51,149	\$ -	\$ -	\$ 25,220
Other liabilities	393	-	-	-
Total liabilities	<u>51,542</u>	<u>-</u>	<u>-</u>	<u>25,220</u>
Fund Balances				
Restricted	-	-	-	-
Committed	1,446,326	309,340	210,926	610,988
Total fund balances	<u>1,446,326</u>	<u>309,340</u>	<u>210,926</u>	<u>610,988</u>
Total Liabilities and Fund Balances	<u>\$ 1,497,868</u>	<u>\$ 309,340</u>	<u>\$ 210,926</u>	<u>\$ 636,208</u>

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Capital Projects Funds (Exhibit C-24)
 September 30, 2023

2016 CO Fund	2017 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
\$ 96,796	\$ -	\$ 42,297	\$ 329,774	\$ 2,298,849
-	-	1,643,446	-	2,451,787
-	-	-	-	16,019
<u>\$ 96,796</u>	<u>\$ -</u>	<u>\$ 1,685,743</u>	<u>\$ 329,774</u>	<u>\$ 4,766,655</u>
\$ -	\$ -	\$ 1,701	\$ -	\$ 78,070
-	-	152,093	-	152,486
-	-	153,794	-	230,556
96,796	-	1,531,949	-	1,628,745
-	-	-	329,774	2,907,354
<u>96,796</u>	<u>-</u>	<u>1,531,949</u>	<u>329,774</u>	<u>4,536,099</u>
<u>\$ 96,796</u>	<u>\$ -</u>	<u>\$ 1,685,743</u>	<u>\$ 329,774</u>	<u>\$ 4,766,655</u>

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Donations	\$ 60,000	\$ -	\$ -	\$ 1,160
Interest income	61,483	11,534	8,700	23,907
Total revenues	<u>121,483</u>	<u>11,534</u>	<u>8,700</u>	<u>25,067</u>
Expenditures				
Current				
Community services	1,792	-	-	-
Public works	11,998	-	-	-
City administration	-	-	-	74,134
Debt service				
Principal	-	-	356,101	-
Interest	-	-	44,539	-
Capital outlay	1,173,273	188,539	-	42,507
Total expenditures	<u>1,187,063</u>	<u>188,539</u>	<u>400,640</u>	<u>116,641</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,065,580)</u>	<u>(177,005)</u>	<u>(391,940)</u>	<u>(91,574)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	143,709	-	987
Transfers out	(453,001)	-	-	-
Transfers in	1,357,814	50,000	350,001	272,990
Total Other Financing Sources (Uses)	<u>904,813</u>	<u>193,709</u>	<u>350,001</u>	<u>273,977</u>
Net Change in Fund Balance	(160,767)	16,704	(41,939)	182,403
Fund Balance - October 1 (Beginning)	<u>1,607,093</u>	<u>292,636</u>	<u>252,865</u>	<u>428,585</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,446,326</u>	<u>\$ 309,340</u>	<u>\$ 210,926</u>	<u>\$ 610,988</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Capital Projects (Exhibit C-25)
Year Ended September 30, 2023

2016 CO Fund	2017 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 61,160
4,652	1,482	129,436	11,961	253,155
<u>4,652</u>	<u>1,482</u>	<u>129,436</u>	<u>11,961</u>	<u>314,315</u>
-	-	-	-	1,792
-	-	-	-	11,998
-	-	-	-	74,134
-	-	-	-	356,101
-	-	-	-	44,539
35,504	93,727	2,447,595	-	3,981,145
<u>35,504</u>	<u>93,727</u>	<u>2,447,595</u>	<u>-</u>	<u>4,469,709</u>
<u>(30,852)</u>	<u>(92,245)</u>	<u>(2,318,159)</u>	<u>11,961</u>	<u>(4,155,394)</u>
-	-	-	-	144,696
(300,000)	(75,208)	-	-	(828,209)
-	-	-	-	2,030,805
<u>(300,000)</u>	<u>(75,208)</u>	<u>-</u>	<u>-</u>	<u>1,347,292</u>
(330,852)	(167,453)	(2,318,159)	11,961	(2,808,102)
427,648	167,453	3,850,108	317,813	7,344,201
<u>\$ 96,796</u>	<u>\$ -</u>	<u>\$ 1,531,949</u>	<u>\$ 329,774</u>	<u>\$ 4,536,099</u>

City of Corinth, Texas
Balance Sheet – Component Units (Exhibit C-26)
September 30, 2023

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Assets			
Cash and cash equivalents	\$ 1,089,125	\$ -	\$ 1,089,125
Investments	2,891,575	-	2,891,575
Receivables (net of allowance)			
Sales taxes	222,028	-	222,028
Total assets	<u>\$ 4,202,728</u>	<u>\$ -</u>	<u>\$ 4,202,728</u>
Liabilities			
Accounts payable	\$ 9,979	\$ -	\$ 9,979
Accrued liabilities	2,414	-	2,414
Total liabilities	<u>12,393</u>	<u>-</u>	<u>12,393</u>
Fund Balances			
Restricted for economic development	4,190,335	-	4,190,335
Total fund balances	<u>4,190,335</u>	<u>-</u>	<u>4,190,335</u>
Total liabilities and fund balances	<u>\$ 4,202,728</u>	<u>\$ -</u>	<u>\$ 4,202,728</u>

Reconciliation of the Balance Sheet of Component Units to the Statement of Net Position (Exhibit C-27)

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Total Fund Balances - Component Units (CU)	\$ 4,190,335	\$ -
Amounts reported for CU in the statement of net position are different because:		
Capital assets used in CU are not current financial resources and therefore are not reported in the balance sheet.	1,216,400	1,805,903
Included in liabilities is the recognition of the CU's net pension liability in the amount of \$115,950, a deferred inflow of resources of \$783 and a deferred outflow of resources of \$67,692. This results in a decrease in net position.	(49,041)	-
Included in liabilities is the recognition of the CU's total OPEB liability in the amount of \$3,881, a deferred inflow of resources of \$2,700, and a deferred outflow of resources of \$1,251. This results in a decrease in net position.	<u>(5,330)</u>	<u>-</u>
Net Position of Component Units	<u>\$ 5,352,364</u>	<u>\$ 1,805,903</u>

Statement of Revenues, Expenditures and Changes in Fund Balances – Component Units (Exhibit C-28)
Year Ended September 30, 2023

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Revenues			
Taxes			
Sales	\$ 1,170,197	\$ -	\$ 1,170,197
Interest income	105,275	1,748	107,023
Miscellaneous income	3,000	-	3,000
Total revenues	<u>1,278,472</u>	<u>1,748</u>	<u>1,280,220</u>
Expenditures			
Current			
Planning and community development	<u>1,349,783</u>	<u>1,356,413</u>	<u>2,706,196</u>
Total expenditures	<u>1,349,783</u>	<u>1,356,413</u>	<u>2,706,196</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(71,311)</u>	<u>(1,354,665)</u>	<u>(1,425,976)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	<u>3,096,948</u>	<u>1,281,698</u>	<u>4,378,646</u>
Total other financing sources (uses)	<u>3,096,948</u>	<u>1,281,698</u>	<u>4,378,646</u>
Net Change in Fund Balance	3,025,637	(72,967)	2,952,670
Fund Balance - October 1 (Beginning)	<u>1,164,698</u>	<u>72,967</u>	<u>1,237,665</u>
Fund Balance - September 30 (Ending)	<u>\$ 4,190,335</u>	<u>\$ -</u>	<u>\$ 4,190,335</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units to
the Statement of Activities (Exhibit C-29)
Year Ended September 30, 2023

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Net Change in Fund Balances - Component Units (CU)	\$ 3,025,637	\$ (72,967)
Amounts reported for CU in the statement of activities are different because:		
The net book value of capital assets disposed reduces net position.	(3,096,948)	(1,281,698)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$18,715. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$25,210.	(6,495)	-
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$343. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$491.	(148)	-
Change in Net Position of Component Units	<u>\$ (77,954)</u>	<u>\$ (1,354,665)</u>



STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2014	2015	2016
Governmental Activities			
Net Investment in Capital Assets	\$ 36,991,003	\$ 37,162,807	\$ 35,967,465
Restricted	4,078,719	1,066,371	1,759,359
Unrestricted	4,522,015	1,767,508	1,817,109
Total Governmental Activities Net Position	<u>\$ 45,591,737</u>	<u>\$ 39,996,686</u>	<u>\$ 39,543,933</u>
Business-type Activities			
Net Investment in Capital Assets	\$ 21,552,151	\$ 21,568,651	\$ 21,537,921
Restricted	-	645,963	647,502
Unrestricted	6,250,406	4,856,975	4,285,029
Total Business-Type Activities Net Position	<u>\$ 27,802,557</u>	<u>\$ 27,071,589</u>	<u>\$ 26,470,452</u>
Primary Government			
Net Investment in Capital Assets	\$ 58,543,154	\$ 58,731,458	\$ 57,505,386
Restricted	4,078,719	1,712,334	2,406,861
Unrestricted	10,772,421	6,624,483	6,102,138
Total Primary Government Net Position	<u>\$ 73,394,294</u>	<u>\$ 67,068,275</u>	<u>\$ 66,014,385</u>

Note:

Governmental Activities:
2015 restated for implementation of GASB 68

Business-type Activities:
2015 restated for implementation of GASB 68

TABLE D-1

2017	2018	2019	2020	2021	2022	2023
\$ 35,025,019	\$ 35,039,143	\$ 33,452,733	\$ 34,592,990	\$ 33,285,776	\$ 35,071,832	\$ 37,573,975
2,600,794	2,830,975	3,031,918	3,314,583	4,223,592	4,052,217	3,684,712
3,328,479	3,038,070	3,584,935	4,478,248	3,676,730	5,394,533	7,673,600
<u>\$ 40,954,292</u>	<u>\$ 40,908,188</u>	<u>\$ 40,069,586</u>	<u>\$ 42,385,821</u>	<u>\$ 41,186,098</u>	<u>\$ 44,518,582</u>	<u>\$ 48,932,287</u>
\$ 21,633,740	\$ 23,453,132	\$ 24,556,072	\$ 23,942,064	\$ 23,198,149	\$ 24,050,367	\$ 25,661,449
1,127,099	1,295,181	1,162,172	792,236	1,183,413	1,779,473	2,126,127
5,523,850	5,059,830	5,471,344	5,572,010	7,217,532	9,241,833	9,424,562
<u>\$ 28,284,689</u>	<u>\$ 29,808,143</u>	<u>\$ 31,189,588</u>	<u>\$ 30,306,310</u>	<u>\$ 31,599,094</u>	<u>\$ 35,071,673</u>	<u>\$ 37,212,138</u>
\$ 56,658,759	\$ 58,492,275	\$ 58,008,805	\$ 58,535,054	\$ 56,483,925	\$ 59,122,199	\$ 63,235,424
3,727,893	4,126,156	4,194,090	4,106,819	5,407,005	5,831,690	5,810,839
8,852,329	8,097,900	9,056,279	10,050,258	10,894,262	14,636,366	17,098,162
<u>\$ 69,238,981</u>	<u>\$ 70,716,331</u>	<u>\$ 71,259,174</u>	<u>\$ 72,692,131</u>	<u>\$ 72,785,192</u>	<u>\$ 79,590,255</u>	<u>\$ 86,144,425</u>

CITY OF CORINTH, TEXAS**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE****LAST TEN FISCAL YEARS****(ACCRUAL BASIS OF ACCOUNTING)***(Unaudited)*

Expenses	2014	2015	2016	2017
Governmental Activities:				
Public Safety	\$ 8,558,062	\$ 8,937,222	\$ 9,331,392	\$ 10,464,824
Community Services	1,735,618	1,855,018	1,734,299	1,533,030
Public Works	4,655,417	4,661,909	4,471,115	4,534,197
Planning & Community Development	715,554	860,549	1,013,413	857,360
City Administration	1,854,669	1,873,459	2,032,778	1,940,255
Finance and Administrative Services	665,351	746,482	878,384	888,324
Interest on Long-Term Debt	702,883	613,346	747,838	844,665
Total Governmental Activities Expenses	18,887,554	19,547,985	20,209,219	21,062,655
Business-Type Activities:				
Water and sewer	10,645,670	11,107,570	12,157,058	12,098,839
Storm drainage	571,624	540,217	525,740	517,412
Total Business-Type Activities Expenses	11,217,294	11,647,787	12,682,798	12,616,251
Total Primary Government Expenses	\$ 30,104,848	\$ 31,195,772	\$ 32,892,017	\$ 33,678,906
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	\$ 3,595,280	\$ 3,516,328	\$ 3,960,494	\$ 3,934,109
Community Services	377,982	230,940	206,560	210,498
Public Works	111,242	209,723	59,205	156,559
Planning & Community Development	488,706	647,336	540,906	1,200,712
City Administration	94,979	92,142	105,401	93,302
Operating Grants & Contributions	284,954	299,613	189,114	97,506
Capital Grants & Contributions	-	380,748	332,872	1,630,239
Total Governmental Activities Program	4,953,143	5,376,830	5,394,552	7,322,925
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	10,648,512	10,991,068	11,047,722	11,332,588
Storm Water Utility	680,128	692,943	703,783	727,197
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	176,068	607,013	1,448,393	2,997,195
Total Business-Type Activities Program	11,504,708	12,291,024	13,199,898	15,056,980
Total Primary Government Program	\$ 16,457,851	\$ 17,667,854	\$ 18,594,450	\$ 22,379,905
Net (Expense)/Revenue				
Governmental Activities	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)
Business-Type Activities	287,414	643,237	517,100	2,440,729
Total Primary Government Net Expense	\$ (13,646,997)	\$ (13,527,918)	\$ (14,297,567)	\$ (11,299,001)

Note:

2015 restated for implementation of GASB 68.

TABLE D-2

2018	2019	2020	2021	2022	2023
\$ 12,945,976	\$ 13,272,969	\$ 11,917,879	\$ 12,059,685	\$ 12,229,945	\$ 14,880,320
1,511,542	1,445,580	1,612,246	2,062,111	2,172,726	2,584,004
1,595,297	2,915,701	4,425,877	4,076,489	5,273,963	5,217,679
1,034,510	1,169,750	1,229,618	1,041,345	864,967	1,190,610
2,128,443	2,660,731	2,592,272	5,612,646	4,482,255	3,693,108
886,880	1,026,613	1,105,611	987,844	1,192,590	1,355,623
828,591	1,201,636	1,126,076	1,886,621	1,338,507	986,950
20,931,239	23,692,980	24,009,579	27,726,741	27,554,953	29,908,294
12,342,091	12,540,351	13,227,342	13,184,689	14,129,665	15,606,723
560,241	664,736	678,058	665,081	660,768	807,480
12,902,332	13,205,087	13,905,400	13,849,770	14,790,433	16,414,203
\$ 33,833,571	\$ 36,898,067	\$ 37,914,979	\$ 41,576,511	\$ 42,345,386	\$ 46,322,497
\$ 3,351,543	\$ 4,557,446	\$ 3,533,674	\$ 3,991,353	\$ 5,090,198	\$ 5,906,447
234,622	353,124	102,516	261,673	217,686	109,498
207,711	554,556	203,658	211,992	248,416	170,717
749,678	475,134	664,502	671,772	1,096,154	1,181,641
83,042	54,317	100,472	130,063	97,337	50,420
277,286	370,016	1,528,396	713,760	802,798	516,860
1,266,428	810,401	1,258,616	1,437,849	3,426,005	1,571,878
6,170,310	7,174,994	7,391,834	7,418,462	10,978,594	9,507,461
13,152,059	12,250,426	12,662,764	14,020,111	15,360,377	16,482,889
719,458	727,497	737,609	731,067	846,546	788,106
-	-	-	50,935	10,187	-
937,813	1,320,436	1,073,307	975,552	2,565,707	1,052,841
14,809,330	14,298,359	14,473,680	15,777,665	18,782,817	18,323,836
\$ 20,979,640	\$ 21,473,353	\$ 21,865,514	\$ 23,196,127	\$ 29,761,411	\$ 27,831,297
\$ (14,760,929)	\$ (16,517,986)	\$ (16,617,745)	\$ (20,308,279)	\$ (16,576,359)	\$ (20,400,833)
1,906,998	1,093,272	568,280	1,927,895	3,992,384	1,909,633
\$ (12,853,931)	\$ (15,424,714)	\$ (16,049,465)	\$ (18,380,384)	\$ (12,583,975)	\$ (18,491,200)

CITY OF CORINTH, TEXAS**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION****LAST TEN FISCAL YEARS***(ACCRUAL BASIS OF ACCOUNTING)**(Unaudited)*

Net (Expense)/Revenue	2014	2015	2016	2017
Governmental Activities	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)
Business-Type Activities	287,414	643,237	517,100	2,440,729
Total Primary Government Net Expense	(13,646,997)	(13,527,918)	(14,297,567)	(11,299,001)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes				
Property Taxes	8,674,195	9,291,409	9,663,535	10,629,143
Sales Taxes	1,822,924	1,889,020	2,023,059	2,253,805
Franchise Taxes	1,039,646	1,074,217	1,068,910	1,073,789
Hotel Occupancy Taxes	-	67,833	79,007	77,673
Vehicle Taxes	-	-	-	-
Miscellaneous	13,925	45,685	237,674	204,231
Investment Earnings	53,968	55,043	87,433	228,971
Gain (Loss) on sale of Capital Assets	-	14,712	43,222	3,497
Special Item Outflow	-	-	-	-
Transfers	1,082,783	778,956	1,159,074	678,980
Total Governmental Activities	12,687,441	13,216,875	14,361,914	15,150,089

Business-Type Activities:

Miscellaneous	10,216	(391)	4,741	7,600
Investment Earnings	29,280	18,423	26,328	43,692
Gain (Loss) on sale of Capital Assets	-	5,333	9,768	1,196
Transfers	(1,082,783)	(778,956)	(1,159,074)	(678,980)
Total Business-Type Activities	(1,043,287)	(755,591)	(1,118,237)	(626,492)
Total Primary Government	\$ 11,644,154	\$ 12,461,284	\$ 13,243,677	\$ 14,523,597

Change in Net Position

Governmental Activities	(1,246,970)	(954,280)	(452,753)	1,410,359
Business-Type Activities	(755,873)	(112,354)	(601,137)	1,814,237
Total Primary Government	\$ (2,002,843)	\$ (1,066,634)	\$ (1,053,890)	\$ 3,224,596

Note:

Hotel Occupancy Tax was reported previously in the Sales Tax category.
This information is presented using the accrual basis of accounting.

TABLE D-3

2018	2019	2020	2021	2022	2023
\$ (14,760,929)	\$ (16,517,986)	\$ (16,617,745)	\$ (20,308,279)	\$ (16,576,359)	\$ (20,400,833)
1,906,998	1,093,272	568,280	1,927,895	3,992,384	1,909,633
(12,853,931)	(15,424,714)	(16,049,465)	(18,380,384)	(12,583,975)	(18,491,200)
10,587,532	11,514,505	12,974,859	14,134,421	14,683,023	16,033,365
2,370,316	2,463,471	2,635,407	2,743,610	3,091,696	3,425,043
1,120,653	1,083,553	1,195,130	1,048,013	1,283,833	1,217,973
61,181	82,835	71,707	77,878	109,825	119,539
-	-	-	577	42,361	147,926
251,014	(806)	10,436	23,831	98,336	1,735,720
57,042	455,456	335,182	104,170	(53,482)	1,787,287
94,205	-	54,204	199,726	40,314	56,350
-	-	-	-	-	-
498,018	80,370	1,657,055	776,330	612,937	291,335
15,039,961	15,679,384	18,933,980	19,108,556	19,908,843	24,814,538
94,664	28,674	1,269	3,038	23,058	26,075
6,748	263,798	203,839	44,066	70,074	476,066
42,141	76,071	389	94,115	-	20,026
(498,018)	(80,370)	(1,657,055)	(776,330)	(612,937)	(291,335)
(354,465)	288,173	(1,451,558)	(635,111)	(519,805)	230,832
\$ 14,685,496	\$ 15,967,557	\$ 17,482,422	\$ 18,473,445	\$ 19,389,038	\$ 25,045,370
279,032	(838,602)	2,316,235	(1,199,723)	3,332,484	4,413,705
1,552,533	1,381,445	(883,278)	1,292,784	3,472,579	2,140,465
\$ 1,831,565	\$ 542,843	\$ 1,432,957	\$ 93,061	\$ 6,805,063	\$ 6,554,170

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

General Fund	2014	2015	2016	2017
Non-Spendable	\$ 222,652	\$ 244,486	\$ 439,146	\$ 195,750
Unassigned	3,587,445	3,482,449	3,295,962	5,243,056
Total General Fund	\$ 3,810,097	\$ 3,726,935	\$ 3,735,108	\$ 5,438,806

All Other Governmental Funds

Non-Spendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,143,608.00	1,155,506.00	13,370,197.00	14,479,349.00
Committed	4,067,270	2,946,280	2,623,387	2,703,352
Unassigned	(579,436)	(480,444)	(442,236)	(298,848)
Total all other Governmental Funds	\$ 4,631,442	\$ 3,621,342	\$ 15,551,348	\$ 16,883,853

TABLE D-4

2018	2019	2020	2021	2022	2023
\$ 251,776	\$ 155,611	\$ 143,205	\$ 24,854	\$ 17,727	\$ 29,016
5,184,229	4,929,660	6,278,671	4,333,241	5,163,572	7,504,530
\$ 5,436,005	\$ 5,085,271	\$ 6,421,876	\$ 4,358,095	\$ 5,181,299	\$ 7,533,546
\$ -	\$ -	\$ -	\$ -	\$ 14,200	\$ 7,000
5,873,511.00	16,539,952.00	19,529,962.00	31,322,723.00	31,064,231.00	23,294,329
3,156,896	3,485,998	3,570,833	3,897,165	3,338,827	3,544,894
(389,299)	-	(234,548)	-	-	-
\$ 8,641,108	\$ 20,025,950	\$ 22,866,247	\$ 35,219,888	\$ 34,417,258	\$ 26,846,223

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

Revenues	2014	2015	2016	2017
Taxes	\$ 11,538,485	\$ 12,329,258	\$ 12,807,008	\$ 14,034,768
Licenses, Fees and Permits	903,407	1,050,172	797,332	1,557,520
Fines & Penalties	723,174	682,284	712,852	619,747
Charges for Services	2,826,329	3,132,880	3,159,963	3,063,911
Investment Earnings	53,967	55,043	87,433	204,231
Donations	89,514	96,633	186,220	94,185
Other Revenues	82,083	123,070	292,949	324,855
Total Revenues	16,216,959	17,469,340	18,043,757	19,899,217
Expenditures				
Public Safety	9,422,471	9,167,774	9,702,983	9,234,496
Community Services	2,405,814	1,765,661	1,507,526	1,353,153
Public Works	1,483,829	2,600,403	1,721,981	1,086,857
Planning & Community Development	718,253	871,281	981,151	874,835
City Administration	1,636,334	1,766,937	2,173,809	1,777,956
Finance and Administrative Services	652,321	732,037	862,114	862,354
Capital Outlay	-	-	3,727,303	4,958,837
Debt Service				
Principal	1,892,482	1,836,489	1,806,587	1,542,615
Interest	694,004	627,358	784,585	1,109,103
Bond Issuance Costs	-	-	-	232,870
Total Expenditures	18,905,508	19,367,940	23,268,039	23,033,076
Other Financing Sources (Uses)				
Bonds Issued	-	-	17,116,713	13,017,245
Payments to Escrow Agent	-	-	(1,179,213)	(7,542,236)
Bond Premium/Discount	-	-	-	-
Lease Proceeds	-	-	-	-
Loan Proceeds	-	-	-	-
Subscription IT Proceeds	-	-	-	-
Sale of Capital Assets	839,890	26,382	65,887	16,073
Transfers In/Out	1,082,783	778,956	1,159,074	678,980
Total Other Financing Sources (Uses)	1,922,673	805,338	17,162,461	6,170,062
Net Change in Fund Balances	\$ (765,876)	\$ (1,093,262)	\$ 11,938,179	\$ 3,036,203
Debt service as a percentage of noncapital expenditures	16.04%	15.03%	15.45%	16.30%

TABLE D-5

	2018	2019	2020	2021	2022	2023
\$	14,100,926	\$ 15,198,411	\$ 16,817,677	\$ 17,920,034	\$ 19,206,995	\$ 20,896,496
	1,170,581	1,366,719	957,010	809,723	769,490	784,327
	758,997	1,240,152	1,194,517	1,652,731	2,062,724	2,248,717
	3,325,163	2,709,304	2,679,874	2,677,496	3,750,448	3,990,044
	251,014	455,456	335,182	104,170	(53,482)	1,787,287
	1,542,462	556,586	1,095,664	1,026,011	268,493	86,644
	352,973	410,223	1,479,848	687,888	2,620,452	3,695,834
	21,502,116	21,936,851	24,559,772	24,878,053	28,625,120	33,489,349
	10,620,034	10,441,255	10,668,378	11,369,753	11,818,589	13,040,798
	1,428,385	1,447,632	1,457,005	1,707,219	1,854,570	2,166,682
	886,891	1,151,389	1,356,060	902,612	2,187,128	1,860,362
	1,040,104	1,129,699	1,205,791	1,056,555	910,582	1,108,543
	2,114,840	2,526,410	2,391,519	5,405,038	4,242,803	3,189,635
	893,640	1,014,807	1,108,038	1,023,014	1,251,734	1,259,753
	7,965,300	2,649,662	4,394,655	6,686,444	9,596,163	18,938,353
	1,375,785	1,769,461	2,044,146	1,840,158	3,367,285	3,851,609
	1,064,269	981,456	1,474,914	1,583,270	1,558,389	1,080,291
	10,440	164,276	1,314	360,010	131,743	107,645
	27,399,688	23,276,047	26,101,820	31,934,073	36,918,986	46,603,671
	-	10,754,800	-	14,000,000	4,285,000	5,654,700
	-	-	-	-	-	-
	-	608,543	-	1,048,911	344,235	375,551
	-	800,928	267,714	533,120	536,024	835,654
	-	-	-	-	2,176,669	56,512
	-	-	-	-	-	537,086
	182,498	128,663	54,204	206,211	359,575	144,696
	(2,373,559)	80,370	5,397,032	1,557,638	612,937	291,335
	(2,191,061)	12,373,304	5,718,950	17,345,880	8,314,440	7,895,534
\$	(8,088,633)	\$ 11,034,108	\$ 4,176,902	\$ 10,289,860	\$ 20,574	\$ (5,218,788)
	13.22%	13.59%	16.28%	13.60%	18.06%	17.84%

TABLE D-6

CITY OF CORINTH, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales, Hotel & Vehicle Tax	Franchise Tax	Total
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
2021	14,047,742	2,822,065	1,050,227	17,920,034
2022	14,701,837	3,243,882	1,261,276	19,206,995
2023	15,986,834	3,692,508	1,217,154	20,896,496
Percent Change 2014-2023	84.27%	102.56%	17.07%	81.10%

TABLE D-7

CITY OF CORINTH, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.00%
2015	1,267,097,852	326,129,542	59,168,386	1,534,059,008	0.59489	1,652,395,780	92.84%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%
2021	2,141,070,040	587,392,141	202,150,348	2,526,311,833	0.57817	2,894,333,831	87.28%
2022	2,403,201,893	801,538,908	276,156,508	2,928,584,293	0.56700	3,476,760,264	84.23%
2023	2,440,063,605	809,056,895	276,446,508	2,972,673,992	0.54000	3,428,431,830	86.71%

Source: Denton Central Appraisal District

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

TABLE D-8

Fiscal Year	City Property Tax Rate			Overlapping Rates		
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Denton County
2014	0.46143	0.14346	0.60489	1.53000	1.67000	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	0.22528
2021	0.43923	0.13894	0.57817	2.40760	1.55030	0.22499
2022	0.42700	0.14000	0.56700	1.36200	1.50030	0.233086
2023	0.40200	0.13800	0.54000	1.34460	1.44900	0.217543

CITY OF CORINTH, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE D-9

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Oxford 2181 Inc	42,000,000	1	1.41%			
Millennium Place LP	34,003,859	2	1.14%			
Boulevard 2010 LLC	31,700,000	3	1.07%			
Denton County Electric Coop	28,937,676	4	0.97%	22,469,020	1	1.46%
IRBY Company	27,464,510	5	0.92%			
Oncor Electric Delivery Co	18,003,194	6	0.61%			
Tower Ridge Corinth 1, Ltd.	17,461,253	7	0.59%	7,332,178	7	0.48%
Meritage Homes of Texas LLC	16,944,404	8	0.57%			
Atmos Energy/Mid-Tex Distribution	14,943,680	9	0.50%			
DATCU	13,460,000	10	0.45%			
Lelege Long Lake LP				7,109,960	8	0.46%
S. Corinth Apts LLC, dba The Blvd				17,000,000	2	1.11%
MPT of Corinth, LP				13,798,266	3	0.90%
HD Supply Utilities LTD #3430				11,942,073	4	0.78%
Texas NHI Investors LLC				8,888,342	5	0.58%
Utter Properties, LLC				8,712,098	6	0.57%
2-10 Properties LLC				5,980,000	9	0.39%
Utter, Bill				5,925,963	10	0.39%
Total	\$ 244,918,576		8.24%	\$ 109,157,900		7.12%

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

TABLE D-10

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	8,663,332	8,630,897	99.63%	29,985	8,660,882	99.97%
2015	9,187,621	9,160,871	99.71%	22,959	9,183,830	99.96%
2016	9,594,646	9,568,054	99.72%	22,344	9,590,398	99.96%
2017	10,467,690	10,432,195	99.66%	31,432	10,463,627	99.96%
2018	10,503,022	10,472,993	99.71%	24,257	10,497,250	99.95%
2019	11,487,858	11,458,626	99.75%	21,471	11,480,097	99.93%
2020	12,930,801	12,883,707	99.64%	33,772	12,917,479	99.90%
2021	14,109,671	14,010,541	99.30%	76,972	14,087,513	99.84%
2022	14,638,847	14,568,605	99.52%	31,618	14,600,223	99.74%
2023	15,935,084	15,849,908	99.47%	-	15,849,908	99.47%

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

Source: Denton County Tax Office

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

TABLE D-11

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax	Fire Control, Prevention & Emergency Management Sales Tax
2014	1.00%	0.25%	0.50%	0.25%	-
2015	1.00%	0.25%	0.50%	0.25%	-
2016	1.00%	0.25%	0.50%	0.25%	-
2017	1.00%	0.25%	0.50%	0.25%	-
2018	1.00%	0.25%	0.50%	0.25%	-
2019	1.00%	0.25%	0.50%	0.25%	-
2020	1.00%	0.25%	0.50%	0.25%	-
2021	1.00%	0.25%	0.50%	0.25%	0.25%
2022	1.00%	-	0.50%	0.25%	0.25%
2023	1.00%	-	0.50%	0.25%	0.25%

Note:

The City elected for the Street Maintenance Sales Tax to lapse in December 2020. The City enacted special legislation providing to created a Fire Control, Prevention, and Emergency Management Sales Tax District under Local Government Code Chapter 344. The creation was approved by voters in November 2020. The effective date of tax began April 1, 2021.

Source: City of Corinth Finance department

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

	2014	2015	2016	2017
Construction	2,318,987	4,309,632	4,700,702	3,994,986
Manufacturing	626,667	481,999	753,527	614,605
Utilities	109,928,880	110,581,672	104,636,898	115,420,823
Wholesale Trade	3,088,654	7,617,017	7,302,049	10,649,928
Retail Trade	27,888,328	29,287,734	30,504,049	33,210,828
Other Services	7,243,623	7,228,816	7,686,622	7,466,146
Other	24,648,881	25,034,737	25,575,315	27,498,369
Total	175,744,020	184,541,607	181,159,162	198,855,685
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note:

Due to a reporting lag from the State Comptroller's Office, sales tax for 2023 reports only the first two quarters.

Source: Texas State Comptroller

TABLE D-12

2018	2019	2020	2021	2022	2023
2,328,556	3,216,574	4,266,051	4,849,391	7,005,697	2,413,672
1,253,393	2,049,745	555,049	500,469	740,838	362,517
125,970,925	129,198,459	120,700,668	140,030,608	201,929,194	85,166,500
8,692,469	7,471,542	3,201,080	4,483,597	4,566,053	2,161,070
34,016,051	35,351,416	33,016,709	39,611,848	43,058,951	22,547,246
8,497,374	8,194,907	6,579,265	7,634,313	7,958,039	4,373,828
34,467,334	35,624,160	34,155,321	43,257,603	47,193,198	25,036,607
215,226,102	221,106,803	202,474,143	240,367,829	312,451,970	142,061,440
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

TABLE D-13

CITY OF CORINTH, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Other Governmental Activities Debt		
	General Obligation Bonds	Certificates of Obligation/Tax Notes	Total Tax Supported Debt			Lease Obligations	Notes Payable	Subscription IT Obligations
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058	-	-
2015	4,611,500	7,388,904	12,000,404	0.78%	573	683,391	-	-
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191	-	-
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	-	-
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	-	-
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	-	-
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345	-	-
2021	3,829,672	46,900,428	50,730,100	2.01%	2,158	2,145,728	-	-
2022	3,269,518	45,761,394	49,030,912	1.67%	2,150	2,332,524	2,116,488	-
2023	2,681,239	52,963,904	55,645,143	1.87%	2,453	2,288,769	2,020,168	619,616

Fiscal Year	Business-Type Activities				Total Primary Government	Per Capita Primary Government	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total	Lease Obligations			
2014	1,307,000	9,898,002	11,205,002	-	25,723,058	1,235	3.30%
2015	1,063,500	9,341,096	10,404,596	-	23,088,391	1,102	2.87%
2016	816,075	8,752,609	9,568,684	-	34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982	52,405,412	2,365	5.95%
2021	4,340,332	7,693,835	12,034,167	217,538	65,127,533	2,770	6.62%
2022	3,705,486	6,348,606	10,054,092	148,596	63,682,612	2,793	6.67%
2023	3,038,765	12,497,532	15,536,297	198,529	76,308,522	3,364	6.92%

Note:

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

Source: City of Corinth Finance department

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

TABLE D-14

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Premiums, Discounts	Less: Amounts Available in Debt Service Fund	Total	Percent of Actual Taxable Value of Property	Per Capita
2014	7,045,000	17,920,000	348,423	328,036	24,985,387	1.75%	1,200
2015	5,675,000	16,730,000	316,667	224,420	22,497,247	1.36%	1,073
2016	4,275,000	28,854,997	2,177,412	347,254	34,960,155	1.97%	1,659
2017	15,695,000	20,963,571	3,892,908	390,681	40,160,798	2.04%	1,888
2018	13,465,003	18,270,001	3,575,294	299,194	35,011,104	1.63%	1,642
2019	11,250,003	37,375,001	4,290,028	342,713	52,572,319	2.24%	2,409
2020	9,440,002	40,728,083	3,918,081	368,852	53,717,314	2.07%	2,424
2021	8,170,004	54,594,263	4,549,263	546,169	66,767,361	2.31%	2,840
2022	6,975,004	52,110,000	4,458,556	617,849	62,925,711	1.81%	2,760
2023	5,720,004	60,745,000	4,716,436	1,005,331	70,176,109	2.05%	3,093

Note:

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

Source: City of Corinth Finance department

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

	2014	2015	2016	2017	2018
Debt Limit	\$ 143,078,278	\$ 165,239,578	\$ 163,852,059	\$ 179,938,315	\$ 195,265,479
Total Net Debt Applicable to Limit	24,636,963	22,180,581	32,782,746	33,639,319	31,435,810
Legal Debt Margin	\$ 118,441,315	\$ 143,058,997	\$ 131,069,313	\$ 146,298,996	\$ 163,829,669
Total Net Debt Applicable to the Limit					
As a Percentage of Debt Limit	17.22%	13.42%	20.01%	18.69%	16.10%

TABLE D-15

2019	2020	2021	2022	2023
\$ 215,928,128	\$ 234,613,074	\$ 252,631,183	\$ 292,858,429	\$ 297,267,399
48,282,291	45,881,152	62,177,544	62,270,779	69,170,778
\$ 167,645,837	\$ 188,731,922	\$ 190,453,639	\$ 230,587,650	\$ 228,096,621
22.36%	19.56%	24.61%	21.26%	23.27%

Assessed Value	\$ 2,972,673,992
Debt Limit (10% of Assessed Value)	297,267,399
Debt Applicable to Limit:	
Total Debt Outstanding	70,176,109
Less: Amount Set Aside for Repayment of Debt	<u>1,005,331</u>
Total Net Debt applicable to Limit	<u>69,170,778</u>
Legal Debt Margin	<u>\$ 228,096,621</u>

TABLE D-16

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	\$ 624,655,000	1.99%	\$ 12,430,635
Denton ISD	2,150,181,665	5.30%	\$ 113,959,628
Lake Dallas ISD	169,696,798	46.31%	\$ 78,586,587
Subtotal, Overlapping Debt			204,976,850
City Direct Debt (2)			60,224,080
Total Direct and Overlapping Debt			\$ 265,200,930
Total Direct and Overlapping Debt % of AV			8.92%
Total Direct and Overlapping Debt per Capita			\$ 11,690

Note:

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

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

(2) Does not include self-supporting debt.

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

TABLE D-17

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population [1]	20,824	20,957	21,078	21,269	21,320	21,819	22,160	23,508	22,800	22,687
Median Household Income [2]	106,877	109,543	112,169	114,412	117,180	120,142	113,483	98,475	102,185	106,283
Per Capita Personal Income	37,411	38,372	39,357	40,144	40,683	41,616	39,723	41,865	46,714	48,602
Median Age	36	36	36	36	36	37	37.5	37.7	37.6	37.7
Education Level [3]										
School Enrollment	3,490	3,582	3,408	3,514	3,547	3,506	3,541	4,091	3,291	3,283
High school graduate or higher	97%	97%	97%	96%	96%	93%	92.9%	93.1%	93.4%	93.6%
Bachelor's degree or higher	42%	42%	40%	40%	40%	39%	41.7%	41.8%	42.7%	46.7%
Unemployment [4]	4.40%	4.40%	3.80%	3.10%	2.90%	3.00%	6.60%	5.60%	2.80%	2.30%

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

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

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2013-2017. The figures for 2018-2022 are estimated based on current enrollment.

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

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2023			2014		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
CoServ	530	1	4.30%	350	1	8.07%
City of Corinth	190	2	1.54%	162	3	3.74%
Denton ISD [1]	179	3	1.45%			
North Central Texas College [1]	174	4	1.41%	200	2	4.61%
Lake Dallas ISD [1]	166	5	1.35%	80	7	1.85%
Denton Area Teachers Credit Union	158	6	1.28%			
Bill Utter Ford	112	7	0.91%	150	4	3.46%
Huffines Kia and Subaru	104	8	0.84%			
Albertsons	100	9	0.81%	100	5	2.31%
Metroplex Cabinets	96	10	0.78%			
HD Supply Utilities 60				60	8	1.38%
Orr Nissan				100	6	2.31%
McClain's RV Ft. Worth Inc.				60	9	1.38%
Oakmont Country Club				58	10	1.34%
Total	<u>1,809</u>		<u>14.67%</u>	<u>1,320</u>		<u>30.45%</u>

Note:

[1] These figures reflect the total number of employees at the school district facilities in Corinth.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

TABLE D-19

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00
Police	32.00	33.00	34.00	35.00	35.00	37.00	39.00	39.00	39.00	39.00
Animal Control	1.50	1.50	1.50	2.00	2.00	-	-	-	-	-
Lake Cities Fire Department	41.00	41.00	41.00	44.00	53.00	53.00	53.00	53.00	53.00	55.00
Streets	7.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	-	-	-	-	-	-	-
Community Development	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Planning	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	4.00	5.00
Municipal Court	5.00	5.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
City Marshal	-	-	-	-	-	-	-	1.00	1.50	1.00
Parks & Recreation	16.00	16.00	14.00	9.00	11.00	11.00	11.00	9.00	9.00	7.00
Finance	7.50	7.50	7.50	7.50	6.50	6.50	7.00	6.50	7.00	7.50
Human Resources	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Technology Services	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	9.00	9.00
Facilities Management	-	-	-	-	-	-	-	-	-	1.00
Communications	-	-	-	-	-	-	-	2.00	2.00	2.50
Water/Wastewater Fund										
Utility Administration	-	-	-	-	-	-	-	-	-	2.00
Water/Wastewater	21.00	22.00	22.00	19.00	19.00	19.00	19.00	18.00	21.00	19.00
Engineering	-	-	-	4.00	4.00	4.00	4.00	4.50	5.50	5.50
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Corp.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Crime Control District Fund	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Child Safety Program Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75
Hotel Motel Fund	-	-	-	-	-	-	0.50	0.50	0.50	-
Short Term Vehicle Rental Tax Fund	-	-	-	-	-	-	-	-	-	2.00
Court Security Fund	-	0.50	0.50	-	-	-	-	-	-	-
Total	162.50	163.00	163.00	162.00	174.00	174.00	178.00	178.00	185.25	190.25

Source: City of Corinth Adopted Budget

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

TABLE D-20

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
New Single Family Home Building Permits	23	47	53	63	75	39	49	68	64	246
New Commercial Building Permits	4	5	7	13	4	9	2	4	2	-
Police										
Physical Arrests	304	329	426	513	458	290	427	366	467	281
Parking Violations	7	22	-	-	-	-	-	-	3	-
Traffic Violations	7,436	7,196	6,013	6,573	7,158	5,848	4,526	4,224	7,442	5,942
Fire										
Emergency Responses	3,164	3,372	3,475	3,237	3,246	3,546	3,467	4,060	4,201	4,260
Structure Fires Extinguished	21	18	37	26	34	43	46	29	37	41
Inspections	434	204	403	403	490	641	655	355	539	478
Other Public Works										
Street Resurfacing (miles)	<1	<1	<1	<1	<1	<1	<1	<1	<1	-
Square Yards of Street Repair	-	-	-	-	-	-	-	98.0	224.0	253.0
Potholes Repaired	77	244	126	96	226	200	96	139	48	38
Parks and Recreation										
Classes offered (hours)	437	310	72	68	60	72	32	72	80	96
Participants	3,822	6,609	320	224	208	315	120	80	280	224
Special events (hours)	3,432	2,699	3,530	3,378	3,773	3,197	107	24	40	80
Class Participants	5,185	2,394	3,375	3,209	3,315	3,040	122	60	44	44
Association Participants	18,806	29,792	26,766	21,012	-	-	-	-	-	-
Athletic League Participants	22,944	7,936	-	-	-	-	-	-	-	-
Recreation center Participants	4,862	2,510	-	-	-	-	-	-	-	-
Water										
New Connections	26	56	44	105	125	65	67	70	83	255
Water Main Breaks	9	8	6	5	7	5	6	10	6	35
Average Daily Consumption (millions of gallons billed)	3.16	3.54	2.56	2.51	2.69	2.23	2.61	2.71	2.81	3.41
Peak Demand (millions of gallons pumped)	6.01	6.71	6.84	5.79	7.81	5.99	6.76	8.79	7.07	7.61
Wastewater										
New Connections	23	51	35	92	116	57	59	65	83	250
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.06	1.19	1.40	1.24	1.27	1.35	1.45	1.36	1.36	1.41
City of Denton (estimate)	0.29	0.20	0.25	0.78	0.26	0.25	0.33	0.29	0.30	0.30

Note:
 In FY 2011, the City changed the methodology for reporting street repairs from miles to square yards.
 In FY 2012, the City started managing the baseball programs so athletic participation was added to be able to track City program participation.
 In FY 2015, the City turned over the baseball program to the Softball Association.

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

Source: Various City of Corinth departments

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

TABLE D-21

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	16	16	16	18
Fire Stations	2	2	2	2	3	3	3	3	3	3
Other Public Works										
Streets (miles) [1]	88.99	88.99	88.99	92.37	92.43	92.66	93.20	93.70	92.90	93.48
Highways (miles) [2]	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	14	12	12
Baseball/Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer/Football Fields	8	8	8	8	8	8	9	8	7	9
Recreation Centers [3]	2	2	1	1	-	-	-	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,831	6,977	7,016	7,113	7,203	7,279	7,337	7,279	7,347	7,556
Water Mains (miles)	111.77	112.70	113.48	115.17	117.70	120.20	120.64	120.97	124.54	125.62
Fire Hydrants	826	836	855	883	896	927	939	961	1,003	1,020
Storage Capacity (millions of gallons)	6.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,573	6,705	6,736	6,818	6,903	6,979	7,098	7,163	7,297	7,357
Sanitary Sewers (miles)	98.09	98.30	98.99	102.19	102.34	103.17	103.77	105.10	107.46	107.21
Storm Sewers (miles)	38.71	39.80	40.59	41.49	41.66	42.70	43.30	44.65	46.67	47.10
Treatment Capacity, UTRWD (MGD) [4]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.83	4.83	4.83

Note:

- [1] The reduction in streets is due to the elimination of unpaved streets from the database.
- [2] The increase in highways is due to the addition of the northbound and southbound roadways which is maintained by TXDOT.
- [3] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.
- [4] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

Source: Various City of Corinth departments





CITY OF CORINTH Staff Report

Meeting Date:	4/18/2024	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. Historically, the city operated under four different investment policies. Staff recommends incorporating the EDC, Fire District and Crime Control into the City of Corinth policy with the following changes.

Pg.2: Section I: Purpose. Add the three component units to the purpose statement.

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.

Pg.2: Section II: Scope. Add the policy scope for the three component units.

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.

Pg. 10: Section VIII. Diversification. Add maximum average dollar-weighted maturity requirements for component units.

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.

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:	4/18/2024	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 2023 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, 2023

Section D, Item 5.



PORTFOLIO SUMMARY

	Ending Value 9/30/2022	Ending Value 9/30/2023
Par Value	\$ 55,513,176	\$ 56,769,416
Book Value	\$ 55,515,563	\$ 56,772,947
Market Value	\$ 54,818,684	\$ 56,505,316
Change in Market Value		\$ 1,686,632

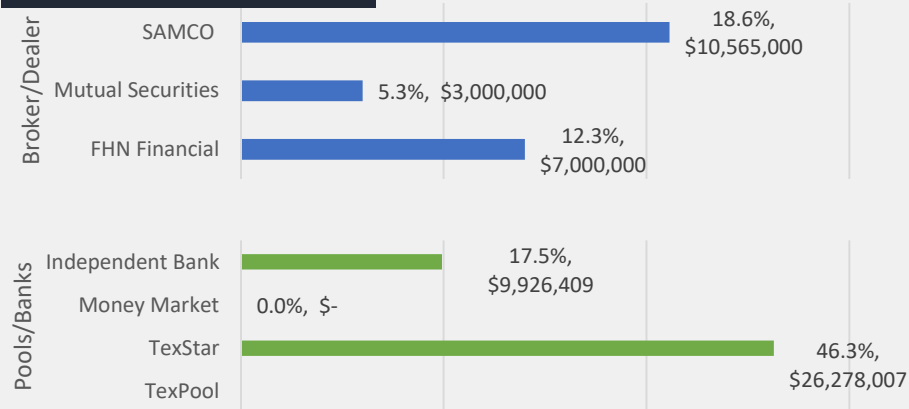
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 699,892
Income Earned - YTD	\$ 1,952,233
% Market to Book Value	99.53%
Average YTM	4.294%
Policy Benchmark	5.528%
Ending WAM (Days)	111

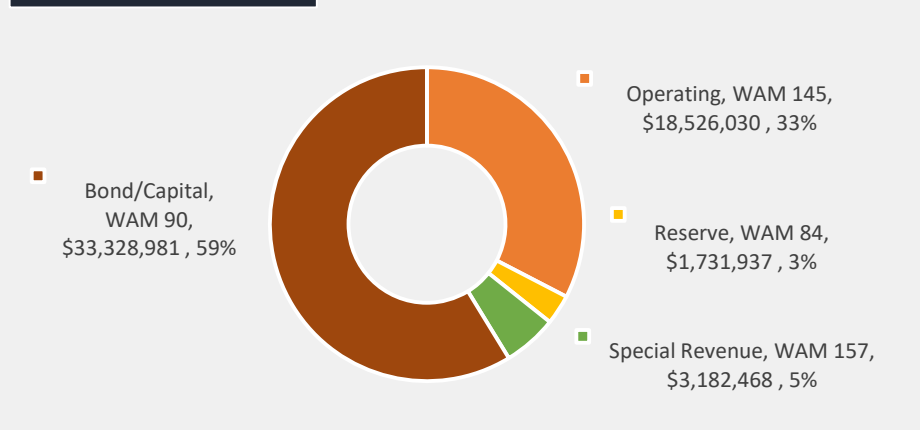
PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$ 7,000,000	12%
U.S. Federal Agency-Callable	13,565,000	24%
Certificates of Deposit	-	0%
Managed Pools	26,278,007	46%
Money Market	-	0%
Bank Cash	9,926,409	17%
Total	\$ 56,769,416	100%

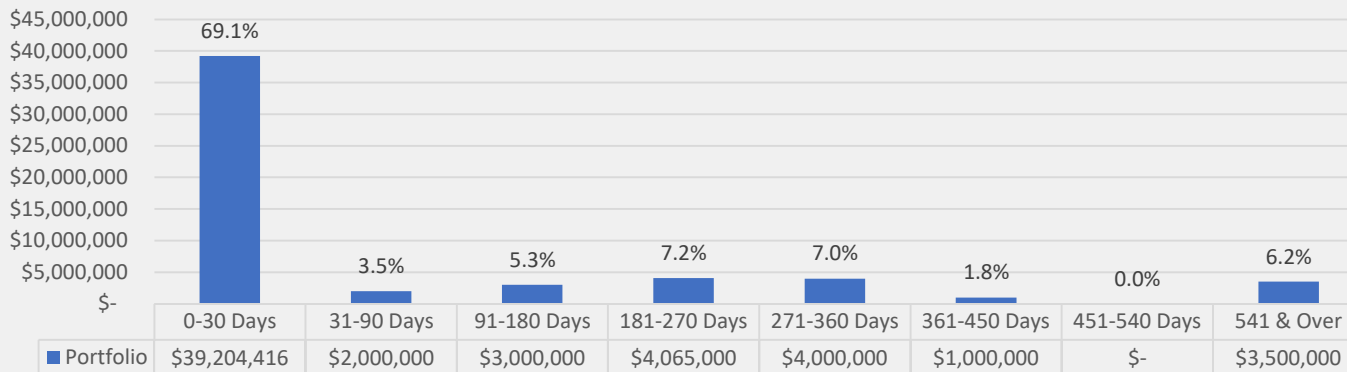
BROKER/DEALER ALLOCATION



FUND TYPE ALLOCATION



MATURITY DISTRIBUTION



PORTFOLIO STATEMENT

The net increase in the Change to Market Value for the year is due to the sale of property and the increase in development revenues.

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

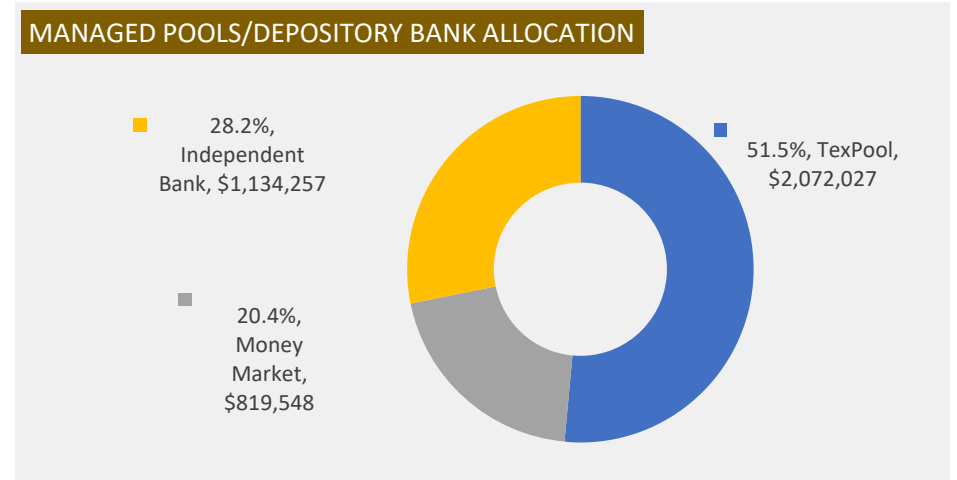
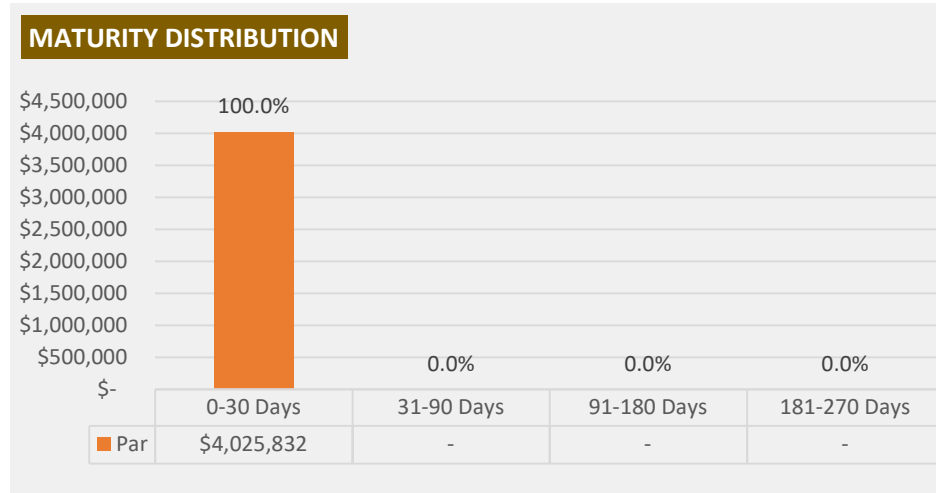
ECONOMIC DEVELOPMENT CORPORATION
PORTFOLIO SUMMARY

Annual Investment Report Ending Sept 30, 2023

PORTFOLIO SUMMARY		
	Ending Value 9/30/2022	Ending Value 9/30/2023
Par Value	\$ 1,037,200	\$ 4,025,832
Book Value	\$ 1,037,200	\$ 4,025,832
Market Value	\$ 1,037,200	\$ 4,025,832
Change in Market Value		\$ 2,988,632

PORTFOLIO KEY INDICATORS		
Income Earned - Quarter	\$	40,909
Income Earned - YTD	\$	101,496
% Market to Book Value		100%
Average YTM		4.274%
Policy Benchmark		5.528%
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	2,072,027	51%
Money Market	819,548	20%
Bank Cash	1,134,257	28%
Total	\$ 4,025,832	100%



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. The increase in Change to Market Value is due to the sale of property to Realty Capital.

CRIME CONTROL & PREVENTION DISTRICT

PORFOLIO SUMMARY

Section D, Item 5.

CORINTH
TEXAS

Annual Investment Report Ending Sept 30, 2023

PORTFOLIO SUMMARY

	Ending Value 9/30/2022	Ending Value 9/30/2023
Par Value	\$ 716,212	\$ 763,339
Book Value	\$ 716,212	\$ 763,339
Market Value	\$ 716,212	\$ 763,339
Change in Market Value		\$ 47,127

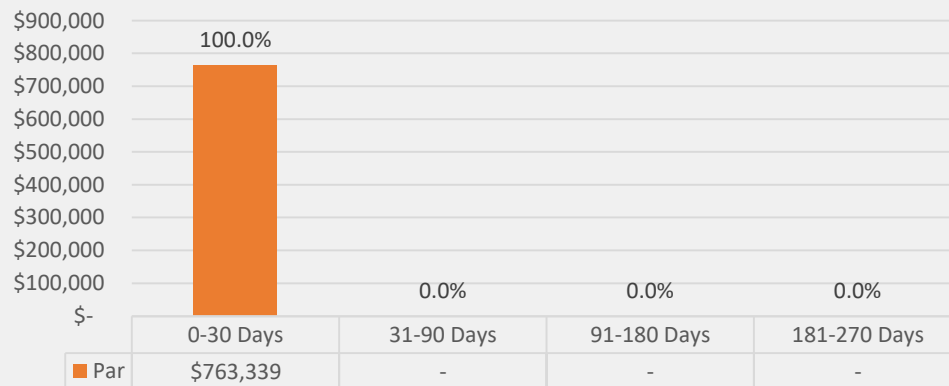
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 9,185
Income Earned - YTD	\$ 29,614
% Market to Book Value	100%
Average YTM	5.328%
Policy Benchmark	5.528%
Ending WAM (Days)	1

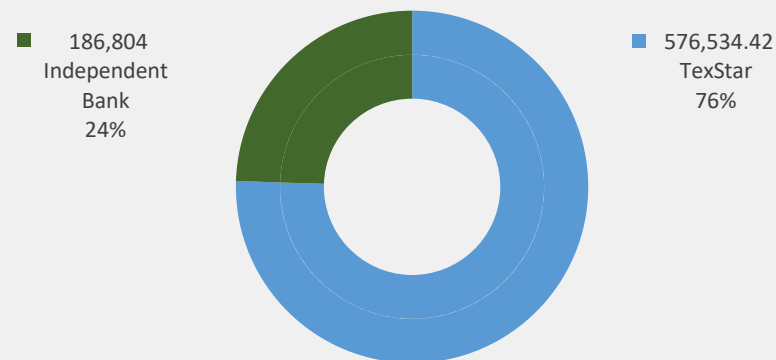
PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$ -	0%
U.S. Federal Agency-Callable	-	0%
Certificates of Deposit	-	0%
Managed Pools	576,534	76%
Money Market	-	0%
Bank Cash	186,804	24%
Total	\$ 763,339	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. Funds are used for two police officers and the lease payments for the police vehicles.

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.

FIRE CONTROL, PREVENTION, EMS DISTRICT SALES TAX

PORFOLIO SUMMARY

Annual Investment Report Ending Sept 30, 2023

Section D, Item 5.



PORTFOLIO SUMMARY

	Ending Value 9/30/2022	Ending Value 9/30/2023
Par Value	\$ 210,213	\$ 240,256
Book Value	\$ 210,213	\$ 240,256
Market Value	\$ 210,213	\$ 240,256
Change in Market Value		\$ 30,043

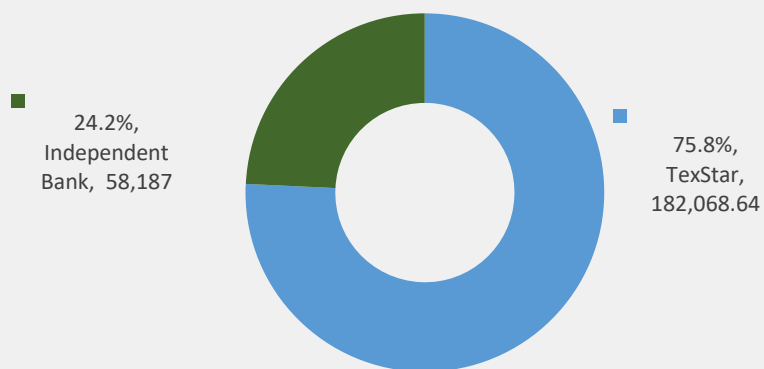
PORTFOLIO KEY INDICATORS

Income Earned - Quarter	\$ 4,341
Income Earned - YTD	\$ 11,343
% Market Value	100%
Average YTM	5.327%
Policy Benchmark	5.528%
Ending WAM (Days)	1

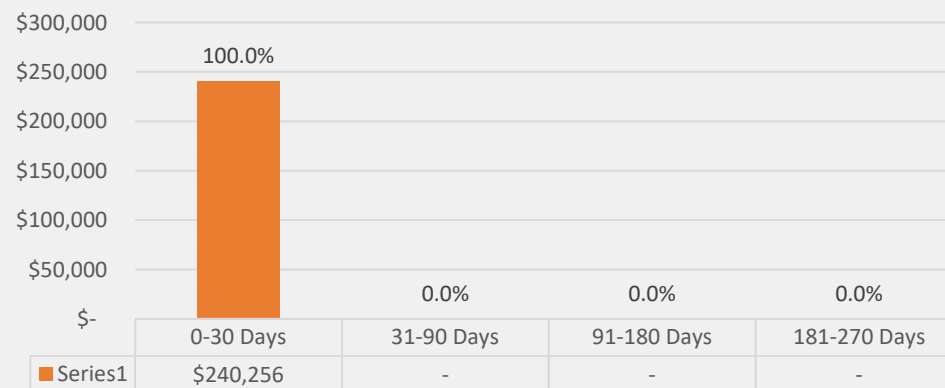
PORTFOLIO BY MARKET SECTOR

U.S. Federal Agency -Coupon	\$ -	0%
U.S. Federal Agency-Callable	-	0%
Certificates of Deposit	-	0%
Managed Pools	182,069	76%
Money Market	-	0%
Bank Cash	58,187	24%
Total	\$ 240,256	100%

MANAGED POOLS/DEPOSITORY BANK ALLOCATION



MATURITY DISTRIBUTION



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 personnel, 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 below the benchmark of 270 Days for the quarter.

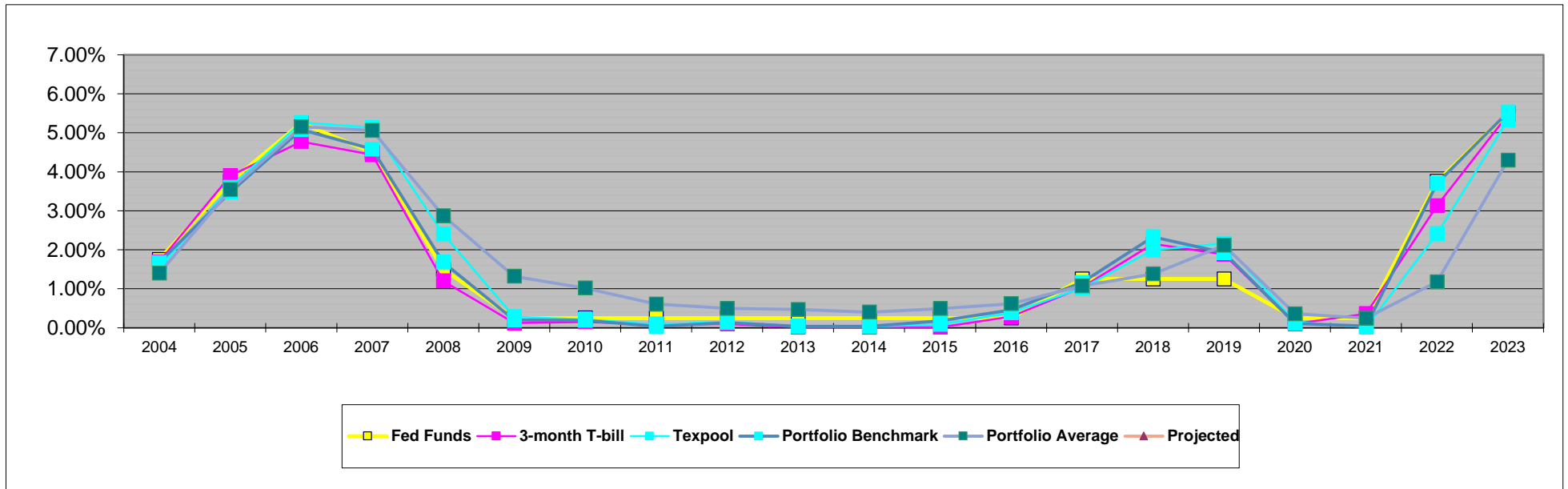
**COMBINED PORTFOLIO
ECONOMIC SUMMARY**

Annual Investment Report Ending Sept 30, 2023



Section D, Item 5.

Market Sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Fed Funds	1.75%	3.75%	5.25%	4.50%	1.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	1.25%	1.25%	1.25%	0.25%	0.25%	3.75%	5.50%
3-month T-bill	1.69%	3.90%	4.77%	4.44%	1.20%	0.12%	0.15%	0.09%	0.10%	0.01%	0.02%	0.01%	0.28%	1.04%	2.15%	1.88%	0.10%	0.36%	3.13%	5.46%
Texpool	1.54%	3.60%	5.26%	5.13%	2.41%	0.28%	0.22%	0.09%	0.16%	0.04%	0.03%	0.09%	0.38%	1.02%	2.00%	2.16%	0.15%	0.01%	2.41%	5.32%
Portfolio Benchmark	1.67%	3.48%	5.08%	4.58%	1.68%	0.20%	0.19%	0.04%	0.13%	0.04%	0.04%	0.17%	0.46%	1.16%	2.33%	1.93%	0.11%	0.05%	3.70%	5.53%
Portfolio Average	1.40%	3.54%	5.15%	5.06%	2.87%	1.32%	1.02%	0.61%	0.50%	0.47%	0.40%	0.49%	0.62%	1.07%	1.38%	2.12%	0.36%	0.25%	1.18%	4.29%



The Fed Fund target rate as of Sept is a range of 5.25% to 5.50%.

The Federal Reserve, over the last quarter, approved the another 25 basis point increase in the fed funds rate boosting the overnight target to a range of 5.25% - 5.50%. The Committee seeks to achieve maximum employment and inflation at the rate of 2% over the longer run and is strongly committed to that goal.

Sept 20,2023 FOMC Press Release

**COMBINED PORTFOLIO
STATEMENT OF COMPLIANCE**

Annual Investment Report Ending Sept 30, 2023



Section D, Item 5.

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	Non- Compliant	Non- Compliant	Non- Compliant	Non- Compliant
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, 2023



Section D, Item 5.

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, 2022 - September 30, 2023

3300 C Section D, Item 5.
 Corinth, TX 76208
 -9404983200

nv #	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	10/01/2022	308,775.60	9,736,070.96	14,122,537.72	17,871,991.12	-3,749,453.40	5,986,617.56
SYS10012	5,986,617.56	5.380	//	0.00	9,736,070.96	14,122,537.72	17,871,991.12	-3,749,453.40	5,986,617.56
Sub Totals For: Fund: Pooled Cash				308,775.60	9,736,070.96	14,122,537.72	17,871,991.12	-3,749,453.40	5,986,617.56
				0.00	9,736,070.96	14,122,537.72	17,871,991.12	-3,749,453.40	5,986,617.56
Fund: Pooled Cash- Crime C									
10323	NTHSTR	00A	10/01/2022	4,904.81	165,174.61	199,064.10	177,434.38	21,629.72	186,804.33
SYS10322	186,804.33	5.380	//	0.00	165,174.61	199,064.10	177,434.38	21,629.72	186,804.33
Sub Totals For: Fund: Pooled Cash- Crime C				4,904.81	165,174.61	199,064.10	177,434.38	21,629.72	186,804.33
				0.00	165,174.61	199,064.10	177,434.38	21,629.72	186,804.33
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2022	8,078.65	842,036.78	1,253,007.83	960,787.40	292,220.43	1,134,257.21
SYS10021	1,134,257.21	1.560	//	0.00	842,036.78	1,253,007.83	960,787.40	292,220.43	1,134,257.21
Sub Totals For: Fund: Pooled Cash-Eco Dev				8,078.65	842,036.78	1,253,007.83	960,787.40	292,220.43	1,134,257.21
				0.00	842,036.78	1,253,007.83	960,787.40	292,220.43	1,134,257.21
Fund: Pooled Cash - Street									
10401	NTHSTR	00C	10/01/2022	693.13	120,632.03	91,887.56	212,519.59	-120,632.03	0.00
SYS10042	0.00	5.120	//	0.00	120,632.03	91,887.56	212,519.59	-120,632.03	0.00
Sub Totals For: Fund: Pooled Cash - Street				693.13	120,632.03	91,887.56	212,519.59	-120,632.03	0.00
				0.00	120,632.03	91,887.56	212,519.59	-120,632.03	0.00
Fund: Capital Project Ban									
10630	NTHSTR	00D	10/01/2022	95,342.05	3,716,457.89	3,882,279.45	5,523,350.46	-1,641,071.01	2,075,386.88
SYS10630	2,075,386.88	5.380	//	0.00	3,716,457.89	3,882,279.45	5,523,350.46	-1,641,071.01	2,075,386.88

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2022 - September 30, 2023

Section D, Item 5.

nv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Dusip	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				95,342.05	3,716,457.89	3,882,279.45	5,523,350.46	-1,641,071.01	2,075,386.88
				0.00	3,716,457.89	3,882,279.45	5,523,350.46	-1,641,071.01	2,075,386.88
Fund: Special Revenue Bank									
10631	NTHSTR	00E	10/01/2022	38,222.62	2,490,144.45	644,590.69	2,252,267.24	-1,607,676.55	882,467.90
SYS10631	882,467.90	5.380	11	0.00	2,490,144.45	644,590.69	2,252,267.24	-1,607,676.55	882,467.90
Sub Totals For: Fund: Special Revenue Bank				38,222.62	2,490,144.45	644,590.69	2,252,267.24	-1,607,676.55	882,467.90
				0.00	2,490,144.45	644,590.69	2,252,267.24	-1,607,676.55	882,467.90
Fund: Reserve Funds - Pool									
10666	NTHSTR	00F	10/01/2022	71,384.11	845,212.30	4,322,092.66	4,185,368.23	136,724.43	981,936.73
SYS10666	981,936.73	5.380	11	0.00	845,212.30	4,322,092.66	4,185,368.23	136,724.43	981,936.73
Sub Totals For: Fund: Reserve Funds - Pool				71,384.11	845,212.30	4,322,092.66	4,185,368.23	136,724.43	981,936.73
				0.00	845,212.30	4,322,092.66	4,185,368.23	136,724.43	981,936.73
Fund: Fire District - Pool									
10705	NTHSTR	00G	10/01/2022	4,933.44	110,024.77	137,946.05	189,783.49	-51,837.44	58,187.33
SYS10705	58,187.33	5.380	11	0.00	110,024.77	137,946.05	189,783.49	-51,837.44	58,187.33
Sub Totals For: Fund: Fire District - Pool				4,933.44	110,024.77	137,946.05	189,783.49	-51,837.44	58,187.33
				0.00	110,024.77	137,946.05	189,783.49	-51,837.44	58,187.33
Fund: General Fund									
10098	FNMA	100	01/30/2023	32,802.78	0.00	1,000,000.00	0.00	1,000,000.00	1,000,000.00
3135GAEG2	1,000,000.00	3.280	01/26/2024	23,955.56	0.00	1,000,000.00	0.00	997,460.00	997,460.00
10140	TXSTAR	100	10/01/2022	118,661.31	1,857,191.01	1,162,580.70	2,900,000.00	-1,737,419.30	119,771.71
SYS10140	119,771.71	5.310	11	112,580.70	1,857,191.01	1,162,580.70	2,900,000.00	-1,737,419.30	119,771.71
10684	FHLMC	100	11/16/2020	1,375.00	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3134GW7D2	0.00	0.000	05/16/2023	2,200.00	976,870.00	0.00	1,000,000.00	-976,870.00	0.00
10698	FHLB	100	04/29/2021	4,500.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3130ALYE8	1,000,000.00	0.450	04/29/2024	4,500.00	942,960.00	0.00	0.00	27,620.00	970,580.00

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cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10715	FHLMC	100	10/31/2021	2,500.00	1,000,665.64	0.00	0.00	-606.66	1,000,058.98
3137EAEZ8	1,000,000.00	0.189	11/06/2023	2,500.00	957,330.00	0.00	0.00	37,670.00	995,000.00
10730	FHLMC	100	01/26/2023	51,245.83	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
3134GYE57	1,500,000.00	5.020	07/26/2024	37,650.00	0.00	1,500,000.00	0.00	1,492,725.00	1,492,725.00
10733	FFCB	100	02/28/2023	1,775.00	0.00	999,606.03	0.00	999,826.86	999,826.86
3133EMTW2	1,000,000.00	0.337	03/18/2024	1,666.67	0.00	999,606.03	0.00	976,080.00	976,080.00
10735	FHLB	100	02/28/2023	763.25	0.00	300,000.00	0.00	300,000.00	300,000.00
3130AND72	300,000.00	0.430	04/29/2024	541.08	0.00	300,000.00	0.00	291,129.00	291,129.00
10736	FHLB	100	02/28/2023	355.00	0.00	299,826.06	0.00	299,955.15	299,955.15
3130ALFY5	300,000.00	0.272	12/15/2023	328.33	0.00	299,826.06	0.00	296,742.00	296,742.00
10753	FNMA	100	09/01/2023	6,406.25	0.00	1,500,000.00	0.00	1,507,046.88	1,507,046.88
3135GAEB3	1,500,000.00	5.122	07/28/2025	0.00	0.00	1,500,000.00	0.00	1,493,741.88	1,493,741.88
Sub Totals For: Fund: General Fund				220,384.42	4,857,856.65	6,762,012.79	3,900,000.00	2,868,802.93	7,726,659.58
				185,922.34	4,734,351.01	6,762,012.79	3,900,000.00	2,898,878.58	7,633,229.59
Fund: Utility Fund									
10211	TXSTAR	110	10/01/2022	132,012.62	2,998,494.38	1,214,052.09	850,000.00	364,052.09	3,362,546.47
SYS10211	3,362,546.47	5.310	/ /	125,539.21	2,998,494.38	1,214,052.09	850,000.00	364,052.09	3,362,546.47
10722	FHLB	110	07/31/2022	2,500.00	1,001,030.09	0.00	0.00	-926.21	1,000,103.88
3130AKK21	1,000,000.00	0.194	12/08/2023	2,131.94	952,478.06	0.00	0.00	37,881.94	990,360.00
Sub Totals For: Fund: Utility Fund				134,512.62	3,999,524.47	1,214,052.09	850,000.00	363,125.88	4,362,650.35
				127,671.15	3,950,972.44	1,214,052.09	850,000.00	401,934.03	4,352,906.47
Fund: Drainage Fund									
10302	TXSTAR	120	10/01/2022	21,138.59	436,879.60	20,215.11	0.00	20,215.11	457,094.71
SYS10302	457,094.71	5.310	/ /	20,215.11	436,879.60	20,215.11	0.00	20,215.11	457,094.71
Sub Totals For: Fund: Drainage Fund				21,138.59	436,879.60	20,215.11	0.00	20,215.11	457,094.71
				20,215.11	436,879.60	20,215.11	0.00	20,215.11	457,094.71
Fund: Economic Development									

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cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10007	TXPOOL	130	10/01/2022	80,694.63	328.77	2,071,698.53	0.00	2,071,698.53	2,072,027.30
SYS10007	2,072,027.30	5.321	//	71,698.53	328.77	2,071,698.53	0.00	2,071,698.53	2,072,027.30
10379	NTHSTR	130	10/01/2022	28,231.05	194,834.44	624,713.14	0.00	624,713.14	819,547.58
SYS10379	819,547.58	5.380	//	24,713.14	194,834.44	624,713.14	0.00	624,713.14	819,547.58
Sub Totals For: Fund: Economic Development				108,925.68	195,163.21	2,696,411.67	0.00	2,696,411.67	2,891,574.88
				96,411.67	195,163.21	2,696,411.67	0.00	2,696,411.67	2,891,574.88
Fund: Crime Control & Prev									
10723	TXSTAR	131	10/01/2022	26,662.13	551,037.08	25,497.34	0.00	25,497.34	576,534.42
SYS10723	576,534.42	5.310	//	25,497.34	551,037.08	25,497.34	0.00	25,497.34	576,534.42
Sub Totals For: Fund: Crime Control & Prev				26,662.13	551,037.08	25,497.34	0.00	25,497.34	576,534.42
				25,497.34	551,037.08	25,497.34	0.00	25,497.34	576,534.42
Fund: Street Maintenance S									
10155	TXSTAR	132	10/01/2022	14,361.76	649,159.28	14,353.60	663,512.88	-649,159.28	0.00
SYS10155	0.00	5.076	//	14,353.60	649,159.28	14,353.60	663,512.88	-649,159.28	0.00
Sub Totals For: Fund: Street Maintenance S				14,361.76	649,159.28	14,353.60	663,512.88	-649,159.28	0.00
				14,353.60	649,159.28	14,353.60	663,512.88	-649,159.28	0.00
Fund: Fire Control, Preven									
10724	TXSTAR	133	10/01/2022	7,426.80	100,188.56	81,880.08	0.00	81,880.08	182,068.64
SYS10724	182,068.64	5.310	//	6,880.08	100,188.56	81,880.08	0.00	81,880.08	182,068.64
Sub Totals For: Fund: Fire Control, Preven				7,426.80	100,188.56	81,880.08	0.00	81,880.08	182,068.64
				6,880.08	100,188.56	81,880.08	0.00	81,880.08	182,068.64
Fund: General Fund Capital									
10670	TXSTAR	193	10/01/2022	47,205.61	1,211,704.29	96,636.44	500,000.00	-403,363.56	808,340.73
SYS10670	808,340.73	5.310	//	46,636.44	1,211,704.29	96,636.44	500,000.00	-403,363.56	808,340.73
Sub Totals For: Fund: General Fund Capital				47,205.61	1,211,704.29	96,636.44	500,000.00	-403,363.56	808,340.73
				46,636.44	1,211,704.29	96,636.44	500,000.00	-403,363.56	808,340.73

Fund: Water/Wastewater Cap

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Susip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10725	TXSTAR	194	10/01/2022	51,991.09	1,102,074.16	1,051,825.96	1,500,000.00	-448,174.04	653,900.12
SYS10725	653,900.12	5.310	11	51,825.96	1,102,074.16	1,051,825.96	1,500,000.00	-448,174.04	653,900.12
10727	FHLMC	194	01/26/2023	17,081.94	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GYE57	500,000.00	5.020	07/26/2024	12,550.00	0.00	500,000.00	0.00	497,575.00	497,575.00
Sub Totals For: Fund: Water/Wastewater Cap				69,073.03	1,102,074.16	1,551,825.96	1,500,000.00	51,825.96	1,153,900.12
				64,375.96	1,102,074.16	1,551,825.96	1,500,000.00	49,400.96	1,151,475.12
Fund: General Debt Service									
10748	FFCB	200	08/31/2023	41.67	0.00	249,980.90	0.00	250,005.20	250,005.20
3133EMQM7	250,000.00	0.216	02/16/2024	0.00	0.00	249,980.90	0.00	244,948.33	244,948.33
Sub Totals For: Fund: General Debt Service				41.67	0.00	249,980.90	0.00	250,005.20	250,005.20
				0.00	0.00	249,980.90	0.00	244,948.33	244,948.33
Fund: General Asset Mgmt R									
10749	FFCB	201	08/31/2023	41.67	0.00	249,980.90	0.00	250,005.20	250,005.20
3133EMQM7	250,000.00	0.216	02/16/2024	0.00	0.00	249,980.90	0.00	244,948.33	244,948.33
Sub Totals For: Fund: General Asset Mgmt R				41.67	0.00	249,980.90	0.00	250,005.20	250,005.20
				0.00	0.00	249,980.90	0.00	244,948.33	244,948.33
Fund: Utility Asset Mgmt R									
10751	FHLMC	202	08/31/2023	1,045.83	0.00	250,000.00	0.00	251,220.14	251,220.14
3134GYE57	250,000.00	5.014	07/26/2024	0.00	0.00	250,000.00	0.00	250,007.64	250,007.64
Sub Totals For: Fund: Utility Asset Mgmt R				1,045.83	0.00	250,000.00	0.00	251,220.14	251,220.14
				0.00	0.00	250,000.00	0.00	250,007.64	250,007.64
Fund: Water Impact Fees									
10707	FHLB	610	07/29/2021	1,290.00	300,000.00	0.00	0.00	0.00	300,000.00
3130AND72	300,000.00	0.430	04/29/2024	1,290.00	282,432.00	0.00	0.00	8,697.00	291,129.00
10737	FNMA	610	03/31/2023	343.75	0.00	500,056.20	500,000.00	0.00	0.00
3135G05G4	0.00	0.000	07/10/2023	343.75	0.00	500,056.20	500,000.00	0.00	0.00

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10743	FNMA	610	05/08/2023	4,965.28	0.00	250,000.00	0.00	250,000.00	250,000.00
3135GAH61	250,000.00	5.000	11/08/2024	0.00	0.00	250,000.00	0.00	248,572.50	248,572.50
10746	FFCB	610	07/01/2023	362.50	0.00	500,000.00	0.00	500,237.64	500,237.64
3133EMFB3	500,000.00	0.289	11/02/2023	0.00	0.00	500,000.00	0.00	498,082.64	498,082.64
Sub Totals For: Fund: Water Impact Fees				6,961.53	300,000.00	1,250,056.20	500,000.00	750,237.64	1,050,237.64
				1,633.75	282,432.00	1,250,056.20	500,000.00	755,352.14	1,037,784.14
Fund: Wastewater Impact Fe									
10744	FNMA	611	05/08/2023	4,965.28	0.00	250,000.00	0.00	250,000.00	250,000.00
3135GAH61	250,000.00	5.000	11/08/2024	0.00	0.00	250,000.00	0.00	248,572.50	248,572.50
Sub Totals For: Fund: Wastewater Impact Fe				4,965.28	0.00	250,000.00	0.00	250,000.00	250,000.00
				0.00	0.00	250,000.00	0.00	248,572.50	248,572.50
Fund: Roadway Impact Fees									
10738	FNMA	630	03/31/2023	343.75	0.00	500,056.20	500,000.00	0.00	0.00
3135G05G4	0.00	0.000	07/10/2023	343.75	0.00	500,056.20	500,000.00	0.00	0.00
10745	FNMA	630	05/08/2023	9,930.56	0.00	500,000.00	0.00	500,000.00	500,000.00
3135GAH61	500,000.00	5.000	11/08/2024	0.00	0.00	500,000.00	0.00	497,145.00	497,145.00
10747	FFCB	630	07/01/2023	362.50	0.00	500,000.00	0.00	500,237.64	500,237.64
3133EMFB3	500,000.00	0.289	11/02/2023	0.00	0.00	500,000.00	0.00	498,082.64	498,082.64
Sub Totals For: Fund: Roadway Impact Fees				10,636.81	0.00	1,500,056.20	500,000.00	1,000,237.64	1,000,237.64
				343.75	0.00	1,500,056.20	500,000.00	995,227.64	995,227.64
Fund: 2016 CO General Capi									
10710	FHLB	706	09/30/2021	245.00	299,736.97	0.00	299,826.06	-299,736.97	0.00
3130ALFY5	0.00	0.000	12/15/2023	271.67	285,816.00	0.00	299,826.06	-285,816.00	0.00
Sub Totals For: Fund: 2016 CO General Capi				245.00	299,736.97	0.00	299,826.06	-299,736.97	0.00
				271.67	285,816.00	0.00	299,826.06	-285,816.00	0.00
Fund: 2019 CO - Steets									

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10644	TXSTAR	708	10/01/2022	342,296.36	6,543,620.77	1,025,394.69	500,000.00	525,394.69	7,069,015.46
SYS10644	7,069,015.46	5.310	///	325,394.69	6,543,620.77	1,025,394.69	500,000.00	525,394.69	7,069,015.46
10681	FNMA	708	08/17/2020	2,721.11	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3136G4K51	0.00	0.000	08/17/2023	3,100.00	965,450.00	0.00	1,000,000.00	-965,450.00	0.00
10701	FFCB	708	06/30/2021	1,184.16	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3133EMFB3	0.00	0.000	11/02/2023	2,384.44	958,360.00	0.00	1,000,000.00	-958,360.00	0.00
10711	FHLB	708	09/30/2021	600.00	299,736.97	0.00	0.00	218.18	299,955.15
3130ALFY5	300,000.00	0.273	12/15/2023	600.00	285,816.00	0.00	0.00	10,926.00	296,742.00
Sub Totals For: Fund: 2019 CO - Steets				346,801.63	8,843,357.74	1,025,394.69	2,500,000.00	-1,474,387.13	7,368,970.61
				331,479.13	8,753,246.77	1,025,394.69	2,500,000.00	-1,387,489.31	7,365,757.46
Fund: 2020 CO General Capi									
10683	TXSTAR	710	10/01/2022	216,181.53	5,084,689.81	1,012,254.24	2,350,000.00	-1,337,745.76	3,746,944.05
SYS10683	3,746,944.05	5.310	///	212,254.24	5,084,689.81	1,012,254.24	2,350,000.00	-1,337,745.76	3,746,944.05
10686	FFCB	710	01/12/2021	336.67	999,957.92	0.00	1,000,000.00	-999,957.92	0.00
3133EMML3	0.00	0.000	01/12/2023	600.00	990,180.00	0.00	1,000,000.00	-990,180.00	0.00
10691	FHLB	710	02/05/2021	2,500.00	1,000,667.84	0.00	0.00	-563.05	1,000,104.79
3130AKK21	1,000,000.00	0.193	12/08/2023	2,500.00	952,110.00	0.00	0.00	38,250.00	990,360.00
10692	FFCB	710	02/16/2021	1,833.33	999,770.83	0.00	999,923.61	-999,770.83	0.00
3133EMQM7	0.00	0.000	02/16/2024	2,083.33	944,580.00	0.00	999,923.61	-944,580.00	0.00
10708	FHLB	710	07/29/2021	1,720.00	400,000.00	0.00	0.00	0.00	400,000.00
3130AND72	400,000.00	0.430	04/29/2024	1,720.00	376,576.00	0.00	0.00	11,596.00	388,172.00
Sub Totals For: Fund: 2020 CO General Capi				222,571.53	8,485,086.40	1,012,254.24	4,349,923.61	-3,338,037.56	5,147,048.84
				219,157.57	8,348,135.81	1,012,254.24	4,349,923.61	-3,222,659.76	5,125,476.05
Fund: 2021 CO General Capi									
10693	TXSTAR	711	10/01/2022	36,973.44	2,877,918.14	40,982.44	2,918,900.58	-2,877,918.14	0.00
SYS10693	0.00	5.047	///	40,982.44	2,877,918.14	40,982.44	2,918,900.58	-2,877,918.14	0.00

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10697	FNMA	711	03/10/2021	1,250.00	1,000,316.76	0.00	1,000,112.40	-1,000,316.76	0.00
3135G05G4	0.00	0.000	07/10/2023	1,812.50	970,620.00	0.00	1,000,112.40	-970,620.00	0.00
10699	FFCB	711	04/07/2021	1,225.00	999,453.63	0.00	999,606.03	-999,453.63	0.00
3133EMTW2	0.00	0.000	03/18/2024	1,333.33	941,180.00	0.00	999,606.03	-941,180.00	0.00
Sub Totals For: Fund: 2021 CO General Capi				39,448.44	4,877,688.53	40,982.44	4,918,619.01	-4,877,688.53	0.00
				44,128.27	4,789,718.14	40,982.44	4,918,619.01	-4,789,718.14	0.00
Fund: 2021A CO									
10064	TXSTAR	712	10/01/2022	124,823.10	3,917,940.14	175,506.27	2,450,000.00	-2,274,493.73	1,643,446.41
SYS10064	1,643,446.41	5.310	//	125,506.27	3,917,940.14	175,506.27	2,450,000.00	-2,274,493.73	1,643,446.41
Sub Totals For: Fund: 2021A CO				124,823.10	3,917,940.14	175,506.27	2,450,000.00	-2,274,493.73	1,643,446.41
				125,506.27	3,917,940.14	175,506.27	2,450,000.00	-2,274,493.73	1,643,446.41
Fund: 2023 CO									
10739	TXSTAR	713	04/01/2023	84,525.86	0.00	5,678,922.84	100,000.00	3,578,922.84	3,578,922.84
SYS10739	3,578,922.84	5.310	//	76,522.76	0.00	5,678,922.84	100,000.00	3,578,922.84	3,578,922.84
10740	FNMA	713	04/26/2023	23,500.26	0.00	1,065,000.00	0.00	1,065,000.00	1,065,000.00
3135GAGV7	1,065,000.00	5.125	04/26/2024	0.00	0.00	1,065,000.00	0.00	1,061,815.65	1,061,815.65
10750	FFCB	713	08/31/2023	83.33	0.00	499,961.81	0.00	500,010.42	500,010.42
3133EMQM7	500,000.00	0.216	02/16/2024	0.00	0.00	499,961.81	0.00	489,896.67	489,896.67
10752	FHLMC	713	08/31/2023	1,045.83	0.00	250,000.00	0.00	251,220.14	251,220.14
3134GYE57	250,000.00	5.014	07/26/2024	0.00	0.00	250,000.00	0.00	250,007.64	250,007.64
Sub Totals For: Fund: 2023 CO				109,155.28	0.00	7,493,884.65	100,000.00	5,395,153.40	5,395,153.40
				76,522.76	0.00	7,493,884.65	100,000.00	5,380,642.80	5,380,642.80
Fund: 2016 CO WATER									
10704	FFCB	803	06/30/2021	354.17	999,951.83	0.00	1,000,000.00	-999,951.83	0.00
3133EMMV1	0.00	0.000	01/13/2023	625.00	989,210.00	0.00	1,000,000.00	-989,210.00	0.00
10712	FHLB	803	09/30/2021	400.00	199,824.65	0.00	0.00	145.45	199,970.10
3130ALFY5	200,000.00	0.273	12/15/2023	400.00	190,544.00	0.00	0.00	7,284.00	197,828.00

Portfolio CITY

TC (PRF_TC) 7
Report Ver. 7.3.

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2022 - September 30, 2023

Section D, Item 5.

nv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Susip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10726	TXSTAR	803	11/01/2022	44,878.34	0.00	1,391,025.06	0.00	1,091,025.06	1,091,025.06
SYS10073	1,091,025.06	5.310	11	41,025.06	0.00	1,391,025.06	0.00	1,091,025.06	1,091,025.06
10729	FHLMC	803	01/26/2023	17,081.94	0.00	500,000.00	0.00	500,000.00	500,000.00
3134GYE57	500,000.00	5.020	07/26/2024	12,550.00	0.00	500,000.00	0.00	497,575.00	497,575.00
Sub Totals For: Fund: 2016 CO WATER				62,714.45	1,199,776.48	1,891,025.06	1,000,000.00	591,218.68	1,790,995.16
				54,600.06	1,179,754.00	1,891,025.06	1,000,000.00	606,674.06	1,786,428.06
Fund: 2019 CO - Water									
10645	TXSTAR	806	10/01/2022	22,120.89	612,718.56	70,780.94	683,499.50	-612,718.56	0.00
SYS10645	0.00	5.076	11	20,780.94	612,718.56	70,780.94	683,499.50	-612,718.56	0.00
10700	FHLB	806	05/28/2021	3,850.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3130AMPD8	1,000,000.00	0.385	05/28/2024	3,850.00	938,290.00	0.00	0.00	27,990.00	966,280.00
10706	FFCB	806	07/23/2021	4,500.00	1,001,448.89	0.00	0.00	-800.00	1,000,648.89
3133EMV25	1,000,000.00	0.369	07/23/2024	4,500.00	931,730.00	0.00	0.00	27,790.00	959,520.00
10709	FHLB	806	07/29/2021	526.75	300,000.00	0.00	300,000.00	-300,000.00	0.00
3130AND72	0.00	0.000	04/29/2024	748.92	282,432.00	0.00	300,000.00	-282,432.00	0.00
10713	FHLB	806	09/30/2021	400.00	199,824.65	0.00	0.00	145.45	199,970.10
3130ALFY5	200,000.00	0.273	12/15/2023	400.00	190,544.00	0.00	0.00	7,284.00	197,828.00
Sub Totals For: Fund: 2019 CO - Water				31,397.64	3,113,992.10	70,780.94	983,499.50	-913,373.11	2,200,618.99
				30,279.86	2,955,714.56	70,780.94	983,499.50	-832,086.56	2,123,628.00
Fund: 2023 Water CO									
10741	TXSTAR	807	05/01/2023	54,322.93	0.00	4,846,999.72	0.00	3,746,999.72	3,746,999.72
SYS10741	3,746,999.72	5.310	11	46,999.72	0.00	4,846,999.72	0.00	3,746,999.72	3,746,999.72
10742	FHLMC	807	05/17/2023	40,944.44	0.00	2,000,000.00	0.00	2,000,000.00	2,000,000.00
3134GYQY1	2,000,000.00	5.500	11/17/2025	0.00	0.00	2,000,000.00	0.00	1,989,040.00	1,989,040.00
Sub Totals For: Fund: 2023 Water CO				95,267.37	0.00	6,846,999.72	0.00	5,746,999.72	5,746,999.72
				46,999.72	0.00	6,846,999.72	0.00	5,736,039.72	5,736,039.72

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2022 - September 30, 2023

Section D, Item 5.

nv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Susip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Report Grand Totals:				2,238,142.28	62,166,919.45	59,423,193.35	56,388,882.97	-357,499.13	61,809,420.32
				1,518,886.50	61,470,040.84	59,423,193.35	56,388,882.97	71,748.74	61,541,789.58

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2023



APPENDIX A

Hilltop Securities Portfolio Assessment



City of Corinth, Texas
Annual Investment Review
 For the year ending September 30, 2023

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

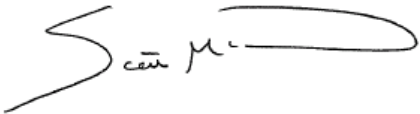
Policy Requirements:

- ✓ 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.

A handwritten signature in black ink, appearing to read "Scott McIntyre". The signature is stylized with a large initial "S" and a long horizontal stroke at the end.

Scott McIntyre, CFA
Managing Director



City of Corinth, Texas
Portfolio Exceptions
Quarter Ending September 30, 2023
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".

October 31, 2023

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

Date



City of Corinth, Texas
Portfolio Assessment
Quarter Ending September 30, 2023

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

- The Fed began increasing the overnight target range in March 2022 after two years at 0.00% to 0.25% in response to rapidly rising inflation. At the beginning of the 2022-2023 fiscal year, the overnight target was 3.00% to 3.25%. Over the past 12 months, the Fed hiked an additional 225 basis points, bringing the overnight target to 5.25% to 5.50%. *At the time of this review, policymakers are expected to be at, or near completion of the tightening cycle.*
- The City's consolidated portfolio yield was 4.29% at quarter end, up from 1.18% last year at this time. The ending portfolio yield is approximately 106 basis points below the six-month trailing average of the six-month Treasury-bill yield of 5.35%.
- *There was no undue credit risk assumed; no direct or indirect exposure to foreign markets, leverage, or speculation in any of the portfolios.*
- Government securities purchased at prevailing market rates in 2021 will weigh on the overall portfolio yield but will continue to gradually mature. Unless the City is forced to sell, there will be no realized losses.
- The portfolio average maturity of just under four (4) months suggests the City has 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 3/8/2024. Additional security collateral, exceeding \$2.5 million in market value at quarter end, ensures proper coverage.
- The portfolio strategy and investment management appear prudent, and investment reporting appears accurate.

October 31, 2023

Scott D. McIntyre, CFA
 Managing Director

Date



CITY OF CORINTH
Staff Report

Meeting Date:	4/18/2024	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 2022-2023 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 2022-2023 Summary of Rebatable Arbitrage includes the required annual computation for all bonds through September 30, 2023.

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 Rebatable Arbitrage and Yield Restriction
As of September 30, 2023

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	Rebatable		Upcoming IRS Dates	
				Arbitrage / Yield Restriction 9/30/2022	Arbitrage / Yield Restriction 9/30/2023	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	\$13,275,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2016	2.382943%	(437,615.38)	(450,082.60)	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	\$4,855,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2017	2.281137%	(103,005.07)	(2) (105,747.24)	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%	(1,214,498.54)	(1,222,031.47)	4/4/2024	6/3/2024
11/19/2020	\$9,260,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2020	1.366956%	(176,498.52)	(45,799.34)	11/19/2025	1/19/2026
2/18/2021	\$4,740,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2021	1.226191%	(70,742.14)	(51,645.23)	2/18/2026	4/20/2026
11/18/2021	\$4,285,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2021A	1.720209%	(35,011.41)	38,378.69	11/18/2026	1/18/2027
4/13/2023	\$10,980,000	Combination Tax and Ltd. Surplus Rev. CO, Series 2023	3.550700%	NA	96,809.32	4/13/2028	6/12/2028
Total Cumulative Liability				\$0.00	\$135,188.01		

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

(2) Represents liability as of installment calculation date of 8/3/22.

* 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.