

DEBT SERVICE FUND SUMMARY

DESCRIPTION

The Debt Service Fund, also known as the interest and sinking fund, was established by Ordinance authorizing the issuance of bonds and providing for the payment of bond principal and interest as they come due. In the General Obligation Debt Service Fund, an ad valorem (property) tax rate and tax levy are required to be computed and levied that will be sufficient to produce the money to satisfy annual debt service requirements.

Disclosure: Full disclosure of operations will be made to the bond rating agencies and other depositories of financial information as required by the Securities and Exchange Commission (SEC) Rule 15c2-12, specifically, Texas Municipal Advisory Council (State Information Depository). The city will maintain procedures to comply with arbitrage rebate and other federal requirements.

Debt Limit: As a home rule city, the City of Corinth is not limited by Texas state law as to the amount of debt it may issue. The charter tax rate limitations provide virtually no limit to debt issuance. However, the city works with its financial advisors to update a debt capacity model at least twice each year to determine a sustainable level of municipal debt issuance based on projections of tax values, economic cycles, and other municipal revenues.

Bond Ratings: Corinth's bonds currently have the following ratings: Moody's "Aa2"; Standard & Poor's "AA+."

MAJOR BUDGET CHANGES

- General Debt Service: Transfer of Drainage Debt \$155,066 and General Fund Vehicle Capital Leases \$130,647 to General Debt Service Fund.

	2021-22 ACTUALS	2022-23 BUDGET	2022-23 ESTIMATE	2023-24 BASE	BUDGET CHANGES	2023-24 ADOPTED
RESOURCE SUMMARY						
Ad Valorem Taxes	\$ 3,622,216	\$ 4,102,290	\$ 4,122,690	\$ 4,587,092	\$ -	\$ 4,587,092
Interest Income	7,453	-	42,924	44,211	-	44,211
Transfer In	685,433	430,216	430,216	428,867	-	428,867
TOTAL REVENUES	\$ 4,315,102	\$ 4,532,506	\$ 4,595,830	\$ 5,060,170	\$ -	\$ 5,060,170
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 4,315,102	\$ 4,532,506	\$ 4,595,830	\$ 5,060,170	\$ -	\$ 5,060,170

EXPENDITURE SUMMARY						
Debt Service	\$ 4,295,090	\$ 4,507,007	\$ 4,301,894	\$ 4,698,720	\$ 155,066	\$ 4,853,786
Capital Lease	-	-	-	-	130,647	130,647
TOTAL EXPENDITURES	\$ 4,295,090	\$ 4,507,007	\$ 4,301,894	\$ 4,698,720	\$ 285,713	\$ 4,984,433

ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION

Assessed Valuation For 2022	\$ 2,972,673,992
Gain/(Loss) in Value	400,187,431
Assessed Valuation For 2023	\$3,372,861,423
Change in Tax Value	13.46%

GENERAL FUND:

Assessed Valuation For 2023	\$ 3,372,861,423
Less Reinvestment Zone No. 2 Increment Value	16,676,121
Less Reinvestment Zone No. 3 Increment Value	8,629,659
Adjusted Assessed Valuation For 2023	\$3,347,555,643

Tax Rate Per \$100 valuation	x 0.38400
	12,854,614
Estimated Collections	x 100.00%
TOTAL REVENUE	\$ 12,854,614

GENERAL DEBT SERVICE FUND:

Assessed Valuation For 2023	3,372,861,423
Tax Rate Per \$100 valuation	x 0.13600
	4,587,092
Estimated Collections	x 100.00%
TOTAL REVENUE	\$ 4,587,092

DISTRIBUTION	2022-23 BUDGET	2023-24 ADOPTED	TOTAL REVENUE	PERCENT
General Fund	\$ 0.40200	\$ 0.38400	\$ 12,854,614	73.85%
General Debt Service Fund	0.13800	0.13600	4,587,092	26.15%
TOTAL	\$ 0.54000	\$ 0.52000	\$ 17,441,706	100.00%

GENERAL DEBT SERVICE REQUIREMENTS

Issue	Principal & Interest Requirements for 2023-24			
	Principal	Interest	Total	
GENERAL FUND (TAX SUPPORTED)				
2016	Certificates of Obligation	\$ 577,326	\$ 424,064	\$ 1,001,390
2017	General Obligation/Certificates of Obligation Refunding	751,305	143,386	894,691
2017	Certificates of Obligation	155,484	98,672	254,156
2019	Certificates of Obligation	652,097	479,282	1,131,379
2020	Certificates of Obligation	395,000	199,665	594,665
2021	Certificates of Obligation	190,000	103,338	293,338
2021A	Certificates of Obligation	160,000	113,670	273,670
2023	Certificates of Obligation	92,700	336,999	429,699
		<u>\$ 2,973,912</u>	<u>\$ 1,899,075</u>	<u>\$ 4,872,987</u>
WATER UTILITY				
2016	Certificates of Obligation	\$ 62,674	\$ 46,036	\$ 108,710
2017	General Obligation/Certificates of Obligation Refunding	236,380	45,113	281,493
2017	Certificates of Obligation	34,758	22,058	56,816
2019	Certificates of Obligation	172,903	127,081	299,983
2023	Certificates of Obligation	87,300	317,368	404,668
		<u>\$ 594,015</u>	<u>\$ 557,656</u>	<u>\$ 1,151,671</u>
WASTEWATER UTILITY				
2017	General Obligation/Certificates of Obligation Refunding	\$ 337,315	\$ 64,376	\$ 401,691
2017	Certificates of Obligation	34,758	22,058	56,816
		<u>\$ 372,073</u>	<u>\$ 86,434</u>	<u>\$ 458,507</u>
	GRAND TOTAL	<u>\$ 3,940,000</u>	<u>\$ 2,543,165</u>	<u>\$ 6,483,165</u>

GENERAL LONG-TERM DEBT

Debt Issuance	Interest Rate	Issue Date	Final Maturity	Original Amount of Issue	Gross Amount Outstanding as of 9/30/23
2016 Certificates of Obligation	2.00 to 5.00	05-15-2016	02-15-2036	\$ 13,275,000	\$ 11,105,000
2017 General Obligation/ Certificates of Obligation Refunding	2.00 to 5.00	8-15-2017	02-15-2027	14,240,000	5,720,000
2017 Certificates of Obligation	2.00 to 5.00	08-15-2017	02-15-2037	4,855,000	4,110,000
2019 Certificates of Obligation	2.75 to 5.00	02-15-2019	02-15-2039	19,205,000	17,640,000
2020 Certificates of Obligation	1.25 to 4.00	02-15-2020	02-15-2040	9,260,000	8,515,000
2021 Certificate of Obligation	1.15 to 4.00	02-15-2021	02-15-2041	4,740,000	4,445,000
2021A Certificate of Obligation	3.00 to 4.00	10-21-2021	02-15-2041	4,285,000	3,950,000
2023 Certificate of Obligation	3.00 to 4.00	10-21-2021	02-15-2041	10,980,000	10,980,000
				\$ 80,840,000	\$ 66,465,000

LONG-TERM DEBT BY FUND

Year	Water Debt	Wastewater Debt	Tax Supported Debt	Total
FY2024	\$ 1,151,671	\$ 458,507	\$ 4,872,987	\$ 6,483,165
FY2025	1,152,806	459,139	4,879,120	6,491,066
FY2026	1,150,085	457,389	4,871,798	6,479,273
FY2027	1,150,915	458,276	4,874,776	6,483,966
FY2028	869,090	56,924	3,973,978	4,899,991
FY2029	868,614	56,769	3,973,483	4,898,866
FY2030	870,057	56,777	3,981,569	4,908,404
FY2031	867,626	56,955	3,972,861	4,897,441
FY2032	868,480	57,086	3,979,188	4,904,754
FY2033	870,195	57,140	3,980,455	4,907,790
FY2034	870,011	57,116	3,979,980	4,907,106
FY2035	869,900	57,011	3,978,006	4,904,918
FY2036	869,075	56,824	3,978,453	4,904,351
FY2037	759,573	56,551	2,973,434	3,789,559
FY2038	702,775	-	2,720,638	3,423,414
FY2039	702,899	-	2,716,503	3,419,402
FY2040	404,248	-	1,591,289	1,995,536
FY2041	402,065	-	992,370	1,394,435
FY2042	404,151	-	429,150	833,300
FY2043	403,181	-	428,120	831,300
TOTAL	\$ 16,207,416		\$ 67,148,156	\$ 85,758,037

2024-2043 DEBT SERVICE PRINCIPAL AND INTEREST REQUIREMENTS

