



* * * * PUBLIC NOTICE * * * *

**NOTICE OF A CITY COUNCIL SPECIAL SESSION
OF THE CITY OF CORINTH
Thursday, March 22, 2018, 5:30 P.M.
CITY HALL - 3300 CORINTH PARKWAY**

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 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. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

BUSINESS AGENDA:

1. Accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017, as presented by Eide Bailly, LLP (formerly Davis Kinard & Co, PC).

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, 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 Councilmember may direct that an item be added as a business item to any future agenda.

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

a. Purchase of Right-of-Way at 2101 Lake Sharon Blvd.

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

person.

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

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

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

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

ADJOURN

Posted this 16th day of March, 2018 at 11:30 a.m. on the bulletin board at Corinth City Hall.

Kimberly Pence, City Secretary
City of Corinth, Texas

BUSINESS ITEM 1.

City Council Special Session

Meeting Date: 03/22/2018

Title: Annual Audit

Submitted For: Bob Hart, City Manager

Submitted By: Jamaine Walker, Director

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017, as presented by Eide Bailly, LLP (formerly Davis Kinard & Co, PC).

AGENDA ITEM SUMMARY/BACKGROUND

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. The audit of the City of Corinth's financial records for the year-ended September 30, 2017 was conducted by Eide Bailly, LLP (formerly Davis, Kinard & Co, PC). The audit firm, in its third year as the City's independent audit firm, issued an unqualified opinion on the financial statements, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

The Comprehensive Annual Financial Report (CAFR) was presented to the Citizen Finance Audit Committee on Wednesday, February 21, 2018. Representatives from Eide Bailly, LLP will be present at the City Council meeting to provide their opinion.

RECOMMENDATION

Staff recommends accepting the Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2017.

Attachments

CAFR

September 2017 Financial Report

Presentation

CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended September 30, 2017



Bob Hart
City Manager

Department of Finance

Jamaine Walker
Director of Finance

Linda Thoms
Accountant

CITY OF CORINTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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INTRODUCTORY SECTION



March 22, 2018

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

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2017. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

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

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

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

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP (formerly Davis Kinard & Co, PC), a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2017, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent

auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

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

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

LOCAL ECONOMY

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

The city's estimated population for 2017 is 21,269. This estimate is based on current trends from the Corinth Economic Development Department.

The City of Corinth, as well as, the State of Texas, experienced economic growth compared to prior years. The overall Texas economy is still considered healthier than most of the country. Figures from the Texas Workforce Commission indicate a local unemployment rate (Denton County) of 3.1%. For the same period, Dallas County's unemployment rate was 3.5%, the overall state of Texas rate was 3.9% and the nation's rate, as a whole, was 4.1%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 8.52% for the 2017 tax year over the 2016 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased 11.2% over the prior year's receipts. For fiscal year 2017-18, sales tax revenue is projected to increase to \$1.4 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw interest from apartment, restaurant and commercial developers.

MAJOR INITIATIVES

The City is focused on regional delivery of services by providing fire and EMS services to the Cities of Lake Dallas, Hickory Creek, and Shady Shores; and police services to the City of Shady Shores. Corinth contracts

with Lake Dallas to receive animal shelter services. Jail services are provided by Denton County through an interlocal contract, as well as public safety dispatch services. The City also contracts with the City of Flower Mound for holding cell access related to class c misdemeanors.

The City worked with the North Texas Council of Governments (NCTCOG) to conduct a flood plain survey along Lynchburg Creek. The study results are currently under review by FEMA. Corinth was selected to participate in the STAR Communities Leadership Program. The STAR Community Rating System (STAR) is the nation's leading comprehensive framework and certification program for evaluating local sustainability, encompassing economic, environmental, and social performance measures. This effort will assist the City in our effort to create a community strategic plan.

Within the utility operations, the City has initiated an asset management plan and adjusted utility rates to recover 60% of fixed costs in the base rate. Work continues with the installation of an AMI metering system. This will assist the City in our efforts to incorporate conservation strategies to reduce peak summer demand. Preliminary engineering design has begun for the construction of an elevated water storage facility, anticipated in 2019-20.

Transportation planning is important with the construction of Lake Sharon Boulevard extension underway and the preliminary planning for the Lake Sharon Boulevard Dobbs Road alignment. Both projects are essential for long-term economic development efforts.

LONG TERM FINANCIAL PLAN

The FY 2016-17 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2017-2021 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2017 the General Fund's unassigned fund balance is \$5,243,056, or 34% of annual budgeted expenditures. The appropriable fund balance for the Water/Wastewater Fund is \$2,563,577 or 21% of annual budgeted expenditures and the appropriable fund balance for the Storm Drainage Fund is 152% of budgeted expenditures or \$953,049 for the fiscal year ended September 30, 2017.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In June 2017, Standard & Poor's Rating Services affirmed its "AA" rating on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

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

approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

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

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 191 days. On September 30, 2017, the annualized yield on investments was 1.07%, compared to .62% for the same period in 2016. Funds available for investment at September 30, 2017 were \$28.2 million, which is an increase of \$4.2 million from 2016. The net increase in portfolio balance is primarily due to the receipt of \$5.1 million in bond proceeds related to the 2017 Certificates of Obligation and the 2017 General Obligation Refunding Bonds that were issued in July 2017.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. This was the eighth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2016. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully Submitted,



Bob Hart
City Manager



Jamaine Walker
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Corinth
Texas**

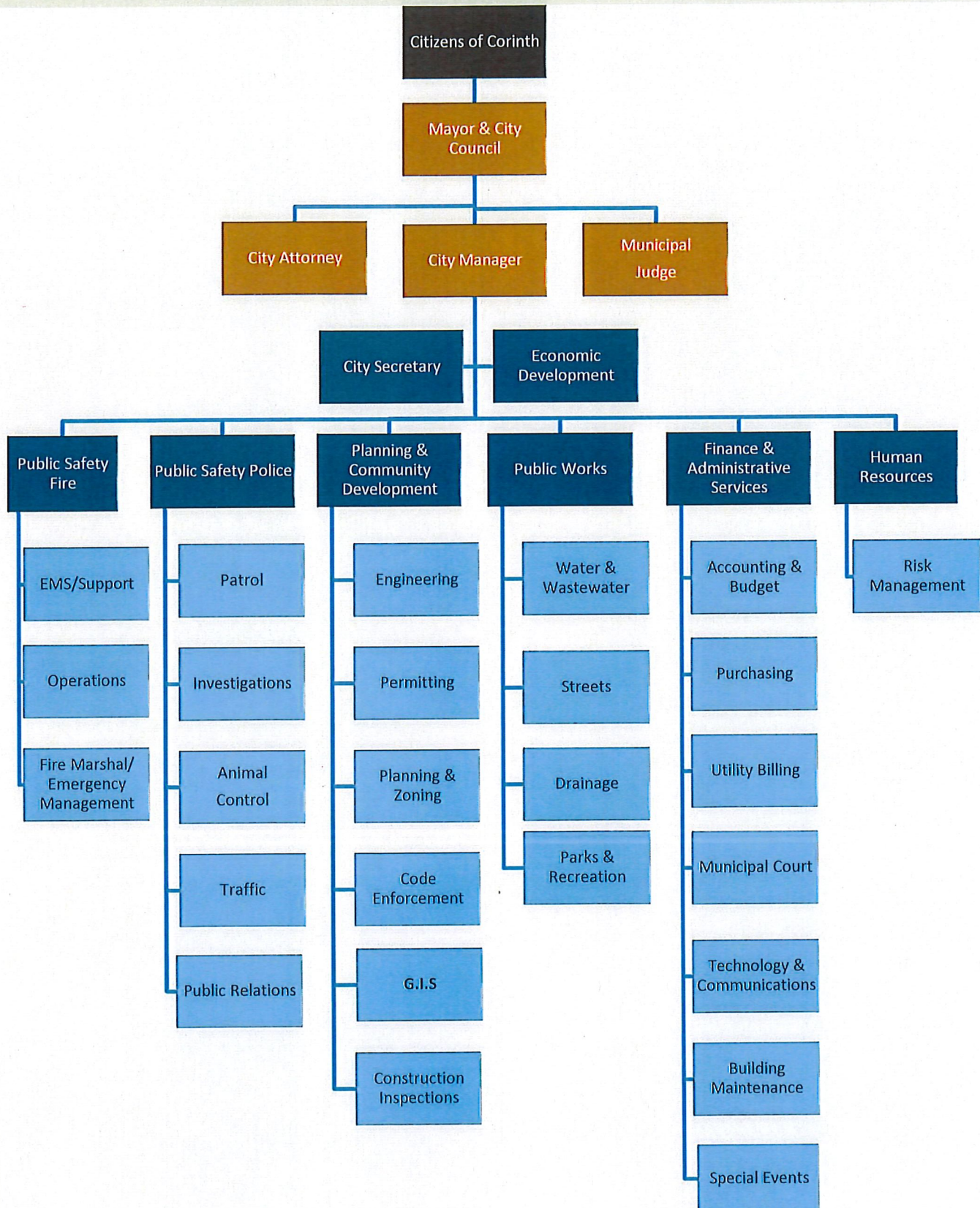
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



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

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Council Place I

Scott Garber
Council Place II

Lowell Johnson
Council Place III

Joe Harrison
Mayor Pro Tem, Council Place IV

Don Glockel
Council Place V

Appointed Officials:

Bob Hart
City Manager

Jason Alexander
Director of Economic
Development

Curtis Birt
Fire Chief

Jamaine Walker
Director of Finance

Cody Collier
Director of Public Works
Operations

Barb Cubbage
Director of Planning and
Development Services

Guadalupe Ruiz
Director of Human Resources

Debra Walthall
Chief of Police

Lee Ann Bunselmeyer
Director of Communications and
Strategic Services



FINANCIAL SECTION



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Corinth, Texas, (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

What inspires you, inspires us. | eidebailly.com

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abilene, Texas
March 2, 2018



**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

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, 2017. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

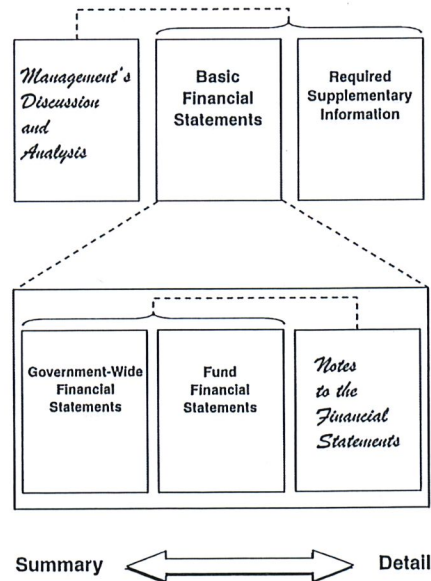
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$69,238,981.
- Total net position increased \$3,224,596 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,322,659, an increase of \$3,036,203 in comparison with the prior year. This net increase is due to a bond sale in July 2017. Of the combined ending balances, \$4,944,207 or 24% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the general fund was \$5,243,056 or 37% of total general fund expenditures.
- Long term liabilities increased to \$48,282,500 during fiscal year 2017. The net increase is due to a bond sale of \$14,240,000 in July 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements include two types of statements that present different views of the City:

Required Components of the City's Annual Financial Report



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

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

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

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

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

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

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

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

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

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

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

The government-wide financial statements can be found starting on page 23 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 of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 26 – 32 of this report.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 38 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 \$69,238,981 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$58,158,954 or 84%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$3,727,893 or 5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,352,134 or 11%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$29,243,283 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth is able to report positive balances in the government-wide as a whole and the business-type activities.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by \$3,036,203. The increase can be attributed to the receipt of bond proceeds, as well as, the use of funds in the 2007 CO Streets Fund and for Capital Improvement Projects. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the \$1,410,359 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.

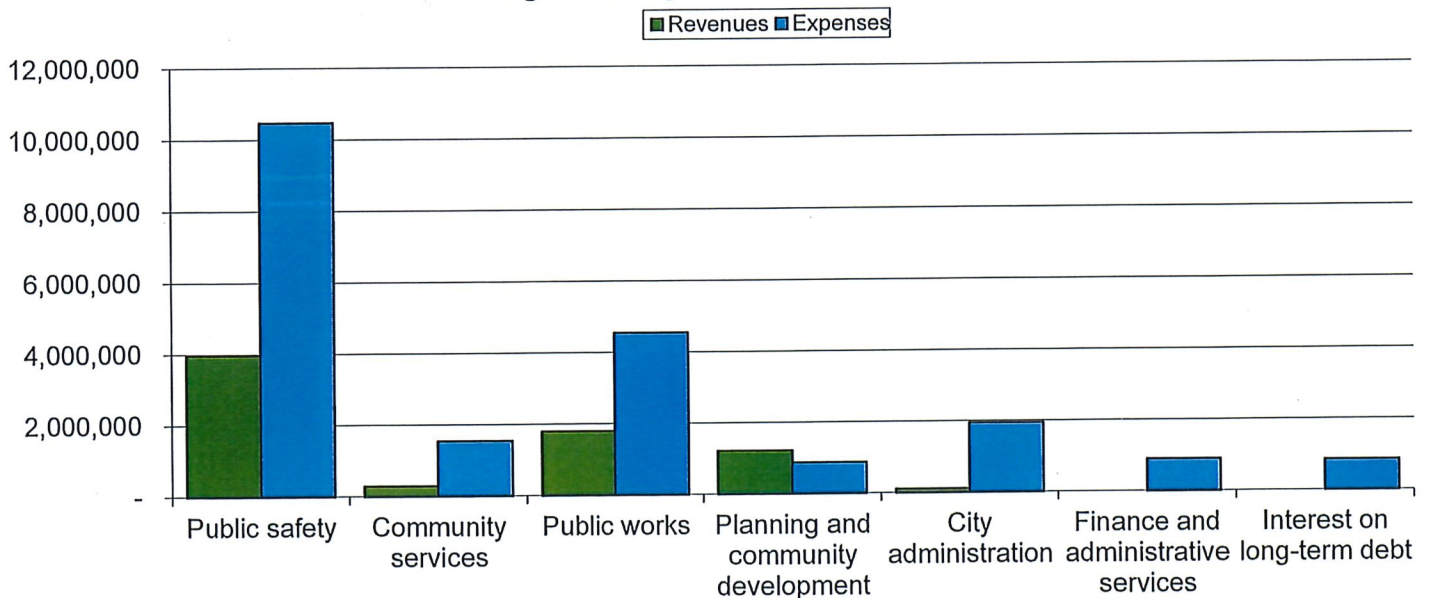
The following are the most significant factors in the reconciliation:

- 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 net position.
- Repayment of bond principal is an expenditure in the funds but not an expense in the statement of activities.
- Bond proceeds are reported as current resources in the funds but are not reported as revenue in the statement of activities.

Exhibit A-6 on page 32 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 83% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 17% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$10,629,143 or 47%, Charges for services accounted for \$5,595,180 or 25%, Sales tax received was \$2,253,805 or 10%, Franchise taxes provided \$1,073,789 or 5%, capital grants and contributions provided \$1,630,239 or 7% and operating grants and contributions provided \$97,506 or 1% for the governmental activities. The remaining 5% of revenue is made up of hotel occupancy tax, transfers, investment interest and other miscellaneous revenue. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

Figure 2: Program Revenues v. Expenses



**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and Other Assets	\$ 28,470,801	\$ 23,594,016	\$ 7,391,889	\$ 6,521,230	\$ 35,862,690	\$ 30,115,246
Capital assets	53,273,570	51,304,769	32,097,958	31,248,756	85,371,528	82,553,525
Total assets	81,744,371	74,898,785	39,489,847	37,769,986	121,234,218	112,668,771
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows - pension	2,173,391	2,201,353	286,162	289,923	2,459,553	2,491,276
Deferred loss from refunding	22,878	51,183	83,303	19,024	106,181	70,207
Total Deferred Outflows of Resources	2,196,269	2,252,536	369,465	308,947	2,565,734	2,561,483
LIABILITIES						
Long-term liabilities outstanding	38,247,084	34,305,414	10,035,416	10,663,842	48,282,500	44,969,256
Other liabilities	4,265,620	2,690,668	1,476,589	863,511	5,742,209	3,554,179
Total liabilities	42,512,704	36,996,082	11,512,005	11,527,353	54,024,709	48,523,435
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pension	473,645	611,306	62,618	81,128	536,263	692,434
Total Deferred Inflows of Resources	473,645	611,306	62,618	81,128	536,263	692,434
NET POSITION						
Net investment in capital assets	35,025,019	35,967,465	21,633,740	21,537,921	56,658,759	57,505,386
Restricted	2,600,794	1,759,359	1,127,099	647,502	3,727,893	2,406,861
Unrestricted	3,328,479	1,817,109	5,523,850	4,285,029	8,852,329	6,102,138
Total Net Position	\$ 40,954,292	\$ 39,543,933	\$ 28,284,689	\$ 26,470,452	\$ 69,238,981	\$ 66,014,385

Government-wide activities. As shown above, governmental activities increased net position by \$1,410,359 and business-type activities increased net position by \$1,814,237. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

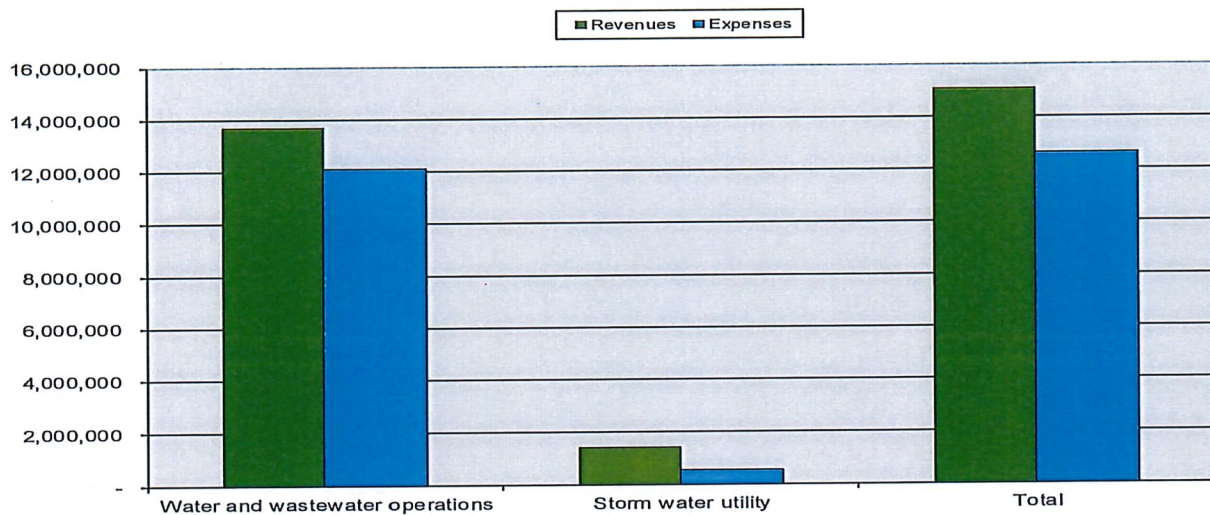
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 5,595,180	\$ 4,872,566	\$ 12,059,785	\$ 11,751,505	\$ 17,654,965	\$ 16,624,071
Operating grants and contributions	97,506	189,114	-	-	97,506	189,114
Capital grants and contributions	1,630,239	332,872	2,997,195	1,448,393	4,627,434	1,781,265
General revenues						
Property taxes	10,629,143	9,663,535	-	-	10,629,143	9,663,535
Sales taxes	2,253,805	2,023,059	-	-	2,253,805	2,023,059
Franchise taxes	1,073,789	1,068,910	-	-	1,073,789	1,068,910
Hotel taxes	77,673	79,007	-	-	77,673	79,007
Miscellaneous	228,971	237,674	7,600	4,741	236,571	242,415
Investment interest	204,231	87,433	43,692	26,328	247,923	113,761
Gain (loss) on sale of capital assets	3,497	43,222	1,196	9,768	4,693	52,990
Total Revenues	21,794,034	18,597,392	15,109,468	13,240,735	36,903,502	31,838,127
Expenses:						
Public safety	10,464,824	9,331,392	-	-	10,464,824	9,331,392
Community services	1,533,030	1,734,299	-	-	1,533,030	1,734,299
Public works	4,534,197	4,471,115	-	-	4,534,197	4,471,115
Planning and community development	857,360	1,013,413	-	-	857,360	1,013,413
City administration	1,940,255	2,032,778	-	-	1,940,255	2,032,778
Finance and administrative services	888,324	878,384	-	-	888,324	878,384
Interest on long-term debt	844,665	747,838	-	-	844,665	747,838
Water and wastewater	-	-	12,098,839	12,157,058	12,098,839	12,157,058
Storm drainage	-	-	517,412	525,740	517,412	525,740
Total Expenses	21,062,655	20,209,219	12,616,251	12,682,798	33,678,906	32,892,017
Increase (decrease) in net position before transfers, contributions and special items	731,379	(1,611,827)	2,493,217	557,937	3,224,596	(1,053,890)
Net transfers	678,980	1,159,074	(678,980)	(1,159,074)	-	-
Increase (decrease) in net position	1,410,359	(452,753)	1,814,237	(601,137)	3,224,596	(1,053,890)
Net position - beginning	39,543,933	39,996,686	26,470,452	27,071,589	66,014,385	67,068,275
Prior Period Adjustment	-	-	-	-	-	-
Net position - ending	\$ 40,954,292	\$ 39,543,933	\$ 28,284,689	\$ 26,470,452	\$ 69,238,981	\$ 66,014,385

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type Activities. Business-type activities increased the City's net position by \$1,814,237. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$11,332,588 and \$727,197, respectively, in revenue. Charges for services account for 80% of the revenue. Contributions of assets arising from new property development within the City, totaled \$2,997,195 or 20% in revenue. Less than 1% of revenue is made up of investment interest and other miscellaneous revenue.

Total revenue from water and wastewater sales and services was \$11,332,588; associated costs of water, wastewater treatment, and operations and maintenance accounted for \$12,098,839 of the total business-type expenses of \$12,616,251. The remaining \$517,412 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$727,197 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,322,659, an increase of \$3,036,203 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net increase in the General Fund balance of \$1,703,698, a net increase in the Debt Service Fund of \$43,427, a net increase of \$974,496 in other governmental funds, a net decrease of \$4,657,668 in the 2016 CO Fund and the addition of the 2017 CO Fund with a fund balance of \$4,972,250.

Of the combined total governmental fund balances of \$22,322,659, \$5,243,056 reflects the General Fund *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to \$390,681, \$2,218,000 and \$10,140,904, respectively. The fund balance that is designated as *committed*, \$2,703,352 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$4,360, and inventories, \$191,390.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$5,243,056 while total fund balance reached \$5,438,806. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 37% of total General Fund expenditures, while total fund balance represents 38% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of \$732,497. Traffic Fines, Donations, Franchise Fees, Fire Services and Charges for Services were less than budget by \$114,768, \$2,050, \$15,949, \$80,241, and \$43,723, respectively. Sales Tax, Development Fees & Permits, Utility Fees, Interest Income, Property Taxes, Parks and Recreation Fees, Miscellaneous Income, and Police Fees & Permits were above budget by \$165,736, \$682,077, \$18,916, \$35,190, \$61,982, \$2,312, \$22,349, and \$666, respectively. The City budgeted for no growth in fiscal year 2017. While revenues were over budget by \$732,497, expenditures were under budget by \$681,742. The net effect at year end was an excess of \$1,703,698 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$390,681, all of which is restricted for the payment of debt service.

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

2017 CO Fund. This fund is used to track revenues and expenditures related to the 2017 CO Debt Issuance. Funds were used for acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments, renovating a facility for the Public Works Department as well as the Lake Sharon Road Extension.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Police Confiscation Fund – Federal, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2007 CO Streets Fund, and the 2016 GO Fund. Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$54,990 more than budgeted, interest earnings were more than budgeted by \$1,783 and expenditures were \$4,019 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$79,362.
- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$41,478, interest earnings were more than budgeted by \$5,788 and expenditures were less than budget by \$171,034. These combined increased actual fund balance by \$236,838.

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

Water and Wastewater fund assets of \$34,076,353 and deferred outflows of resources of \$331,421 exceeded liabilities of \$9,822,221 and deferred inflows of resources of \$53,831, reporting net position of \$24,531,722. The net non-operating revenues and expenses were (\$367,293) which included investment interest and debt service interest, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was \$412,488 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from \$3,520,593 in fiscal year 2016 to \$3,029,211 for fiscal year 2017.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Storm Water utility fund assets of \$5,413,494 and deferred outflows of \$38,044 exceeded liabilities of \$1,689,784 and deferred inflows of resources of \$8,787, leaving total net position of \$3,752,967. Total net position increased \$807,361, unrestricted net position increased from \$764,436 to \$994,444. The storm water utility reported operating income of \$268,489 in fiscal year 2017. Net non-operating revenues and expenses were (\$51,411) which includes \$7,166 in interest income, \$127 in miscellaneous income and \$58,704 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2016-17, General Fund actual expenditures (including transfers) were \$15,070,652 compared to the final budget of \$15,752,394. The \$681,742 expenditure variance was primarily due to reduced costs of \$226,430 for Community Services, \$217,020 in City Administration, \$25,008 in Public Works, \$57,936 in Planning and Community Development, and \$151,674 in Public Safety. Actual revenue (including transfers) was \$16,774,350 compared to the final budget of \$16,041,853. Of the \$732,497 revenue variance, approximately \$165,736 was for increased Sales Tax collection, and \$682,077 was due to increased Development Fees and Permits.

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, 2017, amounts to \$85,371,528 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments as of September 30, 2017.

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,595,762	\$ 2,595,762	\$ 524,330	\$ 497,399	\$ 3,120,092	\$ 3,093,161
CIP	9,287,274	4,462,332	34,750	388,642	9,322,024	4,850,974
Buildings	4,100,547	4,298,852	97,617	104,182	4,198,164	4,403,034
Machinery and equipment	4,739,365	5,566,641	345,635	398,116	5,085,000	5,964,757
Infrastructure	32,550,622	34,381,182	31,095,626	29,860,417	63,646,248	64,241,599
Total capital assets	\$ 53,273,570	\$ 51,304,769	\$ 32,097,958	\$ 31,248,756	\$ 85,371,528	\$ 82,553,525

Additional information on the City's capital assets can be found in the notes to the financial statements on page 48.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$34,030,000 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled \$2,884,588. Total outstanding debt increased by \$1,013,427 in fiscal year 2017 due to a bond sale and the addition of a new capital lease (see Note 6).

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

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

	Governmental Activities		Business-Type Activities		TOTAL	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 7,809,874	\$ 3,458,925	\$ 7,885,126	\$ 816,075	\$ 15,695,000	\$ 4,275,000
Certificates of Obligation and Tax Notes	18,335,000	20,102,388	-	8,752,612	18,335,000	28,855,000
Capital Lease Obligation	1,381,618	1,268,191	-	-	1,381,618	1,268,191
Total outstanding debt	\$ 27,526,492	\$ 24,829,504	\$ 7,885,126	\$ 9,568,687	\$ 35,411,618	\$ 34,398,191

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 51.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "AA2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 43.40 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continued to experience an increase in sales tax as well as an increase in Development Fees during FY 2016-17. Additionally, all other revenues held firm. The LCFD Fire contract is up for renewal in FY 2017-18, with no additional increase in budget for related services. Departments limited their requests for funds and absorbed increased demands for service with reduced staffing and support. The budget reflected the commitment to deliver quality service through carefully planned resource allocations.

The City Council approved a tax rate of \$.53686 for fiscal year 2018. General operations and maintenance will receive \$.42791 of the total and the remaining \$.10895 will fund long-term debt of the City which includes the new Public Safety Facility, Fire House #3, Development Fees and growth.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

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

Exhibit A-1

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Corinth Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 7,070,003	\$ 2,528,249	\$ 9,598,252	\$ 323,771
Investments	16,607,741	3,037,291	19,645,032	3,131,866
Receivables (net of allowance)				
Accounts	4,597,308	1,651,148	6,248,456	162,374
Inventories	191,390	175,201	366,591	
Prepaid items	4,360	-	4,360	
Due from other funds	-	-	-	
Capital assets not being depreciated				
Land	2,595,762	524,330	3,120,092	
Construction in progress	9,287,274	34,750	9,322,024	
Capital assets (net of accumulated depreciation)				
Buildings	4,100,547	97,617	4,198,164	
Machinery and equipment	4,739,365	345,635	5,085,000	
Infrastructure	32,550,622	31,095,626	63,646,248	
Total assets	81,744,372	39,489,847	121,234,219	3,618,011
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss from refunding	22,878	83,303	106,181	
Deferred outflows - pension	2,173,391	286,162	2,459,553	
Total Deferred Outflows of Resources	2,196,269	369,465	2,565,734	-
LIABILITIES				
Accounts payable	1,602,769	764,220	2,366,989	1,528
Accrued liabilities	377,188	44,109	421,297	4,309
Accrued interest payable	179,238	46,355	225,593	
Municipal court bonds	5,149	-	5,149	
Customer meter deposits	-	608,240	608,240	
Other liabilities	2,101,276	13,665	2,114,941	
Noncurrent Liabilities				
Due within one year	2,516,920	1,288,462	3,805,382	8,551
Due in more than one year	35,730,164	8,746,954	44,477,118	
Total liabilities	42,512,704	11,512,005	54,024,709	14,388
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	473,645	62,618	536,263	
Total Deferred Inflows of Resources	473,645	62,618	536,263	-
NET POSITION				
Net investment in capital assets	35,025,019	23,133,935	58,158,954	
Restricted for capital projects	-	1,127,099	1,127,099	
Restricted for specific programs	2,359,807	-	2,359,807	
Restricted for debt service	240,987	-	240,987	
Restricted for economic development	-	-	-	3,603,623
Unrestricted	3,328,479	4,023,655	7,352,134	
Total net position	\$ 40,954,292	\$ 28,284,689	\$ 69,238,981	\$ 3,603,623

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

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

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
Public safety	\$ 10,464,824	\$ 3,934,109	\$ 28,979	\$ -
Community services	1,533,030	210,498	62,950	-
Public works	4,534,197	156,559	-	1,630,239
Planning and community development	857,360	1,200,712	-	-
City administration	1,940,255	93,302	5,577	-
Finance and administrative services	888,324	-	-	-
Interest on long-term debt	844,665	-	-	-
Total governmental activities	<u>21,062,655</u>	<u>5,595,180</u>	<u>97,506</u>	<u>1,630,239</u>
Business-type activities:				
Water and sewer	12,098,839	11,332,588	-	2,310,155
Storm drainage	517,412	727,197	-	687,040
Total business-type activities	<u>12,616,251</u>	<u>12,059,785</u>	<u>-</u>	<u>2,997,195</u>
Total primary government	<u>\$ 33,678,906</u>	<u>\$ 17,654,965</u>	<u>\$ 97,506</u>	<u>\$ 4,627,434</u>
Component unit				
Corinth Economic Development Corporation	<u>\$ 364,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
 Taxes:
 Property taxes
 Sales taxes
 Franchise taxes
 Hotel occupancy tax
 Investment income
 Other income (expense)
 Gain (loss) on sale of capital assets
 Transfers
 Total general revenues and transfers

Change in net position

Net position - beginning
 Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
\$ (6,501,736)	\$ -	\$ (6,501,736)	
(1,259,582)	-	(1,259,582)	
(2,747,399)	-	(2,747,399)	
343,352	-	343,352	
(1,841,376)	-	(1,841,376)	
(888,324)	-	(888,324)	
(844,665)	-	(844,665)	
<u>(13,739,730)</u>	<u>-</u>	<u>(13,739,730)</u>	
-	1,543,904	1,543,904	
-	896,825	896,825	
<u>-</u>	<u>2,440,729</u>	<u>2,440,729</u>	
(13,739,730)	2,440,729	(11,299,001)	
			\$ <u>(364,743)</u>
10,629,143	-	10,629,143	-
2,253,805	-	2,253,805	756,725
1,073,789	-	1,073,789	-
77,673	-	77,673	-
204,231	43,692	247,923	29,501
228,971	7,600	236,571	61
3,497	1,196	4,693	-
678,980	(678,980)	-	-
<u>15,150,089</u>	<u>(626,492)</u>	<u>14,523,597</u>	<u>786,287</u>
1,410,359	1,814,237	3,224,596	421,544
<u>39,543,933</u>	<u>26,470,452</u>	<u>66,014,385</u>	<u>3,182,079</u>
<u>\$ 40,954,292</u>	<u>\$ 28,284,689</u>	<u>\$ 69,238,981</u>	<u>\$ 3,603,623</u>

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

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

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

2017 CO Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,973,910	\$ 3,510,145	\$ 7,070,003
2,000,732	1,856,986	16,607,741
-	-	92,268
-	146,817	456,680
-	-	73,198
1,168	4,264	29,426
-	-	3,105,209
-	-	127,704
-	49,755	493,121
-	-	219,702
-	-	191,390
-	-	4,360
<u>\$ 4,975,810</u>	<u>\$ 5,567,967</u>	<u>\$ 28,470,802</u>
\$ 3,560	\$ 1,102	\$ 1,602,769
-	5,933	377,188
-	-	5,149
-	708,859	2,101,276
-	-	-
<u>3,560</u>	<u>715,894</u>	<u>4,086,382</u>
-	-	2,061,761
-	-	2,061,761
-	-	195,750
4,972,250	2,447,569	14,479,349
-	2,703,352	2,703,352
-	(298,848)	4,944,208
<u>4,972,250</u>	<u>4,852,073</u>	<u>22,322,659</u>
<u>\$ 4,975,810</u>	<u>\$ 5,567,967</u>	<u>\$ 28,470,802</u>

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

Exhibit A-4

Total Fund Balances - Governmental Funds	\$	22,322,659
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		53,273,570
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:		
Capital leases payable		(1,381,618)
Bonds payable		(28,875,582)
Accrued compensated absences		(1,032,567)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.		22,878
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.		(179,238)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$6,957,317, a deferred inflow of resources of \$473,645 and a deferred outflow of resources of \$2,173,391. This results in a decrease in net position.		(5,257,571)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$85,730, net fines, fees and court costs receivable of \$1,784,732, net fees for ambulance receivables of \$127,704 and net receivables for other items of \$63,595 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.		<u>2,061,761</u>
Net position of governmental activities	\$	<u><u>40,954,292</u></u>

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



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

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

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

2017 CO Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,629,501
-	724,466	2,253,805
-	77,673	77,673
-	-	1,073,789
-	156,559	156,559
-	-	31,416
-	25,627	619,747
-	-	1,147,711
-	26,495	52,661
-	10,710	169,173
-	-	2,601,507
-	81,235	94,185
3,376	47,731	204,231
-	2,419	2,419
-	140,269	322,436
-	19,871	462,404
<u>3,376</u>	<u>1,313,055</u>	<u>19,899,217</u>
-	308,591	9,234,496
-	19,520	1,353,153
-	393,214	1,086,857
-	-	874,835
-	130,544	1,777,956
-	-	862,354
-	138,439	1,542,615
-	23,923	1,109,103
136,436	-	232,870
31,126	187,089	4,958,837
<u>167,562</u>	<u>1,201,320</u>	<u>23,033,076</u>
(164,186)	111,735	(3,133,859)
5,136,436	251,866	13,017,245
-	16,073	16,073
-	-	(7,542,236)
-	(24,730)	(757,600)
-	619,552	1,436,580
<u>5,136,436</u>	<u>862,761</u>	<u>6,170,062</u>
4,972,250	974,496	3,036,203
-	3,877,577	19,286,456
<u>\$ 4,972,250</u>	<u>\$ 4,852,073</u>	<u>\$ 22,322,659</u>

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

Exhibit A-6

Net Change in Fund Balances - Total Governmental Funds	\$	3,036,203
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		6,761,866
The net book value of capital assets disposed reduces net position.		(12,449)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(4,780,616)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	\$ (11,529,973)	
Issuance of bond premium	(1,040,933)	
Issuance of capital lease	(251,866)	
Current year deferred loss on bond refunding	(15,812)	
Bond principal repayments	8,946,413	
Capital lease repayment	138,439	
Amortization of premium	326,462	
Amortization of deferred loss on bond refunding	<u>(12,493)</u>	
		(3,439,763)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(37,795)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease of \$4,677. The effect is to increase net position.		4,677
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$866,254. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,248,972. The net effect is a decrease in net position.		(382,718)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		<u>260,954</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,410,359</u></u>

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

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

Exhibit A-7

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash	\$ 2,252,507	\$ 275,742	\$ 2,528,249
Investments	2,236,002	801,289	3,037,291
Receivables (net of allowances for uncollectibles):			
Accounts	1,556,864	83,964	1,640,828
Interest	3,749	1,147	4,896
Miscellaneous	5,424	-	5,424
Inventories	160,597	14,604	175,201
Due from other funds	-	-	-
Total Current Assets	6,215,143	1,176,746	7,391,889
Non-current assets:			
Capital Assets			
Land	512,330	12,000	524,330
Construction in progress	34,750	-	34,750
Buildings	252,345	-	252,345
Machinery and equipment	1,470,070	299,508	1,769,578
Infrastructure	43,121,136	5,829,272	48,950,408
Less accumulated depreciation	(17,529,421)	(1,904,032)	(19,433,453)
Total Capital Assets (net of accumulated depreciation)	27,861,210	4,236,748	32,097,958
Total assets	34,076,353	5,413,494	39,489,847
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	73,556	9,747	83,303
Deferred outflows - pension	257,865	28,297	286,162
Total deferred outflows of resources	331,421	38,044	369,465
LIABILITIES			
Current liabilities:			
Accounts payable	761,903	2,317	764,220
Accrued liabilities	44,109	-	44,109
Accrued interest payable	37,774	8,581	46,355
Customer deposits	608,240	-	608,240
Other liabilities	-	13,665	13,665
Compensated absences	84,626	261	84,887
Current portion of bonds	996,362	207,213	1,203,575
Total current liabilities	2,533,014	232,037	2,765,051
Non-current liabilities:			
Net pension liability	817,674	85,529	903,203
General obligation bonds	6,471,533	1,372,218	7,843,751
Total Noncurrent Liabilities	7,289,207	1,457,747	8,746,954
Total Liabilities	9,822,221	1,689,784	11,512,005
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	53,831	8,787	62,618
Total Deferred Inflows of Resources	53,831	8,787	62,618
NET POSITION			
Net investment in capital assets	20,466,871	2,667,064	23,133,935
Restricted for capital projects	1,035,640	91,459	1,127,099
Unrestricted	3,029,211	994,444	4,023,655
Total net position	\$ 24,531,722	\$ 3,752,967	\$ 28,284,689

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

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

Exhibit A-8

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

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



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

Exhibit A-9

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 11,294,764	\$ 726,143	\$ 12,020,907
Payments to or on behalf of employees	(1,652,541)	(111,470)	(1,764,011)
Payments to suppliers	<u>(7,563,918)</u>	<u>(78,915)</u>	<u>(7,642,833)</u>
Net cash provided by operating activities	2,078,305	535,758	2,614,063
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(948,147)	(96,757)	(1,044,904)
Transfers in	365,924	-	365,924
Payments to/from other funds	-	-	-
Net cash used by noncapital financing activities	<u>(582,223)</u>	<u>(96,757)</u>	<u>(678,980)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	225,000	-	225,000
Acquisition of capital assets	(684,501)	(24,499)	(709,000)
Proceeds from issuance of debt	7,241,239	1,599,431	8,840,670
Principal paid on bonds	(7,576,362)	(1,672,226)	(9,248,588)
Interest paid on bonds	(689,460)	(122,494)	(811,954)
Proceeds from sale of assets	1,196	-	1,196
Special assessments- impact fees	<u>535,450</u>	<u>-</u>	<u>535,450</u>
Net cash provided (used) by capital and related financing activities	(947,438)	(219,788)	(1,167,226)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in short-term investments	866,517	(101,751)	764,766
Interest received	<u>42,635</u>	<u>6,738</u>	<u>49,373</u>
Net cash provided (used) by investing activities	909,152	(95,013)	814,139
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,457,796	124,200	1,581,996
CASH AND CASH EQUIVALENTS, BEGINNING	<u>794,711</u>	<u>151,542</u>	<u>946,253</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,252,507</u>	<u>\$ 275,742</u>	<u>\$ 2,528,249</u>

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

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: REPORTING ENTITY

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

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

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

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

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

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

The City reports the following major governmental funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The 2016 CO Fund is used to account for the resources obtained from the issuance of the 2016 \$13,275,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The 2017 CO Fund is used to account for the resources obtained from the issuance of the 2017 \$4,855,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

Water and Sewer Fund — The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.

Storm Drainage Fund — The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

Sixteen nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.

Ten nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily through certificates of obligation.

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Cash Equivalents

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

Investments

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

Fair Value Measurements

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

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

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

Receivables and Payables

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

Inventory

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

Pensions

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Building and building improvements	20-50 years
Water and Wastewater system infrastructure	30 years
Storm drainage system infrastructure	30 years
Public domain infrastructure	50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 years

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

Long-term Obligations

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

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

Compensated Absences

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

Use of Estimates

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

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2017, was \$.58193 per \$100 of assessed valuation.

Fund Balance

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

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had \$191,390 and \$4,360 in nonspendable fund balance for inventory and prepaid items, respectively, at September 30, 2017.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled \$390,681 as of September 30, 2017. Fund balance restricted for future capital projects totaled \$6,668,849, \$4,972,250, \$91,791 and \$252,881, respectively. Special revenue fund balance restricted for specific programs included crime control and prevention, street maintenance, hotel motel tax, Keep Corinth Beautiful, county child safety, special revenue, municipal court security, municipal court technology, police confiscation – state, parks development, community park improvement, and tree mitigation and totaled \$330,897, \$936,563, \$175,414, \$26,950, \$22,299, \$37,595, \$69,725, \$44,539, \$1,783, \$279,568, \$22,939 and \$154,625 respectively, as of September 30, 2017.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

Committed fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue totaling \$321,170 as of September 30, 2017. Capital project fund balances committed for future projects included the governmental capital projects, vehicle replacement, LCFD vehicle and equipment replacement, tech equipment replacement, and street escrow and totaled \$1,778,664, \$115,575, \$306,973, \$27,649, and \$153,321, respectively, as of September 30, 2017.

Assigned fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance. The City had no assigned fund balance as of September 30, 2017.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy

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

Flow Assumptions

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

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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

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

Deficit fund equity

At September 30, 2017, a fund deficit of \$298,849 was reported for the Roadway Impact Fee Fund. It represents deferred/unearned impact fee revenue, net of related assets, which will be recognized as development of land progresses through April 1, 2025.

Note 6: DETAILED NOTES ON ALL FUNDS

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2017, were entirely covered by FDIC insurance and pledged collateral held by the City's agent bank.

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

Primary Government

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

CEDC

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

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

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

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

The City and its component unit invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days calculated according to SEC rule 2a-7.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2017, the City's investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor's.

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

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

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

A summary of changes in capital assets follows:

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

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

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

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

CITY OF CORINTH, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Interfund Transfers

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

Fund	Transfers In	Transfers Out	Purpose
General	\$ 817,028	\$ 732,870	Administrative allocation, budgeted transfers
Nonmajor Govt	619,552	24,730	Budgeted transfers
Water and Sewer	365,924	948,147	Administrative allocations, budgeted transfers
Storm Drainage	96,757	96,757	Administrative allocations, budgeted transfers
	<u>\$ 1,802,504</u>	<u>\$ 1,802,504</u>	

Long-term Obligations

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

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

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 20,102,389	\$ 4,855,000	\$ (6,622,388)	\$ 18,335,001	\$ 65,000
General obligation bonds	3,458,925	6,674,973	(2,324,025)	7,809,873	1,146,465
Bond premiums/discounts (net)	2,016,237	1,040,933	(326,462)	2,730,708	206,093
Compensated absences	994,772	37,795	-	1,032,567	935,042
Capital lease obligation	1,268,191	251,866	(138,439)	1,381,618	164,320
Net pension liability	6,464,900	492,417	-	6,957,317	-
Total Governmental Activities	\$ 34,305,414	\$ 13,352,984	\$ (9,411,314)	\$ 38,247,084	\$ 2,516,920
Business-type activities					
General obligation bonds	\$ 816,075	\$ 7,565,027	\$ (495,976)	\$ 7,885,126	\$ 1,083,535
Certificates of obligation	8,752,609	-	(8,752,609)	-	-
Bond premiums/discounts (net)	161,175	1,275,643	(274,618)	1,162,200	120,040
Compensated absences	96,987	-	(12,100)	84,887	84,887
Net pension liability	836,996	66,207	-	903,203	-
Total Business Type Activities	\$ 10,663,842	\$ 8,906,877	\$ (9,535,303)	\$ 10,035,416	\$ 1,288,462
Total long-term obligations	\$ 44,969,256	\$ 22,259,861	\$ (18,946,617)	\$ 48,282,500	\$ 3,805,382

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

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2017	Business Type Amount Outstanding 9/30/2017
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	\$ 205,000	\$ -
Certificates of Obligation	4/21/2016	13,275,000	2.00%-5.00%	2/15/2036	13,275,000	-
General Obligation	4/21/2016	1,510,000	2.00%	2/15/2020	1,134,900	320,099
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	6,674,974	7,565,027
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	4,855,000	-
					\$ 26,144,874	\$ 7,885,126

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

Fiscal Year	Principal	Interest	Total Requirements
2018	\$ 1,211,465	\$ 1,078,087	\$ 2,289,552
2019	1,304,797	1,023,774	2,328,571
2020	1,598,629	972,982	2,571,611
2021	1,360,310	923,202	2,283,512
2022	1,355,154	865,841	2,220,995
2023-2027	7,804,523	3,288,602	11,093,125
2028-2032	5,705,000	1,691,612	7,396,612
2033-2037	5,804,996	479,286	6,284,282
Total	\$ 26,144,874	\$ 10,323,386	\$ 36,468,260

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

Fiscal Year	Principal	Interest	Total Requirements
2018	\$ 1,083,535	\$ 355,053	\$ 1,438,588
2019	1,010,203	309,132	1,319,335
2020	776,371	268,197	1,044,568
2021	674,690	233,883	908,573
2022	634,846	201,145	835,991
2023-2027	3,705,481	481,913	4,187,394
Total	\$ 7,885,126	\$ 1,849,323	\$ 9,734,449

Capital Leases Payable

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

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

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

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

Note 7: DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Benefits Provided

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

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

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Employees covered by benefit terms: At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

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

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14% and 14% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$1,400,433, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	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	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2015	\$ 32,877,499	\$ 25,575,603	\$ 7,301,896
Changes for the year:			
Service Cost	1,636,649		1,636,649
Interest	2,244,189		2,244,189
Changes of benefit terms	-		-
Difference between expected and actual experience	409,560		409,560
Changes of assumptions	-		-
Contributions - employer		1,372,064	(1,372,064)
Contributions - employee		650,021	(650,021)
Net investment income		1,730,262	(1,730,262)
Benefit payments, including refunds of employee contributions	(897,171)	(897,171)	-
Administrative expense		(19,521)	19,521
Other changes		(1,052)	1,052
Net changes	3,393,227	2,834,603	558,624
Balance at 12/31/2016	\$ 36,270,726	\$ 28,410,206	\$ 7,860,520

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 14,393,120	\$ 7,860,520	\$ 2,633,201

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

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

For the year ended September 30, 2017, the City recognized pension expense of \$1,834,609.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 329,096	\$ (370,861)
Changes in actual assumptions	-	(162,275)
Difference between projected and actual investment earnings	1,111,153	(3,127)
Contributions subsequent to the measurement date	1,019,304	-
Total	<u>\$ 2,459,553</u>	<u>\$ (536,263)</u>

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

Year Ended September 30:

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Supplemental Death Benefits Plan

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

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

The City's contributions to the TMRS SDBF for the years ended September 30, 2017, 2016 and 2015 were \$10,794, \$9,252, and \$8,807, respectively, which equaled the required contributions each year.

Note 8: RISK MANAGEMENT

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

Note 9: COMMITMENTS AND CONTINGENCIES

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

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$8,695,114.

Upper Trinity Regional Water District (UTRWD)

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

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 9: COMMITMENTS AND CONTINGENCIES (continued)

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Exhibit B-1

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

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

Exhibit B-2

	<u>Year Ended December 31, 2016</u>	<u>Year Ended December 31, 2015</u>	<u>Year Ended December 31, 2014</u>
Total Pension Liability			
Service cost	\$ 1,636,649	\$ 1,614,486	\$ 1,444,400
Interest on total pension liability	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-
Differences between expected and actual experience	409,560	(356,486)	(293,384)
Change of assumptions	-	(252,429)	-
Benefit payments/refunds of contributions	<u>(897,171)</u>	<u>(783,303)</u>	<u>(854,227)</u>
Net change in total pension liability	3,393,227	2,385,780	2,291,463
Total pension liability, beginning	<u>32,877,499</u>	<u>30,491,719</u>	<u>28,200,256</u>
Total pension liability, ending (a)	<u>\$ 36,270,726</u>	<u>\$ 32,877,499</u>	<u>\$ 30,491,719</u>
Fiduciary Net Position			
Contributions - Employer	\$ 1,372,064	\$ 1,415,503	\$ 1,209,444
Contributions - Employee	650,021	648,976	604,376
Net investment income	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(897,171)	(783,303)	(854,227)
Administrative expenses	(19,521)	(21,823)	(13,183)
Other	<u>(1,052)</u>	<u>(1,078)</u>	<u>(1,084)</u>
Net change in fiduciary net position	2,834,603	1,294,116	2,208,360
Fiduciary net position, beginning	<u>25,575,603</u>	<u>24,281,487</u>	<u>22,073,127</u>
Fiduciary net position, ending (b)	<u>\$ 28,410,206</u>	<u>\$ 25,575,603</u>	<u>\$ 24,281,487</u>
Net pension liability / (asset), ending = (a) - (b)	<u>7,860,520</u>	<u>7,301,896</u>	<u>6,210,232</u>
Fiduciary net position as a percentage of total pension liability	78.33%	77.79%	79.63%
Pensionable covered payroll	\$ 8,967,939	\$ 9,252,068	\$ 8,633,945
Net pension liability as a percentage of covered payroll	87.65%	78.92%	71.93%

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

**CITY OF CORINTH, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2017**

Exhibit B-3

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2014	\$ 1,188,806	\$ 1,188,806	\$ -	\$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%

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

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

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

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

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

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

Changes of Assumptions

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

Stewardship, Compliance, and Accountability

I. Budgetary Information

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Public hearings are conducted to obtain taxpayer comments.
- B. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- C. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of control is at the fund level.
- D. Budgeted amounts are as originally adopted or as amended by the City Council or management. During the year the additional appropriations were submitted as budget amendments and approved by the City Council.
- E. Capital Project funds were not budgeted. Since project length financial plans usually extend into two or more fiscal years, this makes comparisons confusing and misleading.
- F. Formal budgetary integration is employed as a management control device during the year. The legally adopted budgets for the General Fund, certain Special Revenue Funds, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the following funds:

General Fund

Special Revenue Funds:

- Crime Control & Prevention Fund
- Street Maintenance Fund
- Hotel-Motel Tax Fund
- Keep Corinth Beautiful Fund
- County Child Safety Fund
- Municipal Court Security Fund
- Municipal Court Technology Fund
- Police Confiscation – State Fund
- Police Confiscation – Federal Fund
- Parks Development Fund
- Community Park Improvement Fund
- Tree Mitigation Fund
- Roadway Impact Fee Fund

Debt Service Fund

II. Employee Retirement Plan - five year schedule of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2016	\$ 28,990,566	\$ 36,270,726	79.9%	\$ 7,280,160	\$ 8,967,939	81.2%
12/31/2015	\$ 26,153,202	\$ 32,877,499	79.5%	\$ 6,724,297	\$ 9,252,068	72.7%
12/31/2014	\$ 23,407,353	\$ 30,491,719	76.8%	\$ 7,084,366	\$ 8,633,945	82.1%
12/31/2013	\$ 20,892,219	\$ 28,200,256	74.1%	\$ 7,308,037	\$ 8,028,481	91.0%
12/31/2012	\$ 18,483,323	\$ 23,648,932	78.2%	\$ 5,165,609	\$ 7,989,936	64.7%

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS

Nonmajor Governmental Funds

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

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

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

- The Government Capital Projects Fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement Fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement Fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Technology Equipment Replacement Fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow Fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- 2007 CO Streets Fund is used to account for the projects and funding associated with the Series 2007 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- Public Property Finance Fund is used to account for Lease Proceeds per Lease agreement.
- 2016 GO Fund is used to account for the projects and funding associated with the Series 2016 General Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2017 CO Fund is used to account for the projects and funding associated with the Series 2017 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements as well as acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments. It also accounts for the renovation of a Public Works facility and the Lake Sharon Road Extension.

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

Note B: Budgetary Process

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

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. No significant budget amendments occurred during the year ended September 30, 2017.
- g. All budget appropriations lapse at year end.

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

Exhibit C-1

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,262,303	\$ 1,247,842	\$ 3,510,145
Investments	400,000	1,456,986	1,856,986
Receivables (net of allowance)			
Sales taxes	146,817	-	146,817
Interest	1,504	2,760	4,264
Miscellaneous	30,489	19,266	49,755
Total Assets	\$ <u>2,841,113</u>	\$ <u>2,726,854</u>	\$ <u>5,567,967</u>
LIABILITIES			
Accounts payable	\$ 1,102	\$ -	\$ 1,102
Accrued liabilities	5,933	-	5,933
Other liabilities	708,859	-	708,859
Total Liabilities	715,894	-	715,894
FUND BALANCES			
Restricted	2,102,897	344,672	2,447,569
Committed	321,170	2,382,182	2,703,352
Unassigned	(298,848)	-	(298,848)
Total Fund Balances	<u>2,125,219</u>	<u>2,726,854</u>	<u>4,852,073</u>
Total Liabilities and Fund Balances	\$ <u>2,841,113</u>	\$ <u>2,726,854</u>	\$ <u>5,567,967</u>

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

Exhibit C-2

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes:			
Sales	\$ 724,466	\$ -	\$ 724,466
Hotel occupancy tax	77,673	-	77,673
Escrow and impact fees	156,559	-	156,559
Traffic fines & forfeitures	25,627	-	25,627
Police fees & permits	26,495	-	26,495
Parks & recreation fees	10,710	-	10,710
Donations	81,235	-	81,235
Interest income	22,863	24,868	47,731
Grants	2,419	-	2,419
Miscellaneous income	90,269	50,000	140,269
Charges for services	-	19,871	19,871
Total Revenues	1,218,316	94,739	1,313,055
EXPENDITURES			
Current:			
Public safety	300,536	8,055	308,591
Community services	19,520	-	19,520
Public works	174,129	219,085	393,214
City administration	77,034	53,510	130,544
Debt service:			
Principal	-	138,439	138,439
Interest	-	23,923	23,923
Capital outlay	(590)	187,679	187,089
Total Expenditures	570,629	630,691	1,201,320
Excess (Deficiency) of Revenues over Expenditures	647,687	(535,952)	111,735
OTHER FINANCING SOURCES (USES)			
Issuance of capital leases	-	251,866	251,866
Proceeds from sale of capital assets	-	16,073	16,073
Transfers out	(24,730)	-	(24,730)
Transfers in	17,771	601,781	619,552
Total Other Financing Sources (Uses)	(6,959)	869,720	862,761
Net Change in Fund Balance	640,728	333,768	974,496
Fund Balance - October 1 (Beginning)	1,484,491	2,393,086	3,877,577
Fund Balance - September 30 (Ending)	\$ 2,125,219	\$ 2,726,854	\$ 4,852,073



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

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>	<u>Keep Corinth Beautiful</u>
ASSETS				
Cash and cash equivalents	\$ 266,938	\$ 458,694	\$ 168,794	\$ 26,950
Investments	-	400,000	-	-
Receivables (net of allowance)				
Sales taxes	69,350	77,467	-	-
Interest	-	1,504	-	-
Miscellaneous	-	-	6,620	-
Total Assets	<u>\$ 336,288</u>	<u>\$ 937,665</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,102	\$ -	\$ -
Accrued liabilities	5,391	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>5,391</u>	<u>1,102</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	330,897	936,563	175,414	26,950
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>330,897</u>	<u>936,563</u>	<u>175,414</u>	<u>26,950</u>
Total Liabilities and Fund Balances	<u>\$ 336,288</u>	<u>\$ 937,665</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>

Exhibit C-3

<u>County Child Safety</u>	<u>Special Revenue</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Confiscation-State</u>	<u>Police Confiscation-Federal</u>
\$ 472	\$ 357,265	\$ 69,725	\$ 44,539	\$ 19,483	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,369	1,500	-	-	-	-
<u>\$ 22,841</u>	<u>\$ 358,765</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 19,483</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
542	-	-	-	-	-
-	-	-	-	17,700	-
<u>542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,700</u>	<u>-</u>
22,299	37,595	69,725	44,539	1,783	-
-	321,170	-	-	-	-
-	-	-	-	-	-
<u>22,299</u>	<u>358,765</u>	<u>69,725</u>	<u>44,539</u>	<u>1,783</u>	<u>-</u>
<u>\$ 22,841</u>	<u>\$ 358,765</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 19,483</u>	<u>\$ -</u>

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

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

<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 392,311	\$ 2,262,303
-	400,000
-	146,817
-	1,504
-	30,489
<u>\$ 392,311</u>	<u>\$ 2,841,113</u>

\$ -	\$ 1,102
-	5,933
<u>691,159</u>	<u>708,859</u>
691,159	715,894

-	2,102,897
-	321,170
<u>(298,848)</u>	<u>(298,848)</u>
<u>(298,848)</u>	<u>2,125,219</u>
<u>\$ 392,311</u>	<u>\$ 2,841,113</u>

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

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>	<u>Keep Corinth Beautiful</u>
REVENUES				
Taxes:				
Sales	\$ 346,090	\$ 378,376	\$ -	\$ -
Hotel occupancy tax	-	-	77,673	-
Escrow and impact fees	-	-	-	-
Traffic fines & forfeitures	-	-	-	-
Police fees & permits	-	-	-	-
Parks & recreation fees	-	-	-	-
Donations	-	-	-	5,400
Interest income	2,033	6,790	1,650	227
Grants	-	-	-	-
Miscellaneous income	-	-	-	-
Total Revenues	<u>348,123</u>	<u>385,166</u>	<u>79,323</u>	<u>5,627</u>
EXPENDITURES				
Current:				
Public safety	244,031	-	-	-
Community services	-	-	-	-
Public works	-	148,327	-	-
City administration	-	-	74,007	3,027
Capital outlay	-	-	-	-
Total Expenditures	<u>244,031</u>	<u>148,327</u>	<u>74,007</u>	<u>3,027</u>
Excess (Deficiency) of Revenues over Expenditures	104,092	236,839	5,316	2,600
OTHER FINANCING SOURCES (USES)				
Transfers out	(24,730)	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>(24,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	79,362	236,839	5,316	2,600
Fund Balance - October 1 (Beginning)	251,535	699,724	170,098	24,350
Fund Balance - September 30 (Ending)	<u>\$ 330,897</u>	<u>\$ 936,563</u>	<u>\$ 175,414</u>	<u>\$ 26,950</u>

Exhibit C-4

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology	Police Confiscation- State	Police Confiscation- Federal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,993	14,634	-	-
23,990	2,505	-	-	-	-
-	-	-	-	-	-
-	25,835	-	-	-	-
75	2,745	603	327	1,783	-
-	2,419	-	-	-	-
-	90,269	-	-	-	-
<u>24,065</u>	<u>123,773</u>	<u>11,596</u>	<u>14,961</u>	<u>1,783</u>	<u>-</u>
28,265	28,240	-	-	-	-
-	(7,430)	9,015	-	-	-
-	9,869	-	-	-	-
-	-	-	-	-	-
-	(590)	-	-	-	-
<u>28,265</u>	<u>30,089</u>	<u>9,015</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,200)	93,684	2,581	14,961	1,783	-
-	-	-	-	-	-
-	-	17,771	-	-	-
-	-	<u>17,771</u>	-	-	-
(4,200)	93,684	20,352	14,961	1,783	-
26,499	265,081	49,373	29,578	-	-
<u>\$ 22,299</u>	<u>\$ 358,765</u>	<u>\$ 69,725</u>	<u>\$ 44,539</u>	<u>\$ 1,783</u>	<u>\$ -</u>

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

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

<u>Roadway Impact Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 724,466
-	77,673
156,559	156,559
-	25,627
-	26,495
-	10,710
-	81,235
2,762	22,863
-	2,419
-	90,269
<u>159,321</u>	<u>1,218,316</u>
-	300,536
-	19,520
15,933	174,129
-	77,034
-	(590)
<u>15,933</u>	<u>570,629</u>
143,388	647,687
-	(24,730)
-	17,771
<u>-</u>	<u>(6,959)</u>
143,388	640,728
(442,236)	1,484,491
<u>\$ (298,848)</u>	<u>\$ 2,125,219</u>

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

Exhibit C-5

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 291,100	\$ 291,100	\$ 346,090	\$ 54,990
Interest income	250	250	2,033	1,783
Total Revenues	291,350	291,350	348,123	56,773
EXPENDITURES				
Current:				
Public safety	272,289	248,050	244,031	4,019
Total Expenditures	272,289	248,050	244,031	4,019
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(24,730)	(24,730)	-
Total Other Financing Sources (Uses)	-	(24,730)	(24,730)	-
Net Change in Fund Balance	19,061	18,570	79,362	60,792
Fund Balance - October 1 (Beginning)	251,535	251,535	251,535	-
Fund Balance - September 30 (Ending)	\$ 270,596	\$ 270,105	\$ 330,897	\$ 60,792

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

Exhibit C-6

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 336,898	\$ 336,898	\$ 378,376	\$ 41,478
Interest income	1,000	1,000	6,790	5,790
Total Revenues	<u>337,898</u>	<u>337,898</u>	<u>385,166</u>	<u>47,268</u>
EXPENDITURES				
Current:				
Public works	319,360	319,360	148,327	171,033
Total Expenditures	<u>319,360</u>	<u>319,360</u>	<u>148,327</u>	<u>171,033</u>
Net Change in Fund Balance	18,538	18,538	236,839	218,301
Fund Balance - October 1 (Beginning)	699,724	699,724	699,724	-
Fund Balance - September 30 (Ending)	<u>\$ 718,262</u>	<u>\$ 718,262</u>	<u>\$ 936,563</u>	<u>\$ 218,301</u>

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

Exhibit C-7

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

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

Exhibit C-8

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

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

Exhibit C-9

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Police fees & permits	\$ 26,750	\$ 26,750	\$ 23,990	\$ (2,760)
Interest income	-	-	75	75
Total Revenues	<u>26,750</u>	<u>26,750</u>	<u>24,065</u>	<u>(2,685)</u>
EXPENDITURES				
Current:				
Public safety	<u>28,500</u>	<u>28,500</u>	<u>28,265</u>	<u>235</u>
Total Expenditures	<u>28,500</u>	<u>28,500</u>	<u>28,265</u>	<u>235</u>
Net Change in Fund Balance	(1,750)	(1,750)	(4,200)	(2,450)
Fund Balance - October 1 (Beginning)	<u>26,499</u>	<u>26,499</u>	<u>26,499</u>	-
Fund Balance - September 30 (Ending)	<u>\$ 24,749</u>	<u>\$ 24,749</u>	<u>\$ 22,299</u>	<u>\$ (2,450)</u>

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

Exhibit C-10

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

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

Exhibit C-11

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

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

Exhibit C-12

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest income	\$ -	\$ -	\$ 1,783	\$ 1,783
Total Revenues	<u>-</u>	<u>-</u>	<u>1,783</u>	<u>1,783</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,783	1,783
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,783</u></u>	<u><u>\$ 1,783</u></u>

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

Exhibit C-13

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

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

Exhibit C-14

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

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

Exhibit C-15

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

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

Exhibit C-16

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,500,243	\$ 2,500,243	\$ 2,537,112	\$ 36,869
Interest income	-	-	5,081	5,081
Miscellaneous Income	-	-	17	17
Total Revenues	<u>2,500,243</u>	<u>2,500,243</u>	<u>2,542,210</u>	<u>41,967</u>
EXPENDITURES				
Debt Service:				
Principal	1,364,960	1,364,960	1,404,176	(39,216)
Interest	1,134,116	1,134,116	1,085,180	48,936
Bond issuance costs	-	-	96,134	(96,134)
Total Expenditures	<u>2,499,076</u>	<u>2,499,076</u>	<u>2,585,490</u>	<u>(86,414)</u>
Excess (Deficiency) of Revenues over Expenditures	1,167	1,167	(43,280)	(44,447)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	7,628,943	7,628,943
Payments to bond refunding agent	-	-	(7,542,236)	(7,542,236)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>86,707</u>	<u>86,707</u>
Net Change in Fund Balance	1,167	1,167	43,427	42,260
Fund Balance - October 1 (Beginning)	347,254	347,254	347,254	-
Fund Balance - September 30 (Ending)	<u>\$ 348,421</u>	<u>\$ 348,421</u>	<u>\$ 390,681</u>	<u>\$ 42,260</u>

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

Exhibit C-17

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

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

Exhibit C-18

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Escrow and impact fees	\$ -	\$ -	\$ 156,559	\$ 156,559
Interest income	-	-	2,762	2,762
Total Revenues	<u>-</u>	<u>-</u>	<u>159,321</u>	<u>159,321</u>
EXPENDITURES				
Current:				
Public works	-	32,833	15,933	16,900
Total Expenditures	<u>-</u>	<u>32,833</u>	<u>15,933</u>	<u>16,900</u>
Net Change in Fund Balance	-	(32,833)	143,388	176,221
Fund Balance - October 1 (Beginning)	(442,236)	(442,236)	(442,236)	-
Fund Balance - September 30 (Ending)	<u>\$ (442,236)</u>	<u>\$ (475,069)</u>	<u>\$ (298,848)</u>	<u>\$ 176,221</u>

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

Exhibit C-19

	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle & Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
ASSETS				
Cash and cash equivalents	\$ 318,918	\$ 115,575	\$ 287,707	\$ 27,649
Investments	1,456,986	-	-	-
Receivables (net of allowance)				
Interest	2,760	-	-	-
Miscellaneous	-	-	19,266	-
Total Assets	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 306,973</u>	<u>\$ 27,649</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted	-	-	-	-
Committed	1,778,664	115,575	306,973	27,649
Total Fund Balances	<u>1,778,664</u>	<u>115,575</u>	<u>306,973</u>	<u>27,649</u>
Total Liabilities and Fund Balances	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 306,973</u>	<u>\$ 27,649</u>

<u>Street Escrow</u>	<u>2007 CO Streets</u>	<u>Public Property Finance</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 153,321	\$ 91,791	\$ 252,881	\$ 1,247,842
-	-	-	1,456,986
-	-	-	2,760
-	-	-	19,266
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,726,854</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	91,791	252,881	344,672
<u>153,321</u>	<u>-</u>	<u>-</u>	<u>2,382,182</u>
<u>153,321</u>	<u>91,791</u>	<u>252,881</u>	<u>2,726,854</u>
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,726,854</u>

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

	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement</u>	<u>LCFD Vehicle & Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
REVENUES				
Fire services	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-
Interest income	17,656	944	2,863	306
Miscellaneous income	30,000	-	-	-
Charges for services	-	-	19,267	604
Total Revenues	<u>47,656</u>	<u>944</u>	<u>22,130</u>	<u>910</u>
EXPENDITURES				
Current:				
Public safety	8,055	-	-	-
Public works	159,260	-	-	-
Planning and community development	-	-	-	-
City administration	-	-	-	53,510
Debt Service:				
Principal	-	-	138,439	-
Interest	-	-	23,923	-
Capital outlay	187,679	-	-	-
Total Expenditures	<u>354,994</u>	<u>-</u>	<u>162,362</u>	<u>53,510</u>
Excess (Deficiency) of Revenues over Expenditures	(307,338)	944	(140,232)	(52,600)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	-	12,954	-	3,119
Transfers out	-	-	-	-
Transfers in	246,643	60,000	247,755	47,383
Total Other Financing Sources (Uses)	<u>246,643</u>	<u>72,954</u>	<u>247,755</u>	<u>50,502</u>
Net Change in Fund Balance	(60,695)	73,898	107,523	(2,098)
Fund Balance - October 1 (Beginning)	1,839,359	41,677	199,450	29,747
Fund Balance - September 30 (Ending)	<u>\$ 1,778,664</u>	<u>\$ 115,575</u>	<u>\$ 306,973</u>	<u>\$ 27,649</u>

Street Escrow	2007 CO Streets	Public Property Finance	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,206	878	1,015	24,868
-	20,000	-	50,000
-	-	-	19,871
<u>1,206</u>	<u>20,878</u>	<u>1,015</u>	<u>94,739</u>
-	-	-	8,055
-	59,825	-	219,085
-	-	-	-
-	-	-	53,510
-	-	-	138,439
-	-	-	23,923
-	-	-	187,679
<u>-</u>	<u>59,825</u>	<u>-</u>	<u>630,691</u>
1,206	(38,947)	1,015	(535,952)
-	-	251,866	251,866
-	-	-	16,073
-	-	-	-
-	-	-	601,781
<u>-</u>	<u>-</u>	<u>251,866</u>	<u>869,720</u>
1,206	(38,947)	252,881	333,768
152,115	130,738	-	2,393,086
<u>\$ 153,321</u>	<u>\$ 91,791</u>	<u>\$ 252,881</u>	<u>\$ 2,726,854</u>

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

Exhibit C-21

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

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

Exhibit C-22

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 673,772	\$ 673,772	\$ 756,725	\$ 82,953
Interest income	8,400	8,400	29,501	21,101
Miscellaneous income	-	-	61	61
Total Revenues	<u>682,172</u>	<u>682,172</u>	<u>786,287</u>	<u>104,115</u>
EXPENDITURES				
Current:				
Planning and Community development	<u>692,404</u>	<u>692,404</u>	<u>364,743</u>	<u>327,661</u>
Total Expenditures	<u>692,404</u>	<u>692,404</u>	<u>364,743</u>	<u>327,661</u>
Net Change in Fund Balance	(10,232)	(10,232)	421,544	431,776
Fund Balance - October 1 (Beginning)	<u>3,182,079</u>	<u>3,182,079</u>	<u>3,182,079</u>	-
Fund Balance - September 30 (Ending)	<u>\$ 3,171,847</u>	<u>\$ 3,171,847</u>	<u>\$ 3,603,623</u>	<u>\$ 431,776</u>



STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends	101
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	106
<i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</i>	
Debt Capacity	113
<i>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.</i>	
Demographic and Economic Information	117
<i>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.</i>	
Operating Information	120
<i>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.</i>	

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



TABLE D-1

CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (1), (2), (3), (4), (5), and (6)

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 40,684,154	\$ 41,050,434	\$ 39,858,647	\$ 41,537,428	\$ 38,965,723	\$ 37,401,599	\$ 36,991,003	\$ 37,162,807	\$ 35,967,465	\$ 35,025,019
Restricted	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,066,371	1,759,359	2,600,794
Unrestricted	6,112,583	8,395,075	2,683,382	6,854,904	6,708,569	5,660,613	4,522,015	1,767,508	1,817,109	3,328,479
Total Governmental Activities Net Position	\$ 49,817,717	\$ 50,240,624	\$ 49,255,888	\$ 50,793,308	\$ 48,288,628	\$ 46,838,707	\$ 45,591,737	\$ 39,996,686	\$ 39,543,933	\$ 40,954,292
Business-type Activities										
Net Investment in Capital Assets	\$ 15,604,347	\$ 15,881,901	\$ 17,746,701	\$ 19,490,897	\$ 21,783,319	\$ 21,661,416	\$ 21,552,151	\$ 21,568,651	\$ 21,537,921	\$ 21,633,740
Restricted	-	-	-	-	-	-	-	645,963	647,502	1,127,099
Unrestricted	5,229,817	5,638,822	5,883,737	5,858,618	6,216,578	6,897,008	6,250,406	4,856,975	4,285,029	5,523,850
Total Business-Type Activities Net Position	\$ 20,834,164	\$ 21,520,723	\$ 23,630,438	\$ 25,349,515	\$ 27,999,897	\$ 28,558,424	\$ 27,802,557	\$ 27,071,589	\$ 26,470,452	\$ 28,284,689
Primary Government										
Net Investment in Capital Assets	\$ 56,288,501	\$ 56,932,335	\$ 57,605,348	\$ 61,028,325	\$ 60,749,042	\$ 59,063,015	\$ 58,543,154	\$ 58,731,458	\$ 57,505,386	\$ 56,658,759
Restricted	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,712,334	2,406,861	3,727,893
Unrestricted	11,342,400	14,033,897	8,567,119	12,713,522	12,925,147	12,557,621	10,772,421	6,624,483	6,102,138	8,852,329
Total Primary Government Net Position	\$ 70,651,881	\$ 71,761,347	\$ 72,886,326	\$ 76,142,823	\$ 76,288,525	\$ 75,397,131	\$ 73,394,294	\$ 67,068,275	\$ 66,014,385	\$ 69,238,981

Governmental Activities:

- (1) 2007 restated for debt reallocation.
- (2) 2007 through 2009 restated for correction of basis in streets
- (3) 2009 restated for reclassification of fund.
- (5) 2012 restated for implementation of GASB 63 and GASB 65.
- (6) 2015 restated for implementation of GASB 68.

Business-type Activities:

- (4) 2009 restated for miscellaneous revenue and debt expenses.
- (5) 2012 restated for implementation of GASB 63 and GASB 65.
- (6) 2015 restated for implementation of GASB 68.

Source: Exhibit A-1

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

Expenses	2008 (1)	2009	2010	2011	2012 (2)	2013	2014	2015 (3)	2016	2017
Governmental Activities:										
Public Safety	\$ 6,891,365	\$ 7,956,599	\$ 7,716,433	\$ 7,454,086	\$ 7,769,391	\$ 8,188,441	\$ 8,558,062	\$ 8,937,222	\$ 9,331,392	\$ 10,464,824
Fire	-	-	-	-	-	-	-	-	-	-
Community Services	1,950,842	2,452,756	1,979,094	1,713,873	1,729,610	1,740,402	1,735,618	1,855,018	1,734,299	1,533,030
Public Works	4,571,006	1,784,753	4,152,860	4,268,961	4,829,902	4,726,964	4,655,417	4,661,909	4,471,115	4,534,197
Planning & Development	810,774	877,117	875,457	709,683	730,829	731,234	715,554	860,549	1,013,413	857,360
City Administration	1,425,905	1,340,171	1,876,455	1,663,492	1,607,926	1,631,852	1,854,669	1,873,459	2,032,778	1,940,255
Financial Services	702,155	686,977	688,069	634,749	655,335	682,238	665,351	746,482	878,384	888,324
Interest on Long-Term Debt	894,159	969,752	920,663	809,445	821,597	743,848	702,883	613,346	747,838	844,665
Total Governmental Activities Expenses	17,246,206	16,068,125	18,209,031	17,254,289	18,144,590	18,424,979	18,887,554	19,547,985	20,209,219	21,062,655
Business-Type Activities:										
Water & Wastewater	9,959,789	10,356,404	10,261,683	9,981,826	10,198,636	10,429,711	10,645,670	11,107,570	12,157,058	12,098,839
Storm Water Utility	464,127	510,190	527,768	449,894	520,098	515,487	571,624	540,217	525,740	517,412
Total Business-Type Activities Expenses	10,423,916	10,866,594	10,789,451	10,431,720	10,718,734	10,945,198	11,217,294	11,647,787	12,682,798	12,616,251
Total Primary Government Expenses	\$ 27,670,122	\$ 26,934,719	\$ 28,998,482	\$ 27,686,009	\$ 28,863,324	\$ 29,370,177	\$ 30,104,848	\$ 31,195,772	\$ 32,892,017	\$ 33,678,906
Program Revenues										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 2,442,177	\$ 3,028,462	\$ 2,858,365	\$ 3,218,248	\$ 3,036,630	\$ 3,316,940	\$ 3,595,280	\$ 3,516,328	\$ 3,960,494	\$ 3,934,109
Community Services	208,352	178,695	197,322	305,958	318,297	312,490	377,982	230,940	206,560	210,498
Public Works	-	-	-	340,413	72,087	25,895	111,242	209,723	59,205	156,559
Planning & Development	416,347	297,861	298,676	564,447	364,980	342,817	488,706	647,336	540,906	1,200,712
City Administration	-	-	-	-	-	-	94,979	92,142	105,401	93,302
Finance Services	881,951	1,024,019	1,180,425	177,273	88,599	-	-	-	-	-
Operating Grants & Contributions	271,544	107,572	166,836	152,477	101,458	144,879	284,954	299,613	189,114	97,506
Capital Grants & Contributions	725,200	171,306	1,243,666	858,404	944,835	551,016	-	380,748	332,872	1,630,239
Total Governmental Activities Program Revenues	4,945,571	4,807,915	5,945,290	5,617,220	4,926,886	4,694,037	4,953,143	5,376,830	5,394,552	7,322,925
Business-Type Activities:										
Charges for Services:										
Water & Wastewater	10,169,565	10,306,400	11,094,103	12,221,335	11,715,891	11,582,827	10,648,512	10,991,068	11,047,722	11,332,588
Storm Water Utility	495,193	552,871	587,074	552,916	655,400	667,215	680,128	692,943	703,783	727,197
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	2,071,941	649,055	1,255,490	1,303,744	581,490	192,927	176,068	607,013	1,448,393	2,997,195
Total Business-Type Activities Program Revenues	12,736,699	11,508,326	12,936,667	14,077,995	12,952,781	12,442,969	11,504,708	12,291,024	13,199,898	15,056,980
Total Primary Government Program Revenues	\$ 17,682,270	\$ 16,316,241	\$ 18,881,957	\$ 19,695,215	\$ 17,879,667	\$ 17,137,006	\$ 16,457,851	\$ 17,667,854	\$ 18,594,450	\$ 22,379,905
Net (Expense)/Revenue										
Governmental Activities	\$(12,300,635)	\$(11,260,210)	\$(12,263,741)	\$(11,637,069)	\$(13,217,704)	\$(13,730,942)	\$(13,934,411)	\$(14,171,155)	\$(14,814,667)	\$(13,739,730)
Business-Type Activities	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237	517,100	2,440,729
Total Primary Government Net Expense	\$ (9,987,852)	\$(10,618,478)	\$(10,116,525)	\$(7,990,794)	\$(10,983,657)	\$(12,233,171)	\$(13,646,997)	\$(13,527,918)	\$(14,297,567)	\$(11,299,001)

(1) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.
 (2) 2012 restated for implementation of GASB 63 and GASB 65.
 (3) 2015 restated for implementation of GASB 68.

Source: Exhibit A-2

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	2008 (1)	2009	2010	2011	2012 (2)	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	\$ (12,300,636)	\$ (11,260,210)	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)	\$ (13,739,730)
Business-Type Activities	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237	517,100	2,440,729
Total Primary Government Net Expense	(9,987,853)	(10,618,478)	(10,116,525)	(7,990,794)	(10,983,657)	(12,233,171)	(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	7,784,085	8,288,285	8,117,648	8,236,635	8,292,788	8,501,824	8,674,195	9,291,409	9,663,535	10,629,143
Sales Taxes	1,523,963	1,017,734	1,463,459	1,591,901	1,689,889	1,728,567	1,822,924	1,889,020	2,023,059	2,253,805
Franchise Taxes	894,191	1,456,065	919,700	1,083,786	1,065,097	967,846	1,039,646	1,074,217	1,068,910	1,073,789
Hotel Occupancy Taxes (4)	-	-	-	-	-	-	-	67,833	79,007	77,673
Miscellaneous	73,884	95,154	20,050	34,555	143,809	38,121	13,925	45,685	237,674	204,231
Investment Earnings	740,740	316,460	207,718	98,471	63,010	49,427	53,968	55,043	87,433	228,971
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	14,712	43,222	3,497
Special Item Outflow	(1,742,435)	-	-	(700,000)	(134,385)	8,556	-	-	-	-
Transfers	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956	1,159,074	678,980
Total Governmental Activities	10,780,129	11,536,116	11,278,001	13,079,711	10,851,115	12,281,020	12,687,441	13,216,875	14,361,914	15,150,089
Business-Type Activities:										
Miscellaneous	11,212	53,980	355,428	31,858	11,738	5,145	10,216	(391)	4,741	7,600
Investment Earnings	643,642	295,606	157,497	75,308	59,488	42,280	29,280	18,423	26,328	43,692
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	5,333	9,768	1,196
Special Item Outflow	-	-	-	700,000	134,385	-	-	-	-	-
Transfers	(1,515,701)	(360,418)	(550,426)	(2,734,363)	269,093	(986,679)	(1,082,783)	(778,956)	(1,159,074)	(678,980)
Total Business-Type Activities	(860,847)	(10,832)	(37,501)	(1,927,197)	474,704	(939,244)	(1,043,287)	(755,591)	(1,118,237)	(626,492)
Total Primary Government	\$ 9,929,282	\$ 11,525,284	\$ 11,241,500	\$ 11,152,514	\$ 11,325,819	\$ 11,341,776	\$ 11,644,154	\$ 12,461,284	\$ 13,243,677	\$ 14,523,597
Change In Net Position										
Governmental Activities	(1,510,507)	275,906	(984,740)	1,442,642	(2,366,589)	(1,449,922)	(1,246,970)	(954,280)	(452,753)	1,410,359
Business-Type Activities	1,451,936	630,900	2,109,715	1,719,078	2,708,751	558,527	(755,873)	(112,354)	(601,137)	1,814,237
Total Primary Government	\$ (58,571)	\$ 906,806	\$ 1,124,975	\$ 3,161,720	\$ 342,162	\$ (891,395)	\$ (2,002,843)	\$ (1,066,634)	\$ (1,053,890)	\$ 3,224,596

(1) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.

(2) 2012 is restated for implementation of GASB 63 and GASB 65.

(3) Hotel Occupancy Tax was previously reported in the Sales Tax category.

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

Source: Exhibit A-2

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

General Fund	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
Reserved	\$ 185,245	\$ 103,982	\$ 143,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	216,714	207,875	211,465	222,652	244,486	439,146	195,750
Unreserved	4,559,689	4,337,600	3,730,485	-	-	-	-	-	-	-
Unassigned	-	-	-	4,552,509	5,246,829	3,950,657	3,587,445	3,482,449	3,295,962	5,243,056
Total General Fund	\$ 4,744,934	\$ 4,441,582	\$ 3,873,510	\$ 4,769,223	\$ 5,454,704	\$ 4,162,122	\$ 3,810,097	\$ 3,726,935	\$ 3,735,108	\$ 5,438,806
All Other Governmental Funds										
Reserved	\$ 1,130,120	\$ 2,660,627	\$ 4,666,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	4,427,759	2,304,546	2,199,692	1,143,608	1,155,506	13,370,197	14,479,349
Committed	-	-	-	1,170,771	1,885,185	3,286,748	4,067,270	2,946,280	2,623,387	2,703,352
Unreserved, Reported In:										
Special Revenue Funds	1,472,819	1,862,162	1,879,248	-	-	-	-	-	-	-
Capital Projects Funds	10,639,614	7,670,458	2,054,708	-	-	-	-	-	-	-
Unassigned	-	-	-	(268,858)	(351,404)	(441,149)	(579,436)	(480,444)	(442,236)	(298,848)
Total all other Governmental Funds	\$ 13,242,553	\$ 12,193,247	\$ 8,599,983	\$ 5,329,672	\$ 3,838,327	\$ 5,045,291	\$ 4,631,442	\$ 3,621,342	\$ 15,551,348	\$ 16,883,853

(1) GASB 54 was implemented in 2011.

Source: Exhibit A-3

CITY OF CORINTH, TEXAS

TABLE D-5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 10,247,707	\$ 10,771,375	\$ 10,530,117	\$ 10,911,621	\$ 11,048,433	\$ 11,210,497	\$ 11,538,485	\$ 12,329,258	\$ 12,807,008	\$ 14,034,768
Licenses, Fees and Permits	400,375	283,232	304,009	1,091,761	661,689	285,165	903,407	1,050,172	797,332	1,557,520
Fines & Penalties	670,529	700,857	652,755	634,141	577,101	974,231	723,174	682,284	712,852	619,747
Charges for Services	2,639,945	3,256,122	3,529,997	2,547,590	2,531,739	2,534,668	2,826,329	3,132,880	3,159,963	3,063,911
Investment Earnings	740,741	318,461	207,717	98,470	63,010	49,427	53,967	55,043	87,433	204,231
Donations	-	-	713,564	1,012,607	947,567	571,827	89,514	96,633	186,220	94,185
Special Assessments	251,200	114,719	110,972	-	-	-	-	-	-	-
Intergovernmental	256,369	97,101	269,142	-	-	-	-	-	-	-
Other Revenues	613,801	99,494	63,697	160,522	205,271	190,849	82,083	123,070	292,949	324,855
Total Revenues	15,820,667	15,641,361	16,381,970	16,456,712	16,034,810	15,816,664	16,216,959	17,469,340	18,043,757	19,899,217
Expenditures										
Public Safety	8,120,829	7,740,539	8,241,429	8,073,621	7,520,802	8,393,476	9,422,471	9,167,774	9,702,983	9,234,496
Fire	-	-	-	-	-	-	-	-	-	-
Community Services	1,888,806	2,309,808	1,825,414	1,752,265	1,794,276	2,113,911	2,405,814	1,765,661	1,507,526	1,353,153
Public Works	1,464,051	929,424	876,510	1,640,574	1,222,644	878,847	1,483,829	2,600,403	1,721,981	1,086,857
Planning & Development	822,157	855,155	872,953	699,586	751,109	727,249	718,253	871,281	981,151	874,835
City Administration	1,237,314	1,498,948	1,659,476	1,454,431	1,444,883	1,591,760	1,636,334	1,766,937	2,173,809	1,777,956
Finance Services	705,898	685,409	672,763	614,157	641,484	655,646	652,321	732,037	862,114	862,354
General Government	1,185,301	973,949	-	-	-	-	-	-	-	-
Capital Outlay	-	-	6,098,235	5,122,041	890,602	27,648	-	-	3,727,303	4,958,837
Debt Service										
Principal	1,257,650	1,494,683	1,480,700	1,456,375	1,534,125	1,743,686	1,892,482	1,836,489	1,806,587	1,542,615
Interest	883,984	910,577	870,581	847,405	813,965	756,738	694,004	627,358	784,585	1,109,103
Paying Agent Fees	5,064	9,366	-	-	-	-	-	-	-	-
Bond Issuance Costs	728	1,107	27,827	-	-	-	-	-	-	232,870
Total Expenditures	17,571,782	17,408,965	22,825,888	21,680,455	16,613,890	16,888,961	18,905,508	19,367,940	23,268,039	23,033,076
Excess of Revenues Over (Under) Expenditures	(1,751,115)	(1,767,604)	(6,243,918)	(5,203,743)	(579,080)	(1,072,297)	(2,688,549)	(1,898,600)	(5,224,282)	(3,133,859)
Other Financing Sources (Uses)										
Bonds Issued	-	-	1,500,000	-	-	-	-	-	17,116,713	13,017,245
Payments to Escrow Agent	-	-	-	-	-	-	-	-	(1,179,213)	(7,542,236)
Bond Premium/Discount	-	-	-	-	-	-	-	-	-	-
Capital Lease	-	5,434	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	42,309	-	839,890	26,382	65,887	16,073
Transfers In/Out	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956	1,159,074	678,980
Total Other Financing Sources (Uses)	1,515,701	365,852	2,050,426	2,734,363	(226,784)	986,679	1,922,673	805,338	17,162,461	6,170,062
Net Change in Fund Balances	\$ (235,414)	\$ (1,401,752)	\$ (4,193,492)	\$ (2,469,380)	\$ (805,864)	\$ (85,618)	\$ (765,876)	\$ (1,093,262)	\$ 11,938,179	\$ 3,036,203
Debt Service As A Percentage Of Noncapital Expenditures	13.9%	16.1%	16.8%	16.2%	17.6%	17.4%	15.8%	14.6%	15.3%	19.0%

Source: Exhibit A-5

TABLE D-6

CITY OF CORINTH, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales & Hotel Tax	Franchise Tax	Total
2008	7,829,553	1,523,963	894,191	10,247,707
2009	8,297,576	1,456,065	1,017,734	10,771,375
2010	8,142,985	1,463,459	923,673	10,530,117
2011	8,235,934	1,591,901	1,083,786	10,911,621
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
Percent Change 2008-2017	45.78%	51.46%	60.94%	36.96%

Source: A-5

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
2008	1,211,631,679	195,599,938	10,384,265	1,396,847,352	0.55698	1,417,615,882	98.535%
2009	1,187,265,640	190,126,178	16,522,699	1,360,869,119	0.57698	1,393,914,517	97.629%
2010	1,153,359,201	325,754,337	92,100,190	1,387,013,348	0.57698	1,387,013,348	100.000%
2011	1,252,309,929	234,688,468	96,489,458	1,390,508,939	0.59292	1,390,508,939	100.000%
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.000%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.000%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.000%
2015	1,267,097,852	326,129,542	59,168,386	1,652,395,780	0.59489	1,652,395,780	100.000%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.528%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58489	1,969,484,281	91.363%

Source: Denton Central Appraisal District.

CITY OF CORINTH, TEXAS

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

Fiscal Year	City Property Tax Rate			Overlapping Rates			
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2008 (1)	0.42739	0.12959	0.55698	1.49000	1.79000	0.31000	0.23577
2009	0.43852	0.13846	0.57698	1.49000	1.65000	0.31000	0.24980
2010 (2)	0.43852	0.13846	0.57698	1.49000	1.65000	0.21000	0.27390
2011 (2)	0.44946	0.14346	0.59292	1.53000	1.67000	0.15000	0.27740
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	-	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	-	0.24841

(1) Corrected the City's tax rate to equal the rate in effect for fiscal year 2008.

(2) Corrected the Corinth Municipal Utility District's tax rate to equal the rate in effect for fiscal year 2008.

Source: Denton County Appraisal District

TABLE D-9

CITY OF CORINTH, TEXAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Boulevard 2010 LLC	22,426,418	1	1.25%			
Denton County Electric Coop	21,030,718	2	1.17%	13,013,683	2	0.95%
Anixter, Inc.	14,775,337	3	0.82%			
Texas Health Resources	12,815,000	4	0.71%			
Oncor Electric Delivery Co	12,540,849	5	0.70%			
DATCU	12,000,000	6	0.67%			0.00%
Tower Ridge Corinth I, LTD	8,401,782	7	0.47%	8,683,170	5	0.63%
Utter, Bill	8,312,342	8	0.46%	6,722,718	9	0.49%
Utter Properties LLC	8,170,569	9	0.45%	7,084,112	8	0.52%
Kensington Square LP PS	6,660,000	10	0.37%	7,698,230	7	0.56%
TXU Electric Delivery Co				13,703,640	1	1.00%
Labinal-Corinth, Inc				19,242,036	3	1.40%
Upsilon Corporation				9,046,104	4	0.66%
HD Supply Utilities LTD #3430				7,767,821	6	0.57%
Kerr Real Estate, Inc				6,085,000	10	0.44%
Total	<u>127,133,015</u>		<u>7.07%</u>	<u>99,046,514</u>		<u>7.22%</u>

Source: Denton Central Appraisal District

TABLE D-10

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

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
2008	7,497,484	7,428,184	99.08%	67,482	7,495,666	99.98%
2009	8,213,110	8,155,554	99.30%	56,445	8,211,999	99.99%
2010	8,124,258	8,023,338	98.76%	99,314	8,122,652	99.98%
2011	8,222,763	8,121,978	98.77%	96,566	8,218,544	99.95%
2012	8,300,538	8,207,634	98.88%	84,166	8,291,800	99.89%
2013	8,453,267	8,425,528	99.67%	17,515	8,443,043	99.88%
2014	8,663,332	8,630,897	99.63%	21,485	8,652,382	99.87%
2015	9,187,621	9,160,871	99.71%	10,896	9,171,767	99.83%
2016	9,594,646	9,568,054	99.72%	35,055	9,603,109	100.09%
2017	10,467,690	10,432,195	99.66%	-	10,432,195	99.66%

Source: Denton County Tax Office

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (1)
Agriculture, Forestry, Fishing	-	-	-	-	-	-	-	-	-	-
Construction	3,302,190	1,292,850	311,261	942,329	2,146,600	2,781,669	2,318,987	4,309,632	4,700,702	2,348,143
Manufacturing	3,006,576	2,753,171	923,369	738,294	484,720	442,231	626,667	481,999	753,527	308,636
Utilities	101,525,049	84,365,709	90,520,993	90,939,863	82,316,673	92,911,304	109,928,880	110,581,672	104,636,898	52,627,973
Wholesale Trade	2,539,705	2,603,344	3,213,997	4,319,250	2,532,277	3,100,915	3,088,654	7,617,017	7,302,049	5,833,844
Retail Trade	22,599,645	19,620,574	20,762,549	22,852,835	26,103,441	26,504,414	27,888,328	29,287,734	30,504,049	16,250,205
Services	4,814,146	4,527,386	4,879,098	5,710,772	6,865,632	6,730,599	7,243,623	7,228,816	7,686,622	3,623,574
Other	20,980,030	18,906,284	19,772,152	21,602,742	23,290,303	24,190,424	24,648,881	25,034,737	25,575,315	12,987,063
Total	158,767,341	134,069,318	140,383,419	147,106,085	143,739,646	156,661,556	175,744,020	184,541,607	181,159,162	93,979,438
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) Due to a reporting lag from the State Comptroller's Office, sales tax for 2017 reports only the first two quarters.

Source: Texas State Comptroller

TABLE D-12

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

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
2008	1.00%	0.25%	0.50%	0.25%
2009	1.00%	0.25%	0.50%	0.25%
2010	1.00%	0.25%	0.50%	0.25%
2011	1.00%	0.25%	0.50%	0.25%
2012	1.00%	0.25%	0.50%	0.25%
2013	1.00%	0.25%	0.50%	0.25%
2014	1.00%	0.25%	0.50%	0.25%
2015	1.00%	0.25%	0.50%	0.25%
2016	1.00%	0.25%	0.50%	0.25%
2017	1.00%	0.25%	0.50%	0.25%

Source: City of Corinth Finance department

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	Other Governmental Activities Debt	
	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt			Capital Leases	
2008	11,791,500	9,154,333	20,945,833	1.50%	1,066	45,667	
2009	10,978,150	8,473,000	19,451,150	1.43%	983	23,314	
2010	10,106,450	9,364,000	19,470,450	1.40%	977	-	
2011	9,082,075	10,860,931	19,943,006	1.43%	988	-	
2012	8,004,950	10,403,931	18,408,881	1.32%	901	-	
2013	6,887,875	8,682,775	15,570,650	1.11%	756	-	
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058	
2015	4,611,500	7,388,904	12,000,404	0.73%	573	683,391	
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191	
2017	7,809,874	15,706,430	23,516,304	1.31%	1,106	1,381,618	

Fiscal Year	Business-Type Activities				Capital Leases	Total Primary Government	Per Capita	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total					
2008	2,413,500	13,620,667	16,034,167	45,667	37,071,334	1,887	5.26%	
2009	2,176,850	13,327,000	15,503,850	23,314	35,001,628	1,769	4.78%	
2010	1,923,550	12,956,000	14,879,550	-	34,350,000	1,723	4.64%	
2011	1,777,925	10,509,069	12,286,994	-	32,230,000	1,597	4.30%	
2012	1,625,050	11,060,615	12,685,665	-	31,094,546	1,522	4.30%	
2013	1,467,125	10,492,224	11,959,349	-	27,529,999	1,337	3.67%	
2014	1,307,000	9,898,002	11,205,002	-	25,723,058	1,235	3.30%	
2015	1,063,500	9,341,096	10,404,596	-	23,088,391	1,102	2.87%	
2016	816,075	8,752,609	9,568,684	-	34,428,188	1,633	4.15%	
2017	7,885,126	2,628,570	10,513,696	-	35,411,618	1,665	4.15%	

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

TABLE D-14

*RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS*

Fiscal Year	General Obligation Bonds	Percent of Actual Taxable Value of Property	Per Capita
2008	11,791,500	0.83%	600
2009	10,978,150	0.79%	555
2010	10,106,450	0.73%	507
2011	9,082,075	0.65%	450
2012	8,004,950	0.58%	392
2013	6,887,875	0.49%	334
2014	5,738,000	0.40%	276
2015	4,611,500	0.28%	220
2016	3,458,925	0.20%	164
2017	7,809,874	0.40%	367

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	\$ 645,305,000	2.16%	\$ 13,938,588
Denton ISD	799,994,104	6.42%	\$ 51,359,621
Lake Dallas ISD	79,292,632	44.45%	\$ 35,245,575
Subtotal, Overlapping Debt			100,543,784
City Direct Debt (1)			23,516,304
Total Direct and Overlapping Debt			\$ 124,060,088

(1) Does not include self-supporting debt.

Source: First Southwest Financial Services (Municipal Advisory Council of Texas)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 134,609,581	\$ 142,209,231	\$ 138,701,335	\$ 139,050,693	\$ 139,178,661	\$ 139,721,850	\$ 143,078,278	\$ 165,239,578	\$ 163,852,059	\$ 179,938,315
Total Net Debt Applicable to Limit	36,980,000	34,200,916	30,682,714	28,552,904	28,999,184	26,529,182	24,636,963	22,180,581	32,782,746	33,639,319
Legal Debt Margin	\$ 97,629,581	\$ 108,008,315	\$ 108,018,621	\$ 110,497,789	\$ 110,179,477	\$ 113,192,668	\$ 118,441,315	\$ 143,058,997	\$ 131,069,313	\$ 146,298,996
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	27.47%	24.05%	22.12%	20.53%	20.84%	18.99%	17.22%	13.42%	20.01%	18.69%
								Assessed Value	Assessed Value	\$ 1,799,383,154
								Debt Limit (10% of Assessed Value)		179,938,315
								Debt Applicable to Limit:		
								Total Debt Outstanding		34,030,000
								Less: Amount Set Aside for Repayment of Debt		<u>390,681</u>
								Total Net Debt applicable to Limit		<u>33,639,319</u>
								Legal Debt Margin		<u>\$ 146,298,996</u>

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population [1]	19,650	19,788	19,935	20,177	20,424	20,597	20,824	20,957	21,078	21,269
Median Household Income [2]	92,179	95,696	96,653	99,127	101,176	104,211	106,877	109,543	112,169	114,412
Per Capita Personal Income	35,876	36,987	37,097	37,135	35,388	36,450	37,411	38,372	39,357	40,144
Median Age	32	32	32	33	36	36	36	36	36	36
Education Level [3]										
School Enrollment	N/A	N/A	3,465	3,338	3,533	3,398	3,490	3,582	3,408	3,514
High school graduate or higher	96%	96%	96%	96%	96%	97%	97%	97%	97%	96%
Bachelor's degree or higher	39%	40%	42%	42%	43%	40%	42%	42%	40%	40%
Unemployment [4]	4.80%	7.10%	7.10%	6.60%	5.70%	5.30%	4.40%	4.40%	3.80%	3.10%

[1] The figures for 2010-2016 are revised estimates from American FactFinder and the figure for 2017 is an estimate based on

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

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

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

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2017			2008 [1]		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
CoServ	450	1	9.32%	300	2	3.75%
North Central Texas College	340	2	7.04%	200	3	2.50%
Lake Dallas ISD	220	3	4.55%			
Denton ISD	184	4	3.81%			
City of Corinth	153	5	3.16%	165	4	2.06%
Bill Utter Ford	150	6	3.10%	110	6	1.37%
Denton Area Teachers Credit Union	112	7	2.32%			
Oakmont Country Club	101	8	2.09%			
Albertsons	100	9	2.07%	115	5	1.43%
Gunn Nissan	76	10	1.57%			
Labinal				600	1	7.50%
Grande Communications				100	7	1.25%
Harley Davidson				50	8	0.62%
Total	<u>1,886</u>		<u>39.03%</u>	<u>1,640</u>		<u>20.48%</u>

[1] 2008 only reported the top 8 principal employers.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Police	31.00	31.00	28.00	28.00	28.00	31.00	32.00	33.00	34.00	35.00
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00
Lake Cities Fire Department [1]	41.00	41.00	41.00	41.00	40.00	40.00	41.00	41.00	41.00	44.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
Community Development [2]	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00
Planning	5.00	5.00	4.00	4.00	3.00	4.00	5.00	5.00	5.00	5.00
Code Enforcement [2]	1.00	-	-	-	-	-	-	-	-	-
Municipal Court	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00
Parks & Recreation	18.30	18.30	17.80	17.80	17.50	17.50	16.00	16.00	14.00	9.00
Finance	7.00	7.00	6.50	6.50	6.50	6.50	7.50	7.50	7.50	7.50
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Services	2.00	2.00	2.50	2.50	3.00	3.00	4.00	4.00	5.00	5.00
Water/Wastewater Fund										
Water/Wastewater	23.00	23.00	21.00	21.00	21.00	21.00	21.00	22.00	22.00	19.00
Engineering	-	-	-	-	-	-	-	-	-	4.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Corp.	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Crime Control District Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Child Safety Program Fund	-	-	0.34	0.34	0.34	0.50	0.50	0.50	0.50	0.50
Court Security Fund	-	-	-	-	-	-	-	0.50	0.50	-
Total	165.80	164.80	158.64	158.64	156.84	159.00	162.50	163.00	163.00	162.00

[1] The Lake Cities Fire Department became a wholly integrated department of the City of Corinth on January 18, 2008.

[2] Code Enforcement was combined with Community Development starting in 2009.

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
New Single Family Home Building Permits	18	20	25	32	18	18	23	47	53	63
New Commercial Building Permits	7	2	2	2	2	-	4	5	7	13
Police										
Physical Arrests	565	531	516	410	349	316	304	329	426	513
Parking Violations	22	41	20	38	14	3	7	22	-	-
Traffic Violations	6,756	5,978	6,046	5,544	5,787	7,021	7,436	7,196	6,013	6,573
Fire										
Emergency Responses [1]	2,235	2,198	2,422	2,600	2,655	2,889	3,164	3,372	3,475	3,237
Structure Fires Extinguished	33	55	56	66	49	36	21	18	37	26
Inspections	330	313	376	395	180	621	434	204	403	403
Other Public Works										
Street Resurfacing (miles)	<1	<1	2.5	2.7	1.5	<1	<1	<1	<1	<1
Potholes Repaired	1,275	1,110	637	1,160	2,948	120	77	244	126	96
Parks and Recreation										
Classes offered (hours)	1,935	1,424	894	454	273	286	437	310	72	68
Participants	7,501	7,162	4,420	4,105	1,936	2,225	3,822	6,609	320	224
Special events (hours)	698	963	1,351	4,484	1,054	2,381	3,432	2,699	3,530	3,378
Class Participants [2]	18,187	22,065	31,409	39,567	8,312	4,714	5,185	2,394	3,375	3,209
Association Participants [3]	82,890	83,010	115,910	126,940	25,236	20,327	18,806	29,792	26,766	21,012
Athletic League Participants [3]	-	-	-	-	67,056	32,022	22,944	7,936	-	-
Recreation center Participants	10,072	7,095	5,327	4,243	7,610	8,088	4,862	2,510	-	-
Water										
New Connections	12	15	35	50	18	19	26	56	44	105
Water Main Breaks	11	26	9	8	3	13	9	8	6	5
Average Daily Consumption (millions of gallons billed)	2.66	2.60	2.24	3.77	4.24	3.66	3.16	3.54	2.56	2.51
Peak Demand (millions of gallons pumped)	7.00	6.24	6.36	7.99	7.32	6.08	6.01	6.71	6.84	5.79
Wastewater										
New Connections	14	16	35	43	18	19	23	51	35	92
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.01	1.05	1.20	1.02	1.10	1.08	1.06	1.19	1.40	1.24
City of Denton (estimate) [4]	0.92	0.84	0.92	0.30	1.78	0.25	0.29	0.20	0.25	0.78

[1] In fiscal year 2008 the Lake Cities Fire department was incorporated into the City of Corinth. Emergency responses include all four cities that the Lake Cities Fire department serves.

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

[3] In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation. In 2014-15 the City turned over the baseball program to the Softball Association.

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

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	18
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (miles) [1]	110.00	110.00	110.50	110.50	88.99	88.99	88.99	88.99	88.99	92.37
Highways (miles) [2]	3.10	3.10	3.10	3.10	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	2	2	2	6	7	8	8	8	8	8
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	13	13
Baseball/Softball Fields	8	8	8	8	8	8	9	9	9	9
Soccer/Football Fields	6	6	6	6	6	8	8	8	8	8
Recreation Centers [4]	2	2	2	2	2	2	2	2	1	1
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,671	6,719	6,766	6,780	6,809	6,810	6,831	6,977	7,016	7,113
Water Mains (miles)	103.29	105.47	106.14	108.06	110.40	110.63	111.77	112.70	113.48	115
Fire Hydrants	732	774	785	787	810	822	826	836	855	883
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	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	6,413	6,452	6,433	6,512	6,537	6,536	6,573	6,705	6,736	6,818
Sanitary Sewers (miles)	93.68	96.21	96.38	97.64	97.88	98.33	98.09	98.30	98.99	102.19
Storm Sewers (miles)	31.00	33.46	35.30	36.85	38.37	38.73	38.71	39.80	40.59	41.49
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82

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

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

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

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

Source: Various City of Corinth departments.



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

About This Report

This report has been prepared by the City of Corinth's Finance Department. The Comprehensive Monthly Financial Report (CMFR) is intended to provide our audience (internal and external users) with timely and relevant information regarding the City's financial position.

This report includes information for the month ending September 2017 and is presented in four sections.

1. The Financial Summary section reports the performance of the major operating funds of the City. In addition, the report provides a comparison to budget for major revenue sources and expenditure items. Narrative disclosures are included to highlight any significant changes or fluctuations.
2. The Revenue & Economic Analysis section provides additional analysis regarding key revenue sources and economic indicators.
3. The Executive Summary section contains a high level fund balance summary for all City funds. The report provides year-to-date revenues, expenditures, and transfers.
4. The Capital Improvement Program Report contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures, and available fund balance.

If you would like additional information, feel free to contact the Finance Department at (940) 498-3280.

Section 1

City of Corinth
Monthly Financial Report
September 2017

FINANCIAL SUMMARY

This report is designed for internal use and does not include all the funds and accounts included in the City of Corinth's operations. For a complete report, refer to the City of Corinth's Annual Financial Report available on the city's website at www.cityofcorinth.com.



City of Corinth General Fund

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

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 7,970,907	\$ 15,839	\$ 7,945,800	\$ (25,107)	99.7%	\$ 7,237,081
Delinquent Tax, Penalties & Interest	59,500	61,744	146,589	87,089	246.4%	37,579
Sales Tax	1,363,603	434,176	1,529,340	165,737	112.2%	1,374,704
Franchise Fees	1,089,738	259,504	1,073,788	(15,950)	98.5%	1,068,911
Utility Fees	12,500	560	31,416	18,916	251.3%	29,761
Traffic Fines & Forfeitures	708,888	55,778	594,119	(114,769)	83.8%	682,805
Development Fees & Permits	465,634	77,488	1,147,711	682,077	246.5%	488,865
Police Fees & Permits	25,500	2,631	26,166	666	102.6%	29,834
Recreation Program Revenue	156,151	5,731	158,463	2,312	101.5%	147,343
Fire Services	2,781,748	468,453	2,741,558	(40,190)	98.6%	2,588,686
Investment Income	30,200	5,294	65,390	35,190	216.5%	40,124
Miscellaneous	74,200	10,320	54,447	(19,753)	73.4%	33,202
Charges for Services	1,201,611	-	1,157,888	(43,723)	96.4%	1,247,533
Transfer In	101,673	-	101,673	-	100.0%	79,995
TOTAL ACTUAL RESOURCES	16,041,853	1,397,517	16,774,349	732,496	104.6%	15,086,425
Use of Fund Balance	-	-	-	-	0.0%	
TOTAL RESOURCES	\$ 16,041,853	\$ 1,397,517	\$ 16,774,349	\$ 732,496	104.6%	\$ 15,086,425
EXPENDITURES						
Wages & Benefits	11,383,701	1,329,526	10,994,826	(388,875)	96.6%	10,871,013
Professional Fees	1,270,632	223,771	1,085,896	(184,736)	85.5%	1,404,867
Maintenance & Operations	634,860	93,804	600,625	(34,235)	94.6%	558,210
Supplies	415,941	84,316	389,888	(26,053)	93.7%	376,875
Utilities & Communications	703,688	85,923	671,181	(32,507)	95.4%	609,756
Vehicles/Equipment & Fuel	366,277	63,035	360,602	(5,675)	98.5%	343,599
Training	100,682	14,163	95,618	(5,064)	95.0%	86,662
Capital Outlay	143,743	41,241	139,145	(4,598)	96.8%	254,271
Charges for Services	204,096	-	204,096	-	100.0%	156,381
Transfer Out	528,774	13,016	528,774	-	100.0%	416,623
TOTAL EXPENDITURES	15,752,394	1,948,796	15,070,651	(681,743)	95.7%	15,078,256
EXCESS/(DEFICIT)	\$ 289,459	\$ (551,279)	\$ 1,703,698	\$ 1,414,239		\$ 8,169

KEY TRENDS

Resources	Expenditures
<p>Property Taxes are received primarily in December & January and become delinquent February 1st.</p> <p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2017 revenues are remitted to the City in November 2017. Sales Tax received in September represents July collections.</p> <p>Franchise Fees - Oncor and Atmos franchise payments represent half of the total franchise taxes budgeted. Oncor remits payments on a quarterly basis. Atmos franchise payments are received annually, typically in January or February.</p> <p>Recreation revenue includes special events, facility rentals and summer camp programs. Summer camp registration starts April 1st.</p> <p>Transfer In includes \$101,673 from the Water/Wastewater Fund for the HOA Water Contracts.</p>	<p>Transfer Out includes \$247,755 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$30,000 to the General Capital Improvement Fund for the Lake Cities/Little Elm Joint Training Field, \$76,494 to the General Capital Improvement Fund for the Planning & Development Software, \$39,335 to the Tech Replacement Fund for the future purchases of computers, \$17,771 to the Municipal Court Security Fund for a part-time bailiff and \$60,000 to the General Fund Vehicle & Equipment Replacement Fund for the future purchases of vehicles and equipment.</p> <p>Budget includes an amendment for 3 additional firefighters in the amount of \$172,313. Approved by City Council on October 20, 2016, Ordinance #16-10-20-36.</p> <p>Budget includes an amendment for the compensation plan in the amount of \$166,225. Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.</p>



City of Corinth

Water & Wastewater Fund

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

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Water Charges	\$ 6,147,169	\$ 641,629	\$ 5,632,605	\$ (514,564)	91.6%	\$ 5,550,352
Wastewater Disposal Charges	4,349,734	367,989	4,335,178	(14,556)	99.7%	4,308,134
Garbage Revenue	728,000	61,799	741,055	13,055	101.8%	735,646
Garbage Sales Tax Revenue	58,740	5,001	59,823	1,083	101.8%	59,377
Water Tap Fees	70,000	14,840	162,201	92,201	231.7%	61,711
Wastewater Tap Fees	50,000	15,730	114,906	64,906	229.8%	49,940
Service/Reconnect & Inspection Fees	53,000	2,670	85,054	32,054	160.5%	71,731
Penalties & Late Charges	160,000	4,317	131,139	(28,861)	82.0%	142,718
Investment Interest	6,300	2,075	14,632	8,332	232.3%	7,363
Credit Card Processing Fees	63,269	5,317	69,402	6,133	109.7%	66,238
Miscellaneous	7,500	125	9,085	1,585	121.1%	6,616
Charges for Services	240,924	-	240,924	-	100.0%	191,569
Transfer In	-	-	-	-	0.0%	375,705
TOTAL ACTUAL RESOURCES	11,934,636	1,121,491	11,596,004	(338,632)	97.2%	11,627,099
Use of Fund Balance	67,668	-	-	(67,668)	0.0%	-
TOTAL RESOURCES	\$ 12,002,304	\$ 1,121,491	\$ 11,596,004	\$ (406,300)	96.6%	\$ 11,627,099
EXPENDITURES						
Wages & Benefits	1,708,138	190,078	1,677,554	(30,584)	98.2%	1,546,454
Professional Fees	2,276,169	236,359	2,272,809	(3,360)	99.9%	2,119,044
Maintenance & Operations	344,204	18,473	306,725	(37,479)	89.1%	384,255
Supplies	67,654	22,484	65,824	(1,830)	97.3%	74,691
Utilities & Communication	5,347,882	497,684	5,289,145	(58,737)	98.9%	5,372,011
Vehicles/Equipment & Fuel	87,558	12,982	87,112	(446)	99.5%	104,960
Training	16,871	669	15,165	(1,706)	89.9%	10,416
Capital Outlay	90,711	4,144	55,849	(34,862)	61.6%	66,623
Debt Service	1,114,970	(621,672)	1,082,602	(32,368)	97.1%	393,043
Charges for Services	680,676	-	680,676	-	100.0%	710,627
Transfer Out	267,471	-	267,471	-	100.0%	133,494
TOTAL EXPENDITURES	12,002,304	361,200	11,800,933	(201,371)	98.3%	10,915,619
EXCESS/(DEFICIT)	\$ -	\$ 760,291	\$ (204,928)	\$ (204,928)		\$ 711,481

KEY TRENDS	
Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p>Water and Wastewater Disposal Charges: The FY 2016-17 budget incorporates the third year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.</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 \$50,000 for the Utility Rate Study and \$15,000 to update the Engineering Design Manual.</p> <p>Transfer Out includes \$50,000 annual contribution to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$101,673 allocation to the General Fund for the homeowner's association water credits, \$50,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters, \$7,798 to the Tech Replacement Fund for the future purchases of computers and \$58,000 to the General Capital Improvement Fund for the Engineering component of the Planning & Development Software.</p> <p>Budget includes amendment for the compensation plan in the amount of \$9,668.</p> <p>Approved by City Council on March 2, 2017, Ordinance #17-03-02-01.</p>



City of Corinth

Storm Water Utility Fund

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

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Storm Water Utility Fee	\$ 685,000	\$ 14,890	\$ 701,109	\$ 16,109	102.4%	\$ 695,050
Investment Interest	1,100	922	6,400	5,300	581.8%	2,720
Miscellaneous	-	-	26,218	26,218	0.0%	8,733
Transfers	-	-	-	-	0.0%	21,115
TOTAL ACTUAL RESOURCES	686,100	15,812	733,727	47,627	106.9%	727,617
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 686,100	\$ 15,812	\$ 733,727	\$ 47,627	106.9%	\$ 727,617
EXPENDITURES						
Wages & Benefits	\$ 161,974	\$ 4,015	\$ 108,491	\$ (53,483)	67.0%	\$ 118,075
Professional Fees	76,954	8,138	44,752	(32,202)	58.2%	52,518
Maintenance & Operations	19,218	1,713	9,759	(9,459)	50.8%	7,323
Supplies	8,073	4,228	6,936	(1,137)	85.9%	5,600
Utilities & Communication	6,326	611	5,489	(837)	86.8%	6,004
Vehicles/Equipment & Fuel	15,936	661	12,404	(3,532)	77.8%	9,377
Training	2,117	-	1,208	(909)	57.1%	-
Capital Outlay	27,533	-	24,499	(3,034)	89.0%	-
Debt Service	213,824	(136,724)	173,630	(40,194)	81.2%	82,555
Charges for Service	71,507	-	71,507	-	100.0%	92,518
Transfer Out	25,250	-	25,250	-	100.0%	25,250
TOTAL EXPENDITURES	628,712	(117,358)	483,925	(144,787)	77.0%	399,220
EXCESS/(DEFICIT)	\$ 57,388	\$ 133,170	\$ 249,802	\$ 192,414		\$ 328,397

KEY TRENDS

Resources

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

Expenditures

Debt Service payments are processed in February and August.

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

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

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



City of Corinth

Street Maintenance Sales Tax Fund

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

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.25%)	\$ 336,898	\$ 107,518	\$ 378,376	\$ 41,478	112.3%	\$ 339,725
Interest	1,000	767	6,788	5,788	678.8%	2,302
Miscellaneous Income	-	1	1	1	0.0%	-
TOTAL ACTUAL RESOURCES	337,898	108,287	385,165	47,267	114.0%	342,027
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 337,898	\$ 108,287	\$ 385,165	\$ 47,267	114.0%	\$ 342,027
EXPENDITURES						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	319,360	115,775	148,327	(171,033)	46.4%	123,697
Capital Outlay	-	-	-	-	0.0%	-
Transfer Out	-	-	-	-	0.0%	-
TOTAL EXPENDITURES	319,360	115,775	148,327	(171,033)	46.4%	123,697
EXCESS/(DEFICIT)	\$ 18,538	\$ (7,489)	\$ 236,838	\$ 218,300		\$ 218,330

KEY TRENDS

Resources

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

Expenditures

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



City of Corinth

Crime Control & Prevention Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)

For the Period Ended September 2017

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 291,100	\$ 98,357	\$ 346,090	\$ 54,990	118.9%	\$ 308,630
Investment Interest	250	236	2,034	1,784	813.5%	689
TOTAL ACTUAL RESOURCES	291,350	98,593	348,124	56,774	119.5%	309,320
Use of Fund Balance	-	-	-	-	0.00%	-
TOTAL RESOURCES	\$ 291,350	\$ 98,593	\$ 348,124	\$ 56,774	119.5%	\$ 309,320
EXPENDITURES						
Wages & Benefits	\$ 166,155	\$ 18,797	\$ 159,864	\$ (6,291)	96.2%	\$ 124,388
Maintenance & Operations	-	-	-	-	0.00%	-
Supplies	-	4,029	4,029	4,029	0.00%	-
Capital Outlay	81,895	-	80,138	(1,757)	97.9%	150,833
Transfers	24,730	-	24,730	-	100.0%	-
TOTAL EXPENDITURES	272,780	22,826	268,761	(4,019)	98.5%	275,221
EXCESS/(DEFICIT)	\$ 18,570	\$ 75,768	\$ 79,362	\$ 60,792		\$ 34,099

KEY TRENDS

Resources

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

Expenditures

Wages & Benefits - The budget reflects funding for two full-time police officers.

Capital Outlay - The budget includes \$53,240 for Mobile Video Recording, \$28,655 for tasers and \$24,730 for Radio Frequency Identification system.

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

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



City of Corinth

Corinth Economic Development Corporation

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

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	September 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-16 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 673,772	\$ 215,029	\$ 756,725	82,953	112.3%	\$ 679,427
Interest Income	400	123	907	507	226.7%	790
Investment Income	8,000	3,835	28,592	20,592	357.4%	17,338
Miscellaneous Income	-	63	63	63	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	682,172	219,050	786,287	104,115	115.3%	697,555
Use of Fund Balance	10,232	-	-	(10,232)	0.0%	-
TOTAL RESOURCES	\$ 692,404	\$ 219,050	\$ 786,287	\$ 93,883	113.6%	\$ 697,555
EXPENDITURES						
Wages & Benefits	\$ 127,927	\$ 11,170	\$ 124,676	\$ (3,251)	97.5%	136,391
Professional Fees	87,662	3,098	77,216	(10,446)	88.1%	76,590
Maintenance & Operations	177,570	1,219	5,643	(171,927)	3.2%	169,036
Supplies	900	-	173	(727)	19.3%	5,969
Utilities & Communication	4,114	251	3,088	(1,026)	75.1%	2,791
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	25,325	-	10,039	(15,286)	39.6%	5,485
Capital Outlay	125,000	-	-	(125,000)	0.0%	2,500
Debt Service	-	-	-	-	0.0%	-
Charges for Services	93,302	-	93,302	-	100.0%	105,401
Transfer Out	50,604	-	50,604	-	100.0%	100,250
TOTAL EXPENDITURES	692,404	15,738	364,742	(327,662)	52.7%	604,413
EXCESS/(DEFICIT)	\$ -	\$ 203,312	\$ 421,544	\$ 421,544		\$ 93,142

KEY TRENDS

Resources

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

Expenditures

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

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

Section 2

City of Corinth
Monthly Financial Report
September 2017

REVENUE & ECONOMIC ANALYSIS

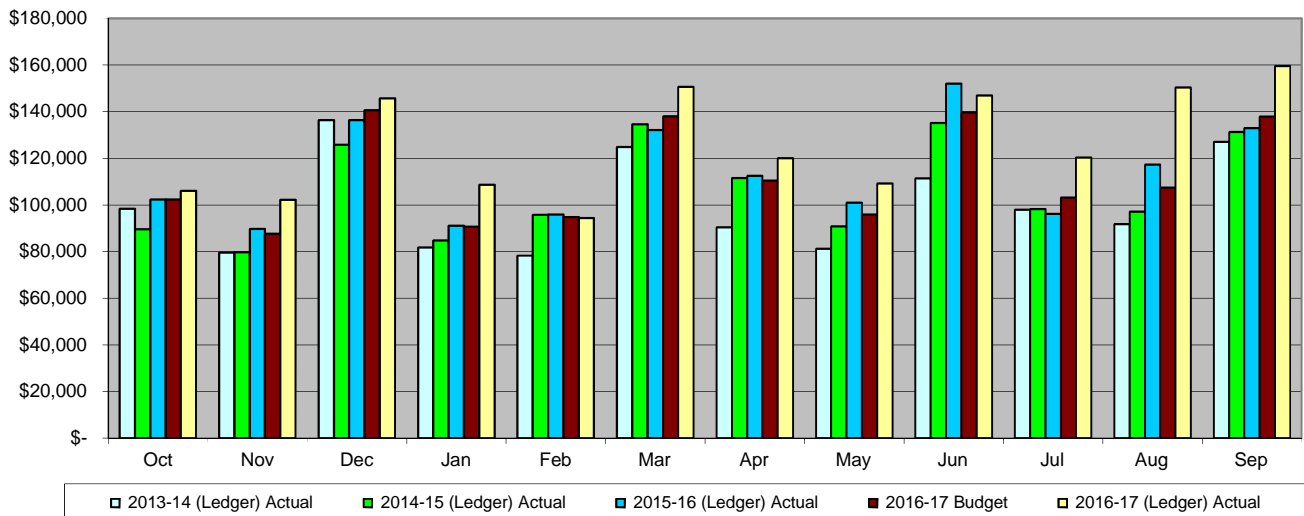
This section provides additional analysis regarding key revenue sources and economic indicators.



General Fund
General Purpose Sales Tax
 PY Comparison and Variance Analysis

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

Monthly Collections Comparison



KEY TRENDS

Description

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

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

Analysis

As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. The General Fund sales tax revenue reflects a year-to-date increase in collections compared to budgeted amounts.

Revenues are deposited into the City's General Fund and may be used for any lawful purpose (Chapter 321 of the Tax Code).



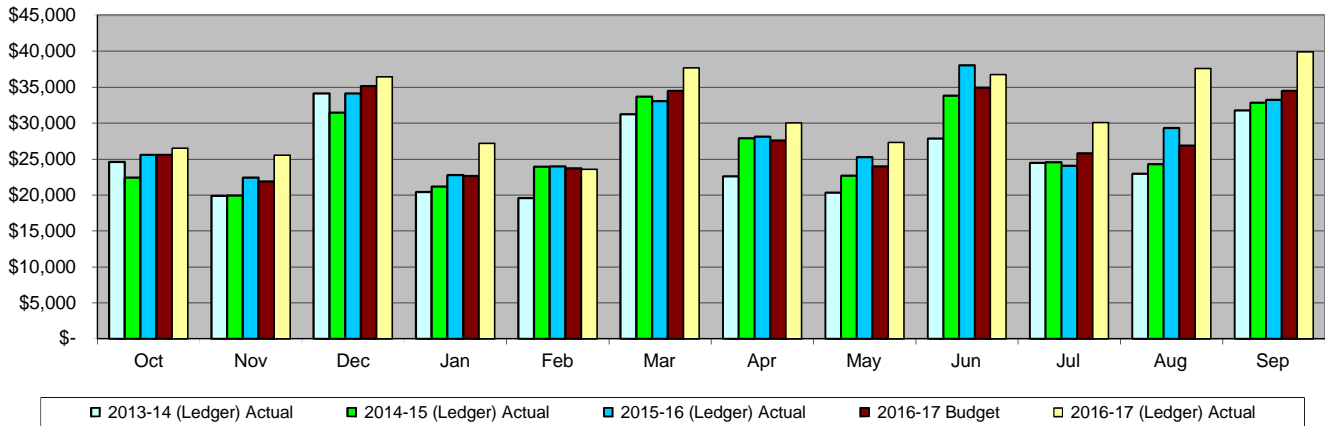
Street Maintenance Sales Tax Fund

Street Maintenance Sales Tax

PY Comparison and Variance Analysis

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

Monthly Collections Comparison



KEY TRENDS

Description

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

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

Analysis

The Street Maintenance Sales Tax revenue reflects a year-to-date increase in collections compared to budgeted amounts.

Funds are deposited into the Street Maintenance Sales Tax Fund and can only be used to repair and maintain existing city streets (Chapter 327 of the Tax Code).

A special election was held on September 11, 2004 for the purpose of adopting a local .25% sales and use tax in Corinth for Street Maintenance. An election held on November 8, 2016 reauthorized the tax for four additional years.



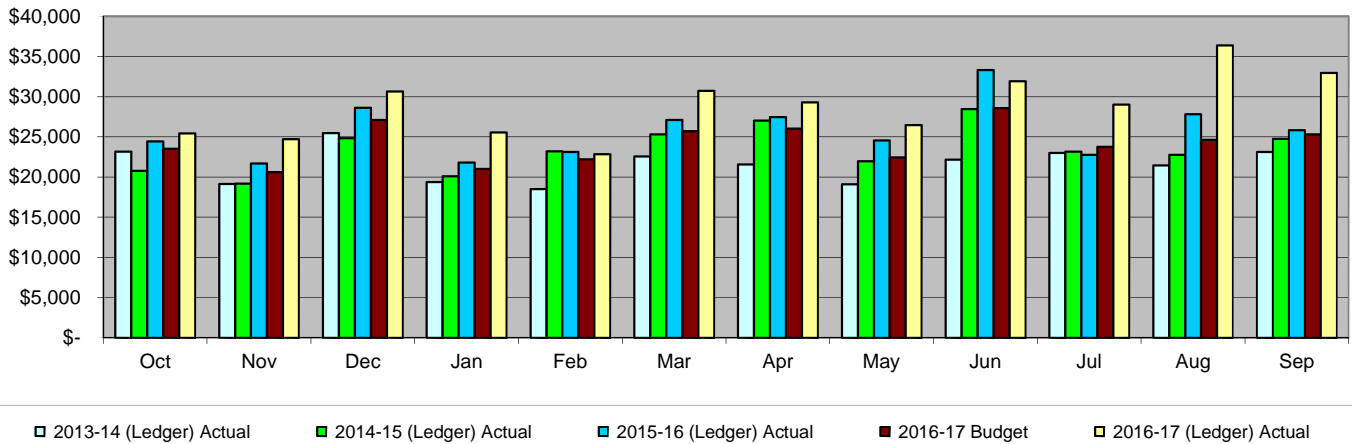
Crime Control & Prevention District

Crime Control & Prevention Sales Tax

PY Comparison and Variance Analysis

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

Monthly Collections Comparison



KEY TRENDS

Description

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

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

Analysis

The Crime Control & Prevention Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Funds are deposited into the Crime Control & Prevention District Fund and may be used to finance a wide variety of crime control and prevention programs (Chapter 363 of the Local Government Code and Chapter 323.102 of the Tax Code)

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



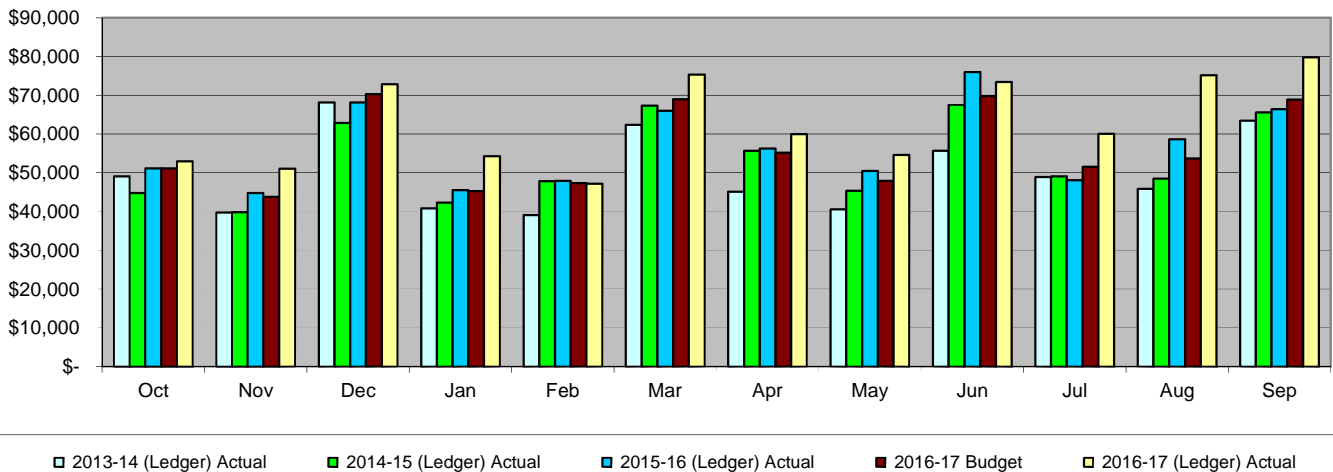
Corinth Economic Development Corporation

Economic Development Sales Tax

PY Comparison and Variance Analysis

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

Monthly Collections Comparison



KEY TRENDS

Description

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

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

Analysis

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



Hotel Occupancy Tax Collection Report

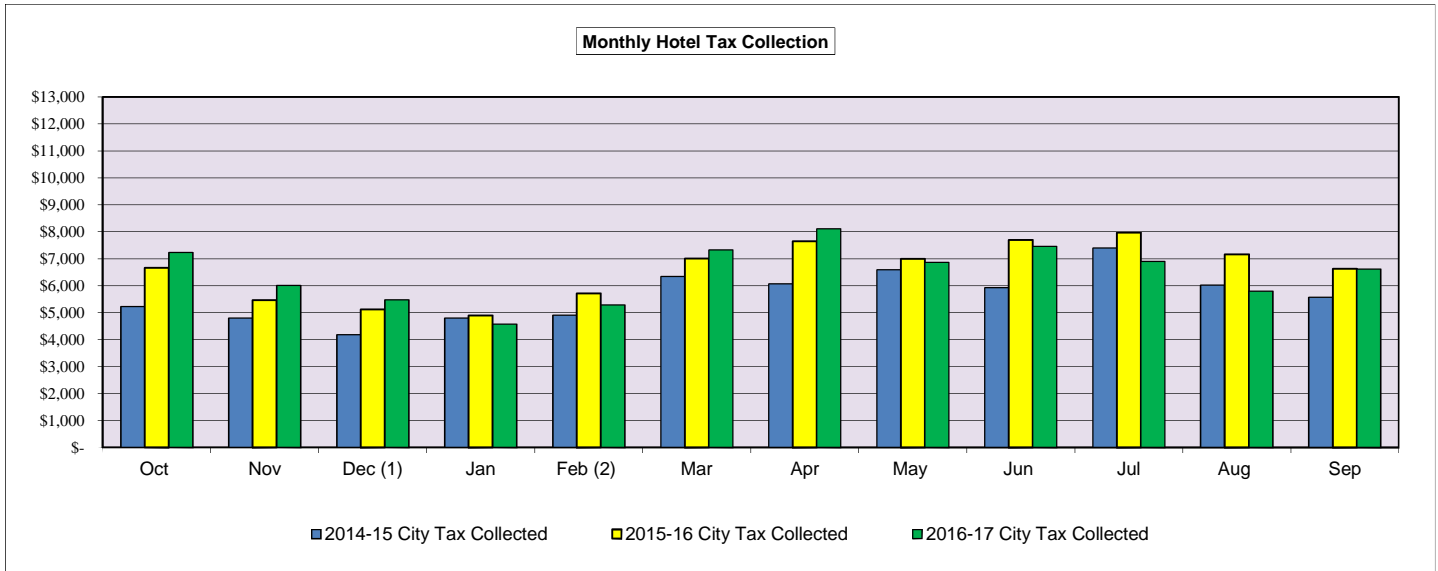
Comfort Inn & Suites

For the Period Ended September 2017

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

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

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



KEY TRENDS

Description

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

BUDGETED EXPENDITURES

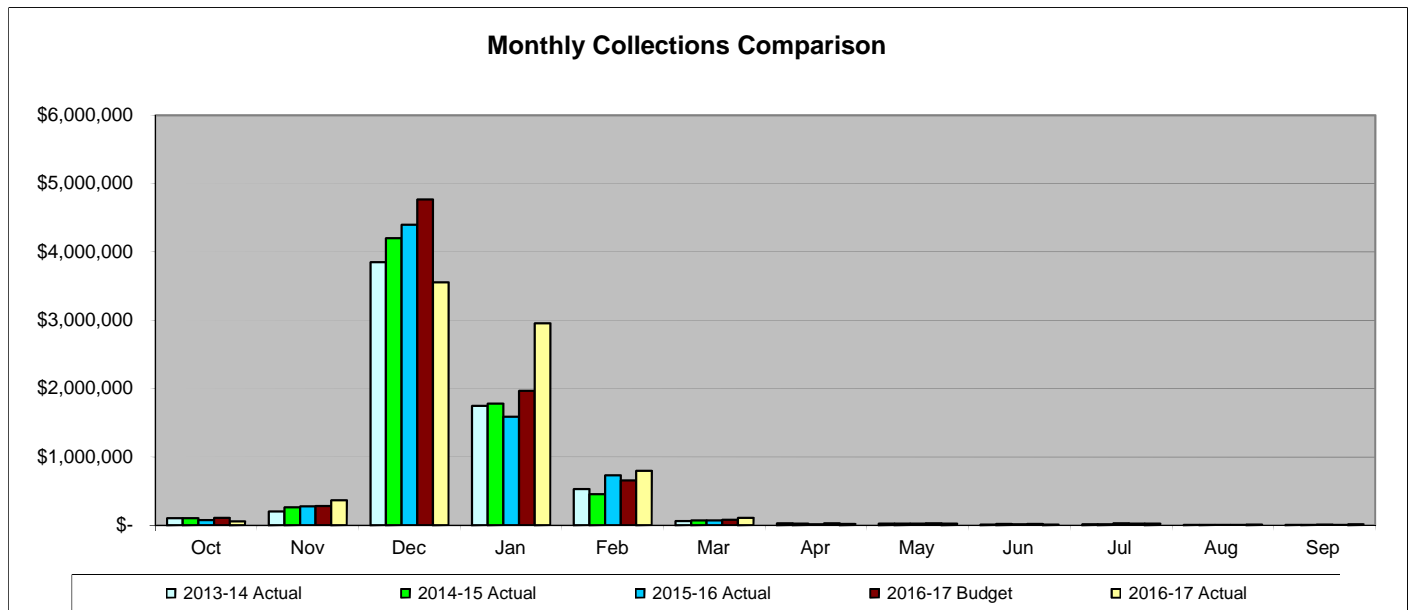
FY 2016-17

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



General Fund
Property Tax
 PY Comparison and Variance Analysis

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



KEY TRENDS	
<p>Description:</p> <p>The ad valorem (property tax) accounts for the largest source of revenue for the General Fund. Property tax is dependent on two variables: appraised value and the tax rate. The property tax rate is \$.58193 per \$100 valuation and is collected by the Denton County Tax Office. Denton County remits payment to the city on a monthly basis.</p>	<p>Analysis</p> <p>The city estimates 100% collection rate. The majority of taxes are collected in December and January.</p>



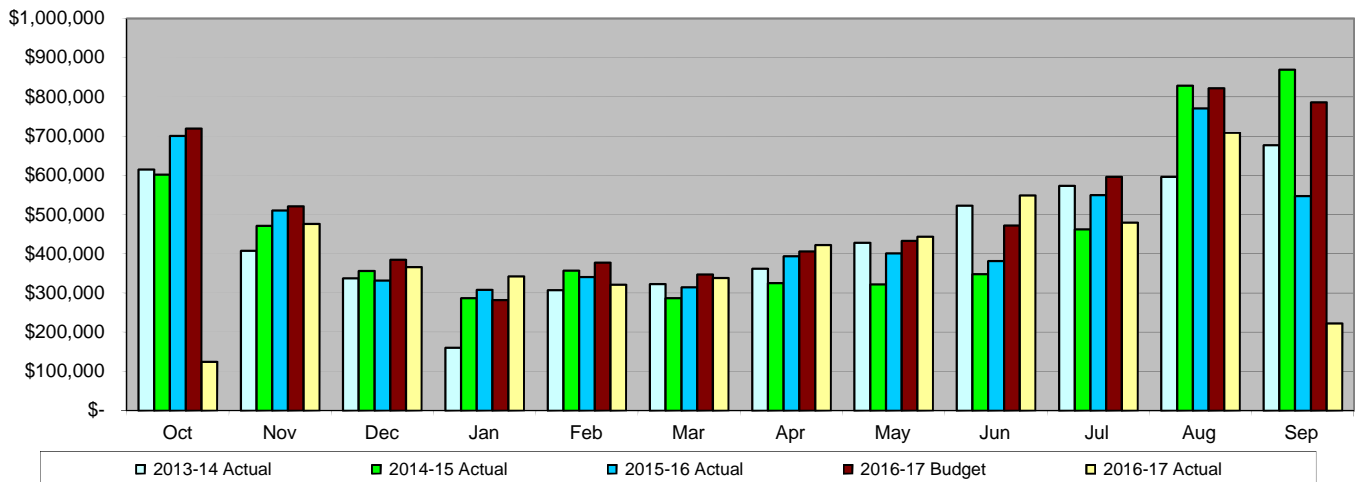
Water/Wastewater Fund

Water Charges

PY Comparison and Variance Analysis

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 614,673	\$ 602,147	\$ 700,252	\$ 719,351	\$ 124,864	\$ (594,487)	-82.6%	\$(575,388)	-82.2%
Nov	407,473	471,595	510,370	520,804	476,496	(44,308)	-8.5%	(33,874)	-6.6%
Dec	337,082	356,312	331,747	384,884	365,974	(18,910)	-4.9%	34,226	10.3%
Jan	160,230	287,240	308,329	282,334	342,045	59,712	21.1%	33,716	10.9%
Feb	307,603	357,213	340,963	377,243	321,169	(56,074)	-14.9%	(19,794)	-5.8%
Mar	322,897	286,730	314,604	347,241	338,485	(8,756)	-2.5%	23,881	7.6%
Apr	361,654	325,454	393,923	405,861	422,060	16,199	4.0%	28,137	7.1%
May	428,107	321,967	401,414	432,979	443,915	10,936	2.5%	42,501	10.6%
Jun	522,699	348,080	381,423	471,803	548,509	76,707	16.3%	167,087	43.8%
Jul	573,401	462,517	549,310	595,847	479,370	(116,477)	-19.5%	(69,940)	-12.7%
Aug	596,486	829,134	770,738	822,646	709,184	(113,462)	-13.8%	(61,553)	-8.0%
Sep	676,958	869,445	547,279	786,177	222,723	(563,454)	-71.7%	(324,556)	-59.3%
TOTAL	\$ 5,309,263	\$ 5,517,835	\$ 5,550,352	\$ 6,147,169	\$ 4,794,793	\$ (1,352,376)	-22.0%	\$(755,558)	-13.6%

Monthly Collections Comparison



KEY TRENDS

Description:

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

Analysis

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

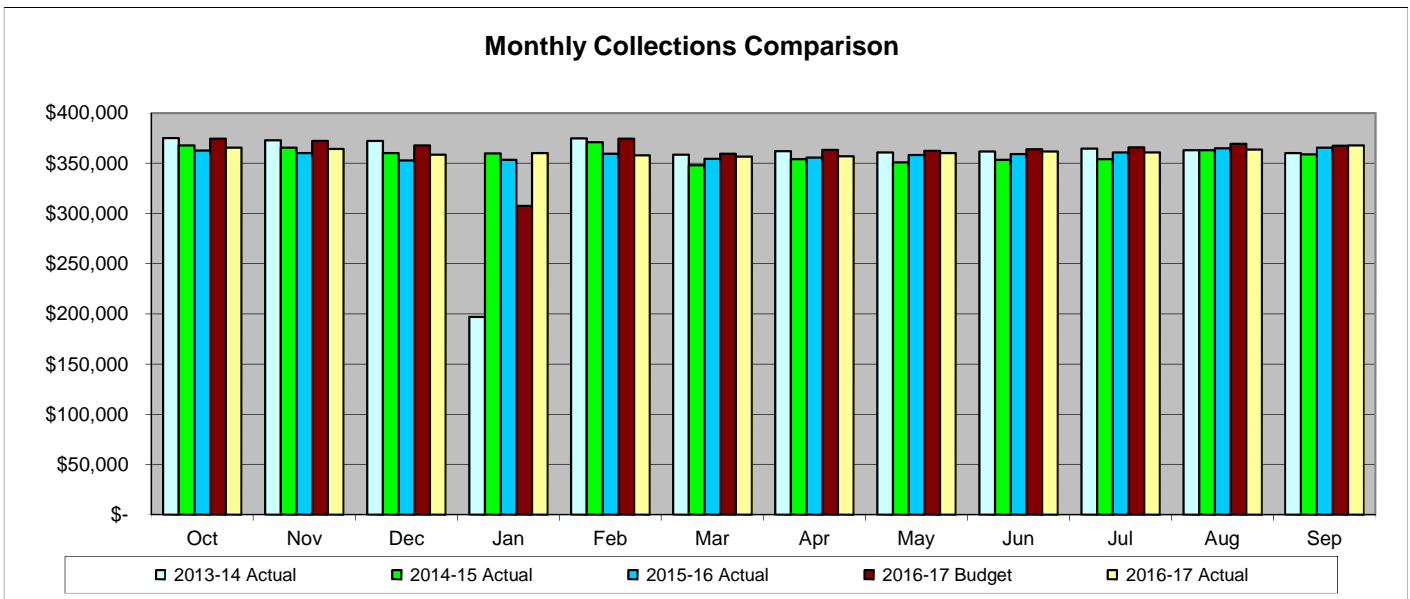


Water/Wastewater Fund

Sewer Charges

PY Comparison and Variance Analysis

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



KEY TRENDS	
<p>Description: Wastewater charges are determined by wastewater rates & volume of wastewater treated. Residential wastewater treatment charges are determined by a winter average process that takes the lowest three months of water consumption to determine a baseline wastewater treatment demand.</p>	<p>Analysis: The FY 2016-17 budget incorporates the third year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.</p>

Section 3

City of Corinth
Monthly Financial Report
September 2017

EXECUTIVE SUMMARY

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



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

	Audited Appropria- Fund Balance 9/30/16	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/17
OPERATING FUNDS					
100 General Fund (1)	\$ 3,735,109	\$ 16,672,676	\$ 14,541,877	\$ (427,101)	\$ 5,438,807
110 Water/Wastewater Operations (2)	2,763,912	11,596,004	11,533,462	(267,471)	2,558,984
120 Storm Water Utility (3)	695,711	733,727	458,675	(25,250)	945,513
130 Economic Development Corporation (4)	3,182,079	786,287	314,138	(50,604)	3,603,623
131 Crime Control & Prevention (5)	251,535	348,124	244,031	(24,730)	330,897
132 Street Maintenance Sales Tax	699,724	385,165	148,327	-	936,562
	<u>\$ 11,328,069</u>	<u>\$ 30,521,983</u>	<u>\$ 27,240,510</u>	<u>\$ (795,156)</u>	<u>\$ 13,814,385</u>
RESERVE FUNDS					
200 General Debt Service Fund	\$ 347,254	\$ 10,171,153	\$ 10,127,726	\$ -	\$ 390,681
	<u>\$ 347,254</u>	<u>\$ 10,171,153</u>	<u>\$ 10,127,726</u>	<u>\$ -</u>	<u>\$ 390,681</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (6)	\$ 1,839,358	\$ 47,655	\$ 354,994	\$ 246,643	\$ 1,778,663
194 Water/Wastewater Projects	380,123	228,472	53,510	-	555,085
703 2007 C.O. - Streets	130,738	20,878	59,825	-	91,791
706 2016 C.O. - General Fund Capital Projects	11,326,517	83,254	4,740,921	-	6,668,850
709 2017 C.O. - General Fund Capital Projects	-	5,139,812	167,561	-	4,972,250
	<u>\$ 13,676,736</u>	<u>\$ 5,520,071</u>	<u>\$ 5,376,810</u>	<u>\$ 246,643</u>	<u>\$ 14,066,639</u>
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement (7)	\$ 41,677	\$ 13,898	\$ -	\$ 60,000	\$ 115,575
301 LCFD Vehicle & Equip Replacement (8)	199,450	22,130	162,362	247,755	306,974
302 Technology Replacement Fund (9)	29,747	3,425	53,509	47,987	27,649
310 Utility Vehicle & Equip Replacement (10)	324,223	5,161	-	75,000	404,384
311 Utility Meter Replacement Fund (11)	885,408	7,973	599,983	50,000	343,398
320 Insurance Claims and Risk Fund	225,109	92,649	5,080	-	312,679
	<u>\$ 1,705,614</u>	<u>\$ 145,237</u>	<u>\$ 820,934</u>	<u>\$ 480,742</u>	<u>\$ 1,510,659</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 170,098	\$ 79,322	\$ 74,006	\$ -	\$ 175,414
401 Keep Corinth Beautiful	24,350	5,627	3,027	-	26,950
404 County Child Safety Program	26,499	24,065	28,265	-	22,299
405 Municipal Court Security (12)	49,373	11,597	9,015	17,771	69,725
406 Municipal Court Technology	29,578	14,961	-	-	44,539
420 Police Lease Fund	5,898	2,571	122	-	8,347
421 Police Donations	2,033	23,687	17,229	-	8,491
422 Police Confiscation - State	-	1,782	-	-	1,782
451 Parks Development (13)	237,797	2,381	10,610	50,000	279,568
452 Community Park Improvement	12,050	10,889	-	-	22,939
453 Tree Mitigation Fund	160,642	1,308	7,325	-	154,625
460 Fire Donations	30,146	3,955	4,854	-	29,248
	<u>\$ 748,464</u>	<u>\$ 182,145</u>	<u>\$ 154,452</u>	<u>\$ 67,771</u>	<u>\$ 843,928</u>
GRANT FUNDS					
522 Bullet Proof Vest Grant	\$ 1,895	\$ 912	\$ 2,806	\$ -	\$ -
	<u>\$ 1,895</u>	<u>\$ 912</u>	<u>\$ 2,806</u>	<u>\$ -</u>	<u>\$ -</u>
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	\$ 318,865	\$ 251,552	\$ 36,783	\$ -	\$ 533,634
611 Wastewater Impact Fees	237,944	289,995	25,933	-	502,006
620 Storm Drainage Impact Fees	90,693	766	-	-	91,459
630 Roadway Impact Fees	248,923	159,320	15,933	-	392,310
699 Street Escrow	152,115	1,206	-	-	153,321
	<u>\$ 1,048,540</u>	<u>\$ 702,839</u>	<u>\$ 78,649</u>	<u>\$ -</u>	<u>\$ 1,672,730</u>
TOTAL ALL FUNDS	<u><u>\$ 28,856,572</u></u>	<u><u>\$ 47,244,339</u></u>	<u><u>\$ 43,801,889</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,299,022</u></u>



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

TRANSFER IN/(OUT) EXPLANATIONS:

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



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

TRANSFER IN/(OUT) EXPLANATIONS:

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

Section 4

City of Corinth
Monthly Financial Report
September 2017

Capital Improvement Report

This section contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures and available fund balance.

CIP SUMMARY
2007 CERTIFICATES OF OBLIGATION

As of September 2017

Purpose:

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

EXPENDITURES

PROJECTS IN PROGRESS	ACCT #	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	IMPACT FEES	ESCROW FEES	AID IN CONSTR	OPERATING FUNDS	ECONOMIC DEV. FUNDS	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES			AVAILABLE BUDGET
												PRIOR YRS	09/30/17	TOTAL OBLIGATIONS	
LAKE SHARON EXTENSION	079	\$ -	\$ 259,914	\$ 259,914	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 279,914	\$ 90,625	129,464	\$ 59,825	\$ 279,914	\$ -
ISSUANCE COSTS		136,897	(52,620)	76,195	-	-	-	-	-	76,195	-	76,195	-	76,195	-
TOTAL		\$ 136,897	\$ 207,294	\$ 336,109	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 356,109	\$ 90,625	\$ 205,660	\$ 59,825	\$ 356,109	\$ -

PROJECTS COMPLETED	ACCT #	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	IMPACT FEES	ESCROW FEES	AID IN CONSTR	OPERATING FUNDS	ECONOMIC DEV. FUNDS	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES			AVAILABLE BUDGET
												PRIOR YRS	09/30/17	TOTAL OBLIGATIONS	
DOBBS ROAD	064	\$ -	\$ 319,628	\$ 319,628	\$ -	\$ 213,024	\$ 400,000	\$ -	\$ 134,000	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -
CHURCH ST	070	2,658,768	(1,099,960)	1,558,808	963,032	146,000	-	80,030	-	2,747,870	-	2,747,870	-	2,747,870	-
8" SS NISSAN TRISTEEL	071	600,369	96,264	696,633	-	-	-	48,400	-	745,033	-	745,033	-	745,033	-
15" SS LYNCHBURG PHASE 1	072	935,600	(308,389)	627,210	330,103	-	-	106,200	-	1,063,513	-	1,063,513	-	1,063,513	-
15" SS LYNCHBURG PHASE 2	073	935,600	(892,426)	43,174	-	-	-	191,174	-	234,348	-	234,348	-	234,348	-
FM 2181 RELOCATIONS	074	4,685,683	(956,680)	3,729,003	409,462	-	28,817	500,000	-	4,667,282	-	4,667,282	-	4,667,282	-
WESTSIDE LS EXPANSION	075	2,664,160	(768,313)	1,895,847	390,325	-	-	-	-	2,286,172	-	2,286,172	-	2,286,172	-
12" WL IH-35 SOUTH (BURL ST TO WINDRIDGE)	076	269,925	(227,818)	42,107	-	-	-	-	-	42,107	-	42,107	-	42,107	-
PARKRIDGE (FM 2181 TO MEADOWVIEW)	077	583,604	370,909	954,513	-	41,285	750,000	60,000	-	1,805,798	-	1,805,798	-	1,805,798	-
LAKE SHARON	078	8,987,486	(1,041,148)	7,946,338	852,934	180,300	-	269,399	109,000	9,357,971	-	9,357,971	-	9,357,971	-
REPLACE TECHNOLOGICAL INFRASTRUCTURE	079	565,000	125,500	690,500	-	-	-	-	-	690,500	-	690,500	-	690,500	-
I-35 UPSTREAM IMPROVEMENTS	081	-	101,000	101,000	-	-	-	-	-	101,000	-	101,000	-	101,000	-
S. CORINTH STREET	084	-	2,137,686	2,137,686	-	-	-	-	-	2,137,686	-	2,137,686	-	2,137,686	-
REHAB 1.5 MG GROUND STORAGE	085	-	495,513	495,513	-	-	-	-	-	495,513	-	495,513	-	495,513	-
1.5 MG GROUND STORAGE TANK	086	-	1,158,354	1,158,354	-	-	-	900,000	-	2,058,354	-	2,058,354	-	2,058,354	-
PARKRIDGE DR SOUTH	090	-	292,190	292,190	262,000	-	719,283	280,717	-	1,554,190	-	1,554,190	-	1,554,190	-
SHADY REST LANE	091	-	346,054	346,054	-	-	75,000	1,160,000	-	1,581,054	-	1,581,054	-	1,581,054	-
TOWER RIDGE	092	-	114,875	114,875	-	-	-	-	-	114,875	-	114,875	-	114,875	-
CAPITAL IMPROVEMENT TRACKING	171	60,000	(13,846)	46,154	-	-	-	-	-	46,154	-	46,154	-	46,154	-
PLANNING & PERMITTING	172	140,000	(8,090)	131,910	-	-	-	-	-	131,910	-	131,910	-	131,910	-
PHONE SYSTEM UPGRADE	173	90,000	45,571	135,571	-	-	-	-	-	135,571	-	135,571	-	135,571	-
PINNELL POINT DRAINAGE	174	-	108,423	108,423	-	-	140,000	-	-	248,423	-	248,423	-	248,423	-
SECURITY & FIRE SUPPRESSION	176	66,910	(50,489)	16,421	-	-	-	-	-	16,421	-	16,421	-	16,421	-
SECURITY CARD SYSTEM	178	30,000	-	30,000	-	-	-	-	-	30,000	-	30,000	-	30,000	-
GRAND TOTAL		\$ 23,493,103	\$ 124,809	\$ 23,617,912	\$ 3,207,856	\$ 580,609	\$ 2,113,100	\$ 3,595,921	\$ 243,000	\$ 33,358,397	\$ 90,625	\$ 33,564,057	\$ 59,825	\$ 33,714,507	\$ -

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

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

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

Purpose:

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

EXPENDITURES

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

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

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

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation, drainage, signalization, landscaping, lighting and signage; (ii) acquiring, improving and equipping a public safety facility for the police and fire departments; (iii) constructing and equipping a new fire station and improvements to existing fire stations.

EXPENDITURES

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

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

UNALLOCATED INTEREST	\$ 3,376
UNALLOCATED FUNDS	-
AVAILABLE FUND BALANCE	\$ 3,376

FUND 193 - GENERAL FUND CAPITAL PROJECTS
As of September 2017

EXPENDITURES

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

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

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

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

EXPENDITURES

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

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

UNALLOCATED INTEREST \$ 14,967
UNALLOCATED FUNDS -
AVAILABLE FUND BALANCE \$ 14,967



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2017

Comprehensive Annual Financial Report (CAFR)

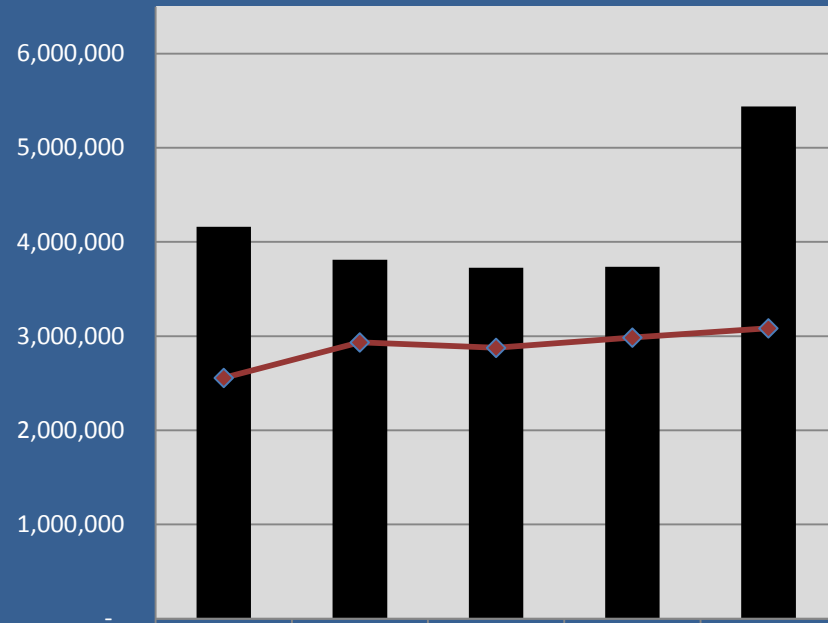
- Report is organized into three sections:
 - Introductory, Financial & Statistical Section
- CAFR has been designed to comply with GAAP/GASB guidelines
- City has received an unqualified opinion from the audit firm
- Suggested audit adjustments.
 - Current Year GASB 68 adjustment – Net Pension Asset/Liability on Financial Statements

Fund Balance Historical Analysis

Actual vs Policy Requirement

General Fund

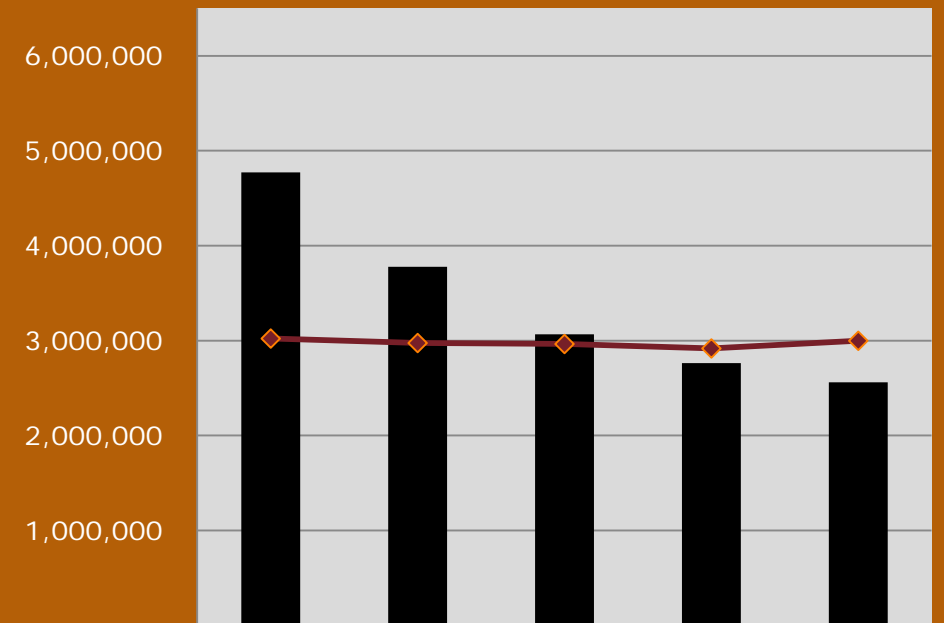
20% of Budgeted Expenditures



	9/30/13	9/30/14	9/30/15	9/30/16	9/30/17
FUND BALANCE	4,162,122	3,810,097	3,726,939	3,735,108	5,438,807
FUND BALANCE REQ.	2,555,788	2,933,175	2,876,660	2,985,215	3,082,741

Water/Wastewater Fund

25% of Budgeted Expenditures



	9/30/13	9/30/14	9/30/15	9/30/16	9/30/17
FUND BALANCE	4,772,820	3,778,466	3,065,462	2,763,912	2,558,984
FUND BALANCE REQ.	3,020,957	2,976,417	2,964,845	2,916,342	2,998,159

ENDING FUND BALANCE COMPARISON

	9/30/2016	9/30/2017	Variance	% Change
Operating Funds	\$11,328,070	\$13,814,385	\$ 2,486,315	21.9%
Reserve Funds	347,253	390,681	43,428	12.5%
Internal Service Funds	1,705,614	1,510,659	(194,955)	-11.4%
Impact/Escrow Funds	1,048,540	1,672,730	624,190	59.5%
Bond/Capital Project Funds	13,676,737	14,066,639	389,902	2.9%
Special Revenue Funds	748,464	843,928	95,464	12.8%
Grant Funds	1,895	-	1,895	100.0%
Total all Funds	\$28,856,573	\$32,299,022	\$ 3,446,239	11.9%

GENERAL LONG-TERM DEBT

As of September 30, 2017

Issue	Original Principal Amount of Issue	Outstanding Principal as of 09/30/17	Outstanding Interest as of 09/30/17	Total Outstanding as of 09/30/17	% Outstanding as of 09/30/17	General Fund Payment	Water/ WW Payment	Drainage Payment	Total Debt Payment
2010 CO	1,500,000	205,000	12,486	217,486	13.7%	140,540			140,540
2016 GO	1,510,000	1,455,000	49,050	1,504,050	96.4%	66,027	18,623	-	84,650
2016 CO	13,275,000	13,275,000	6,598,650	19,873,650	100.0%	696,627	-	-	696,627
2017 GO Refunding	14,240,000	14,240,000	3,460,753	17,700,753	100.0%	1,586,820	1,015,537	195,428	2,797,786
2017 CO	4,855,000	4,855,000	2,051,767	6,906,767	100.0%	-	-	-	-
Total	\$ 35,380,000	\$ 34,030,000	\$ 12,172,706	\$ 46,202,706	96.2%	\$ 2,490,015	\$ 1,034,160	\$ 195,428	\$ 3,719,603

General Fund total Outstanding \$34,826,793
Water/Wastewater Fund total Outstanding \$9,636,380
Drainage Fund total Outstanding \$1,739,533