

Debt Service Fund

The Debt Service Fund, also known as 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 is required to be computed and levied that will be sufficient to produce the money to satisfy annual debt service requirements.

Debt Management Summary

Debt Issuance. The City will issue debt only for the purpose of acquiring or constructing capital assets for the general benefit of its citizens and to allow it to fulfill its various missions as a city. Debt may be issued for the purposes of purchasing land or rights-of-way and/or improvements to land, for construction projects to provide for the general good, for capital equipment or other long-term assets.

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.

Rating Agency Communication. The City staff will seek to maintain and improve the current bond rating so the borrowing costs are reduced to a minimum and access to credit preserved. The City staff, with assistance of financial advisors and bond counsel, will prepare the necessary materials for presentation to the rating agencies, will aid in the production of Official Statements, and will take responsibility for the accuracy of all information released.

Debt Limit. The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. Corinth's proposed tax rate of \$.54500 per \$100 valuation falls well below this limit. The FY 2019-20 maintenance and operations tax rate is \$0.43211, and the interest and sinking tax rate is \$0.11289.

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

Major Expenditure Summary

The City's total debt obligation for FY 2019-20 will total \$66,261,665. Of the total outstanding debt \$43,362,678 is General Fund (tax supported) debt, \$17,262,037 is Water debt, \$4,370,843 is Wastewater debt and \$1,266,107 is Storm Drainage Debt.

Obligations to be paid out of the debt service fund total \$2,931,681 (including Fees) leaving a projected fund balance of \$76,767.

New Program Funding

The FY 2019-20 Budget includes no new program funding.

**SUMMARY OF RESOURCES & EXPENDITURES
DEBT SERVICE FUND
2019-20**

RESOURCE SUMMARY	2017-18 ACTUAL	2018-19 BUDGET	2018-19 ESTIMATE	2019-20 REQUESTED	2019-20 PACKAGES	2019-20 BUDGET
Ad Valorem Taxes	\$ 2,141,177	\$ 2,221,685	\$ 2,239,832	\$ 2,682,781	\$ -	\$ 2,682,781
Interest Income	8,215	-	7,000	-	-	-
Miscellaneous Income	422	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Transfer In	2,916	-	-	-	-	-
TOTAL REVENUES	\$ 2,152,730	\$ 2,221,685	\$ 2,246,832	\$ 2,682,781	\$ -	\$ 2,682,781
Use of Fund Balance	91,488	-	-	248,900	-	248,900
TOTAL RESOURCES	\$ 2,244,218	\$ 2,221,685	\$ 2,246,832	\$ 2,931,681	\$ -	\$ 2,931,681

EXPENDITURE SUMMARY	2017-18 ACTUAL	2018-19 BUDGET	2018-19 ESTIMATE	2019-20 REQUESTED	2019-20 PACKAGES	2019-20 BUDGET
Debt Service	\$ 2,233,778	\$ 2,210,358	\$ 2,210,358	\$ 2,921,681	\$ -	\$ 2,921,681
Paying Agent Fees	10,440	10,000	10,000	10,000	-	10,000
Refund of PY Revenue	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,244,218	\$ 2,220,358	\$ 2,220,358	\$ 2,931,681	\$ -	\$ 2,931,681

**ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION
2019-20 BUDGET**

Assessed Valuation for 2018		\$	2,159,281,283
Gain/(Loss) in Value			217,174,682
Net Assessed Valuation for 2019		\$	2,376,455,965

GENERAL FUND:

Tax Rate Per \$100 valuation		x	0.43211
			10,268,904
Estimated Collections		x	100.00%
TOTAL REVENUE			\$ 10,268,904

GENERAL DEBT SERVICE FUND:

Tax Rate Per \$100 valuation		x	0.11289
			2,682,781
Estimated Collections		x	100.00%
TOTAL REVENUE			\$ 2,682,781

DISTRIBUTION	2018-19 BUDGET	2019-20 BUDGET	2019-20 BUDGET REVENUE	PERCENT	
General Fund	\$ 0.42711	\$ 0.43211	\$ 10,268,904	79.29%	
General Debt Service Fund	0.10289	0.11289	2,682,781	20.71%	
TOTAL	\$ 0.53000	\$ 0.54500	\$ 12,951,685	100.00%	

**GENERAL LONG-TERM DEBT
2019-20 BUDGET**

Issue	Interest Rate	Issue Date	Final Maturity	Original Amount of Issue	Gross Amount outstanding at 9/30/19	Final Payment Date
2010 Certificates of Obligation Proceeds to be used to (i) purchase replacement vehicles and equipment for the Fire department, and (ii) pay costs associated with the issuance of the bonds.	3.43 to 3.84	05-14-2010	02-15-2020	\$ 1,500,000	\$ 70,000	02-15-2020
2016 Certificates of Obligation Proceeds to 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 renovations 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 addition, extensions and improvements to the City's waterworks and sewer system; and (vi) paying legal, fiscal and engineering fees in connection with such projects and to pay costs of issuance of the Certificates.	2.00 to 5.00	05/15/2016	02/15/2036	\$ 13,275,000	\$ 13,275,000	02-15-2036
2016 General Obligation Refunding Proceeds to be used to (i) refund a portion of the City's outstanding ad valorem tax debt in order to lower the overall debt service requirements of the City, and (ii) to pay the costs associated with the issuance of the bonds.	2.00	5/15/2016	02-15-2020	\$ 1,510,000	\$ 595,000	02-15-2020
2017 General Obligation/Certificates of Obligation Refunding Proceeds to be used to (i) refund a portion of the City's outstanding ad valorem tax debt for debt service savings, and (ii) to pay the costs associated with the issuance of the bonds.	2.00 to 5.00	8/15/2017	02-15-2027	\$ 14,240,000	\$ 10,655,000	02-15-2027
2017 Certificates of Obligation 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; (iv) constructing and equipping renovations and improvement to the existing public works department facility, including drainage improvement, and constructing and equipping a storage facility for the public works department; (v) paying legal, fiscal and engineering fees in connection with such projects.	2.00 to 3.375	08-15-2017	02-15-2037	\$ 4,855,000	\$ 4,825,000	02-15-2037
2019 Certificates of Obligation 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 and including acquiring land and interests in land therefor; (ii) constructing, acquiring, installing and equipping additions, extensions and improvements to the Issuer's waterworks and sewer system, including the acquisition, construction and equipment of water storage facilities; (iii) constructing and equipping municipal drainage improvements, including flood control and flood mitigation improvements.	2.34 to 2.68	02-15-2020	02-15-2039	\$ 19,205,000	\$ 19,205,000	02-15-2039
				\$ 54,585,000	\$ 48,625,000	

**GENERAL DEBT SERVICE REQUIREMENTS
2019-20 BUDGET**

		General Fund (Tax Suported)		
		Principal & Interest Requirements for 2019-2020		
Issue		Principal	Interest	Total
2010	Certificates of Obligation	\$ 70,000	\$ 1,418	\$ 71,418
2016	Certificates of Obligation	365,339	503,581	868,920
2016	General Obligation Refunding	464,100	4,641	468,741
2017	General Obligation/Certificates of Obligation Refunding	569,529	235,487	805,016
2017	Certificates of Obligation	62,194	119,679	181,873
2019	Certificates of Obligation	-	525,713	525,713
		\$ 1,531,162	\$ 1,390,519	\$ 2,921,681

		Water		
		Principal & Interest Requirements for 2019-2020		
Issue		Principal	Interest	Total
2016	General Obligation Refunding	\$ 48,195	\$ 482	\$ 48,677
2016	Certificates of Obligation	39,661	54,669	94,330
2017	General Obligation/Certificates of Obligation Refunding	216,756	89,624	306,380
2017	Certificates of Obligation	13,903	26,754	40,657
2019	Certificates of Obligation	-	413,060	413,060
		\$ 318,515	\$ 584,589	\$ 903,104

		Wastewater		
		Principal & Interest Requirements for 2019-2020		
Issue		Principal	Interest	Total
2016	General Obligation Refunding	\$ 82,705	\$ 827	\$ 83,532
2017	General Obligation/Certificates of Obligation Refunding	309,311	127,894	437,205
2017	Certificates of Obligation	13,903	26,754	40,657
		\$ 405,919	\$ 155,475	\$ 561,394

		Storm Drainage		
		Principal & Interest Requirements for 2019-2020		
Issue		Principal	Interest	Total
2017	General Obligation/Certificates of Obligation Refunding	\$ 119,404	\$ 49,371	\$ 168,774
		\$ 119,404	\$ 49,371	\$ 168,774

GRAND TOTAL	\$ 2,375,000	\$ 2,179,953	\$ 4,554,953
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**GENERAL LONG-TERM DEBT
PRINCIPAL & INTEREST REQUIREMENTS
AS OF OCTOBER 1, 2019**

Year	General Debt Principal	General Debt Interest	Total General Debt	Water Debt	Wastewater Debt	Drainage Debt	General Fund Tax Supported Debt
2019-20	\$ 2,375,000	\$ 2,179,953	\$ 4,554,953	\$ 903,104	\$ 561,394	\$ 168,774	\$ 2,921,681
2020-21	2,035,000	1,845,394	3,880,394	773,905	492,284	168,074	2,446,131
2021-22	2,755,000	1,739,994	4,494,994	1,079,650	457,780	154,647	2,802,917
2022-23	2,885,000	1,604,944	4,489,944	1,078,754	456,921	154,525	2,799,744
2023-24	3,015,000	1,472,125	4,487,125	1,076,819	458,507	155,065	2,796,734
2024-25	3,150,000	1,345,694	4,495,694	1,078,538	459,139	155,261	2,802,756
2025-26	3,280,000	1,208,875	4,488,875	1,077,748	457,389	154,635	2,799,103
2026-27	3,440,000	1,050,719	4,490,719	1,078,265	458,276	155,126	2,799,052
2027-28	1,995,000	916,194	2,911,194	796,186	56,924	-	2,058,084
2028-29	2,090,000	821,819	2,911,819	796,576	56,769	-	2,058,474
2029-30	2,185,000	729,444	2,914,444	796,562	56,777	-	2,061,105
2030-31	2,270,000	639,019	2,909,019	795,275	56,955	-	2,056,789
2031-32	2,365,000	549,369	2,914,369	796,155	57,086	-	2,061,128
2032-33	2,450,000	461,844	2,911,844	795,936	57,140	-	2,058,768
2033-34	2,540,000	376,738	2,916,738	797,928	57,116	-	2,061,694
2034-35	2,625,000	287,606	2,912,606	796,647	57,011	-	2,058,948
2035-36	2,720,000	194,319	2,914,319	796,960	56,824	-	2,060,535
2036-37	1,680,000	119,306	1,799,306	687,173	56,551	-	1,055,582
2037-38	1,365,000	69,600	1,434,600	631,224	-	-	803,376
2038-39	1,405,000	23,709	1,428,709	628,632	-	-	800,077
TOTAL	\$ 48,625,000	\$ 17,636,665	\$ 66,261,665	\$ 17,262,037	\$ 4,370,843	\$ 1,266,107	\$ 43,362,678

**2019-2039 GENERAL DEBT SERVICE
PRINCIPAL AND INTEREST REQUIREMENTS**

