

**PARIS ECONOMIC DEVELOPMENT CORPORATION**  
**(A Component Unit of the City of Paris, Texas)**

**Annual Financial Report**

**Year Ended September 30, 2018**

**PARIS ECONOMIC DEVELOPMENT CORPORATION**  
**(A Component Unit of the City of Paris, Texas)**  
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**September 30, 2018**

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**Independent Auditors' Report**

Board of Directors  
Paris Economic Development Corporation  
Paris, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Paris Economic Development Corporation (PEDC), a component unit of the City of Paris, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise PEDC'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.

**Auditors' 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. 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.

Board of Directors  
Paris Economic Development Corporation

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of PEDC as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule 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.

Management has omitted Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*McClanahan and Holmes, LLP*  
Certified Public Accountants

January 31, 2019  
Paris, Texas

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Governmental Funds Balance Sheet/Statement of Net Position  
September 30, 2018

	General Fund	Debt Service Fund	Total Governmental Funds	Adjustments*	Total Governmental Activities
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,173,380	\$ 59,170	\$ 3,232,550	\$ -	\$ 3,232,550
Investments	581,375	434	581,809		581,809
Taxes Receivable	250,037	-	250,037	-	250,037
Note Receivable	400,000	-	400,000	-	400,000
Capital Assets (Net of Accumulated Depreciation)					
Equipment	-	-	-	6,780	6,780
Land Development Costs	2,239,699	-	2,239,699	-	2,239,699
<b>Total Assets</b>	<b>\$ 6,644,491</b>	<b>\$ 59,604</b>	<b>\$ 6,704,095</b>	<b>6,780</b>	<b>6,710,875</b>
<b>Liabilities</b>					
Accounts Payable	\$ 5,679	\$ -	\$ 5,679	-	5,679
Accrued Liabilities	6,323	-	6,323	-	6,323
<b>Total Liabilities</b>	<b>12,002</b>	<b>-</b>	<b>12,002</b>	<b>-</b>	<b>12,002</b>
<b>Fund Balance/Net Position</b>					
Fund Balance:					
Nonspendable-Land Development Costs	2,239,699	-	2,239,699	2,239,699	-
Committed to Industrial Incentives	456,250	-	456,250	456,250	-
Unassigned	3,936,540	59,604	3,996,144	3,996,144	-
<b>Total Fund Balance</b>	<b>6,632,489</b>	<b>59,604</b>	<b>6,692,093</b>	<b>6,692,093</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 6,644,491</b>	<b>\$ 59,604</b>	<b>\$ 6,704,095</b>		
<b>Net Position:</b>					
Restricted for Land Development Costs				(2,239,699)	2,239,699
Restricted for Industrial Incentives				(456,250)	456,250
Unrestricted				(4,002,924)	4,002,924
<b>Total Net Position</b>				<b>\$ (6,698,873)</b>	<b>\$ 6,698,873</b>

\*Primarily capital assets are not reported in the funds.

The notes to financial statements are an integral part of this statement.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities  
Year Ended September 30, 2018

	General Fund	Debt Service Fund	Total Governmental Funds	Adjustments*	Total Governmental Activities
<b>Revenues</b>					
Sales Taxes	\$ 1,466,934	\$ -	\$ 1,466,934	\$ -	\$ 1,466,934
Investment Earnings	19,792	49	19,841	-	19,841
<b>Total Revenues</b>	<u>1,486,726</u>	<u>49</u>	<u>1,486,775</u>	<u>-</u>	<u>1,486,775</u>
<b>Expenditures/Expenses</b>					
<b>Current</b>					
Personnel	229,919	-	229,919	-	229,919
Administration	65,992	-	65,992	(6,780)	59,212
Job Training	75,000	-	75,000	-	75,000
Marketing and Promotion	67,238	-	67,238	-	67,238
Direct Business Incentives	408,000	-	408,000	-	408,000
<b>Debt Service</b>					
Principal	-	340,000	340,000	(340,000)	-
Interest	-	14,926	14,926	(1,244)	13,682
Fees	-	750	750	-	750
<b>Total Expenditures/Expenses</b>	<u>846,149</u>	<u>355,676</u>	<u>1,201,825</u>	<u>(348,024)</u>	<u>853,801</u>
<b>Excess (Deficiency) of Revenues Over Expenditures/Expenses</b>	<u>640,577</u>	<u>(355,627)</u>	<u>284,950</u>	<u>(348,024)</u>	<u>632,974</u>
<b>Other Financing Sources (Uses)</b>					
Refund from SRMMA Project	154,540	-	154,540	-	154,540
Transfers In	376,315	379,000	755,315	-	755,315
Transfers Out	(379,000)	(376,315)	(755,315)	-	(755,315)
<b>Total Other Financing Sources (Uses)</b>	<u>151,855</u>	<u>2,685</u>	<u>154,540</u>	<u>-</u>	<u>154,540</u>
<b>Net Change in Fund Balances/Net Position</b>	792,432	(352,942)	439,490	(348,024)	787,514
<b>Fund Balances/Net Position - Beginning</b>	<u>5,840,057</u>	<u>412,546</u>	<u>6,252,603</u>	<u>341,244</u>	<u>5,911,359</u>
<b>Fund Balances/Net Position - Ending</b>	<u>\$ 6,632,489</u>	<u>\$ 59,604</u>	<u>\$ 6,692,093</u>	<u>\$ (6,780)</u>	<u>\$ 6,698,873</u>

\*Primarily capital assets and long-term liabilities not reported in the funds.

The notes to financial statements are an integral part of this statement.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements  
September 30, 2018

I. Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities are supported by taxes, intergovernmental revenues, and other nonexchange transactions. The statement of activities reports both the gross and net cost of Paris Economic Development Corporation's (PEDC) function (economic development). Economic development is supported by general government revenues (sales tax and interest on investments).

B. Reporting Entity

The Paris Economic Development Corporation is a governmental non-profit corporation established July 19, 1993, funded by a quarter percent sales tax. PEDC was organized exclusively for the purpose of benefiting and accomplishing public purposes of the City of Paris, Texas, by promoting, assisting, and enhancing economic development activities as provided by the Development Corporation Act of 1979. PEDC is a component unit of the City of Paris, Texas, and the business and affairs are managed by a five-member board of directors appointed by the governing body of the City of Paris, Texas.

C. Basis of Presentation – Government-Wide and Fund Financial Statements

The fund financial statements provide information about PEDC's funds. However, the financial statements include both government-wide (reporting the unit as a whole) and fund financial statements (reporting PEDC's major funds).

PEDC reports the following major governmental funds

General Fund - The General Fund is the general operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements.

In the statement of net position, the governmental activities column is reported using the accrual basis of accounting and an economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations, if any. Net position is reported in various categories based on current financial reporting pronouncements. The reporting policy regarding committed classification is that when a contractual obligation is created by the governing board, the amount of the incentive is considered committed. When payments are made, they are considered to have been paid from the fund balance classification in which they were accumulated.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

I. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The financial transactions of PEDC are reported in two individual funds in the combined financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. These funds are accounted for by providing a separate set of self-balancing accounts that comprise their assets, liabilities, fund equity, revenues, and expenditures. The focus of the governmental funds' measurement (in the fund statements column) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. PEDC considers all revenues available if they are collected within sixty days after year end and expenditures are recognized when the related liability is incurred.

E. Budgetary Information

1. Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the debt service fund.

2. Excess of Expenditures Over Appropriations

For the year ended September 30, 2018, there were no instances where expenditures exceeded appropriations (budget).

F. Assets, Liabilities, and Fund Balance/Net Position

1. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

PEDC holds investments in two external investment pools, Texas Class and Lone Star Investments. Both investment pools carry investments at amortized cost, which approximates fair value. Investments are priced daily and compared to the carrying value. If the ratio of the fair value of the portfolio of investments to the carrying value of investments is less than .995 or greater than 1.005, the investment pools will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005.

State statutes authorize PEDC to invest in obligations of the U.S. Treasury, direct obligations of the State of Texas, other obligations guaranteed or insured by the State of Texas or the United States, obligations of states and political subdivisions of any state meeting certain rating requirements, certificates of deposit, and fully collateralized direct repurchase agreements having a defined termination date.

3. Net Position Flow Assumption

Sometimes PEDC will fund outlays for a particular purpose from both restricted (e.g., restricted bond proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is



PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

I. Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, and Fund Balance/Net Position (Continued)

3. Net Position Flow Assumption (Continued)

the PEDC's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

4. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the PEDC'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 fund balance. Unassigned fund balance is applied last.

5. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. PEDC itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the PEDC's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the PEDC that can commit fund balance. Once adopted, the limitation imposed by the board remains in place until a similar action is taken to remove or revise the limitation.

6. Land Development Costs

PEDC has acquired land and added improvements to develop an industrial park which is to be divided and sold to businesses wanting to locate their facilities in such an area. Land and added improvements are not depreciated because they are expected to be sold or used as incentives and are not used in PEDC's ongoing activities.

PEDC has acquired additional land and added improvements to be used in conjunction with certain incentive agreements. Land and added improvements are not depreciated because they are expected to be used as incentives and are not used in PEDC's ongoing activities.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

I. Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, and Fund Balance/Net Position (Continued)

7. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Assets capitalized have an original cost of more than \$5,000 and useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives are as follows:

Equipment	5-7 Years
Buildings	40 Years
Improvements Other Than Buildings	50 Years

II. Detailed Notes on All Activities and Funds

A. Cash Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that in the event of a bank failure, the entity's deposits may not be returned or PEDC will not be able to recover collateral securities in the possession of an outside party. PEDC's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposits in institutions that are domiciled in the State of Texas. Collateral agreements must be approved prior to deposit of funds as provided by law.

As of September 30, 2018, PEDC was not exposed to custodial credit risk since deposits are insured or collateralized with securities pledged held in the name of the entity. The entity's carrying amount of demand deposits was \$3,232,250 and the bank balance was \$3,264,662.

B. Investments

The public funds investment pools in Texas are established under authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the values of its shares.

The Texas Class Investment Pool and Lone Star Investment Pool (Pools) have a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standard for extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. The pools invest in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

II. Detailed Notes on All Activities and Funds (Continued)

B. Investments (Continued)

As of September 30, 2018, PEDC had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas Class Investment Pool	\$ 581,375	78
Lone Star Investment Pool	434	28
Total Fair Value	<u>\$ 581,809</u>	

Investments in the Lone Star investment pool and Texas Class investment pool are not insured or guaranteed by the FDIC or any other governmental agency. The Pools are measured at amortized cost, and are not required to be reported by levels.

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. PEDC manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and authorized investment pools.

PEDC's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. PEDC reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. PEDC's investments in pools carried a credit rating of AAAM by Standard & Poor's as of September 30, 2018.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PEDC's investment balance consists of only pooled accounts as described above.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. PEDC's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of PEDC.

C. Receivables

PEDC reports Taxes Receivable for sales tax collected by the State Comptroller.

On November 14, 2017, PEDC approved an economic incentive offer of \$400,000 related to capital investment and job retention and training. The incentive was given in the form of a forgivable promissory note due in four installments.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

II. Detailed Notes on All Activities and Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended September 30, 2018, is as follows:

	Balance 9/30/17	Additions	Retirements	Balance 9/30/18
Governmental Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, Not Being Depreciated	-	-	-	-
Capital Assets, Being Depreciated				
Machinery and Equipment	-	6,895	-	6,895
Total Capital Assets, Being Depreciated	-	6,895	-	6,895
Less Accumulated Depreciation for Machinery and Equipment	-	115	-	115
Total Accumulated Depreciation	-	115	-	115
Total Capital Assets, Being Depreciated, Net	-	6,780	-	6,780
Governmental Activities, Capital Assets, Net	\$ -	\$ 6,780	\$ -	\$ 6,780

Depreciation expense of \$115 was charged to the administration function of the governmental activities of PEDC.

E. Pension Plan

PEDC contributes to a simplified employee pension plan for the Director, administered by Edward Jones. The contribution rate is 10% and amounted to \$11,070 during the year ended September 30, 2018.

F. Commitments

PEDC has extended several incentive agreements to various companies and other commitments:

1. Daisy Dairy – In 2009, the Board of Directors reached an incentive agreement with Daisy Dairy providing that upon the creation and retention of jobs, PEDC will reimburse Daisy Dairy for the difference between Daisy Dairy’s annual potable water bill from the City of Paris and Daisy Dairy’s fixed annual water bill (calculated at a rate of \$1.20/1,000 gallons) multiplied by the actual usage for the year. The remaining balance is estimated to be \$456,250.
2. In connection with a first lien loan by a bank to Paris Warehouse Southwest LLC in the amount of \$5,800,000, PEDC has entered into a Guaranty of Collection agreement. The loan payment is guaranteed by an individual (and a related company), and in addition, PEDC has guaranteed the full and prompt collection of the principal and interest due under the note together with limited cost of collection. If the lender makes demand under the Guaranty of Collection agreement, the lender will allow PEDC to satisfy its liability in monthly installments as specified in the original note. The agreement is dated September 23, 2010, and will terminate when the note is paid or the expiration of ten years.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Financial Statements (Continued)  
September 30, 2018

II. Detailed Notes on All Activities and Funds (Continued)

G. Risk Management

PEDC is exposed to various risks of loss and has obtained insurance related to general liability, loan enforcement liability, errors and omissions liability, and automobile liability.

H. Long-Term Liabilities

Bonds Payable

PEDC had outstanding Paris Economic Development Corporation Sales Tax Revenue Refunding Bonds, Series 2010, originally issued at \$2,685,000, bearing interest at 4.1% to 4.39%. The final principal payment was due and paid September 1, 2018, in the amount of \$340,000.

Sales and Use Taxes (one-quarter of one cent) levied by the City of Paris, Texas, within its boundaries under the Development Corporation Act of 1979, are pledged for payment of bonds and interest. The resolution authorizing the issuance of the bonds requires that monthly deposits be made to the Debt Service Fund in an amount sufficient to pay the next maturing bonds and interest.

A summary of long-term liability transactions for the year ended September 30, 2018, is as follows:

Balance 9/30/17	Additions	Reductions	Balance 9/30/18
\$ 340,000	\$ -	\$ 340,000	\$ -

I. Interfund Transfers

During the year, transfers are used to move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due. Transfers were also made to transfer funds no longer restricted by debt restrictions to the general fund. The interfund transfers are reported as Other Financing Sources (Uses).

J. Subsequent Events

On October 1, 2018, the Board of Directors reached an incentive agreement with American SpiralWeld Pipe Company, LLC. PEDC will invest up to \$4,700,000 in cash and land and improvements in connection with a new manufacturing facility, job creation, and employment retention.

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Sales Taxes	\$ 1,416,000	\$ 1,416,000	\$ 1,466,934	\$ 50,934
Investment Earnings	-	-	19,792	19,792
<b>Total Revenues</b>	<u>1,416,000</u>	<u>1,416,000</u>	<u>1,486,726</u>	<u>70,726</u>
<b>Expenditures</b>				
<b>Current</b>				
Personnel	224,800	231,800	229,919	1,881
Administration	92,300	85,300	65,992	19,308
Job Training	51,000	76,000	75,000	1,000
Marketing and Promotion	100,000	100,000	67,238	32,762
Direct Business Incentives	377,900	808,000	408,000	400,000
<b>Total Expenditures</b>	<u>846,000</u>	<u>1,301,100</u>	<u>846,149</u>	<u>454,951</u>
<b>Excess of Revenues Over Expenditures</b>	<u>570,000</u>	<u>114,900</u>	<u>640,577</u>	<u>525,677</u>
<b>Other Financing Sources (Uses)</b>				
Reimbursement of SRMMA Project	-	-	154,540	154,540
Transfers In	-	-	376,315	376,315
Transfers Out	(355,676)	(355,676)	(379,000)	(23,324)
<b>Total Other Financing Sources (Uses)</b>	<u>(355,676)</u>	<u>(355,676)</u>	<u>151,855</u>	<u>507,531</u>
<b>Net Change in Fund Balances</b>	214,324	(240,776)	792,432	1,033,208
<b>Fund Balances - Beginning</b>	<u>5,840,057</u>	<u>5,840,057</u>	<u>5,840,057</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 6,054,381</u>	<u>\$ 5,599,281</u>	<u>\$ 6,632,489</u>	<u>\$ 1,033,208</u>

PARIS ECONOMIC DEVELOPMENT CORPORATION  
(A Component Unit of the City of Paris, Texas)  
Notes to the Required Supplementary Information  
September 30, 2018

**Note 1: Budgetary Data**

PEDC's fiscal year commences October 1st and ends September 30th. A budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of Directors in June and delivered to the City of Paris on or before June 30th. After Board approval, the budget on appropriate forms is submitted to the City Manager for inclusion in the annual budget of the City of Paris. The budget is to include projected operating expenses and such other budgetary information as shall be useful to or appropriate for the Board and the City of Paris.

The proposed budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council of the City of Paris. The budget shall not be effective until it has been approved by the City Council.

The Budgetary Comparison Schedule presented as Required Supplementary Information for the General Fund is presented to provide a meaningful comparison of actual results with the budget. For the year ended September 30, 2018, there were no instance of expenditures exceeding appropriations (budget).