

# 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: Transferred Police and Fire Enterprise Leases from Sales Tax Funds to General Debt Service Fund.

	2022-23 ACTUALS	2023-24 BUDGET	2023-24 ESTIMATE	2024-25 BASE	BUDGET CHANGES	2024-25 ADOPTED
<b>RESOURCE SUMMARY</b>						
Ad Valorem Taxes	\$ 4,078,468	\$ 4,587,092	\$ 4,593,144	\$ 5,040,960	\$ -	\$ 5,040,960
Interest Income	44,665	44,211	85,000	-	-	-
Transfer In	449,714	428,867	428,867	431,685	-	431,685
<b>TOTAL REVENUES</b>	<b>\$ 4,572,847</b>	<b>\$ 5,060,170</b>	<b>\$ 5,107,011</b>	<b>\$ 5,472,645</b>	<b>\$ -</b>	<b>\$ 5,472,645</b>
Use of Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 4,572,847</b>	<b>\$ 5,060,170</b>	<b>\$ 5,107,011</b>	<b>\$ 5,472,645</b>	<b>\$ -</b>	<b>\$ 5,472,645</b>

<b>EXPENDITURE SUMMARY</b>						
Debt Service	\$ 4,293,394	\$ 4,853,786	\$ 4,853,786	\$ 4,902,774	\$ -	\$ 4,902,774
Capital Lease	-	130,647	130,647	522,746	-	522,746
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,293,394</b>	<b>\$ 4,984,433</b>	<b>\$ 4,984,433</b>	<b>\$ 5,425,520</b>	<b>\$ -</b>	<b>\$ 5,425,520</b>

## ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION

Assessed Valuation For 2023	\$ 3,372,861,423
Gain/(Loss) in Value	285,575,608
Loss of Tax Limitation Values	-
Assessed Valuation For 2024	<u>\$ 3,658,437,031</u>
Change in Tax Value	8.47%

### GENERAL FUND:

Assessed Valuation For 2024	\$ 3,658,437,031
Less Reinvestment Zone No. 2 (50% Increment Value)	23,021,867
Less Reinvestment Zone No. 3 (50% Increment Value)	15,167,773
Adjusted Assessed Valuation For 2024	<u>\$ 3,620,247,391</u>
Tax Rate Per \$100 valuation	x <u>0.37621</u>
	13,619,733
Estimated Collections	x <u>100.00%</u>
<b>TOTAL REVENUE</b>	<u><b>\$ 13,619,733</b></u>

### GENERAL DEBT SERVICE FUND:

Assessed Valuation For 2024	3,658,437,031
Tax Rate Per \$100 valuation	x <u>0.13779</u>
	5,040,960
Estimated Collections	x <u>100.00%</u>
<b>TOTAL REVENUE</b>	<u><b>\$ 5,040,960</b></u>

DISTRIBUTION	2023-24 BUDGET	2024-25 ADOPTED	TOTAL REVENUE
General Fund	\$ 0.38400	\$ 0.37621	\$ 13,619,733
General Debt Service Fund	0.13600	0.13779	5,040,960
<b>TOTAL</b>	<u>\$ 0.52000</u>	<u>\$ 0.51400</u>	<u>\$ 18,660,693</u>
Reinvestment Zone No. 2	\$ 0.38400	\$ 0.37621	\$ 86,611
Reinvestment Zone No. 3	0.38400	0.37621	57,063
<b>TOTAL</b>			<u>\$ 143,673</u>

## GENERAL DEBT SERVICE REQUIREMENTS

Issue	Principal & Interest Requirements for 2024-25		
	Principal	Interest	Total
<b>GENERAL FUND (TAX SUPPORTED)</b>			
2016 Certificates of Obligation	\$ 670,000	\$ 443,900	\$ 1,113,900
2017 General Obligation/Certificates of Obligation Refunding	790,997	104,828	895,825
2017 Certificates of Obligation	162,394	92,314	254,709
2019 Certificates of Obligation	671,858	461,077	1,132,935
2020 Certificates of Obligation	334,287	149,667	483,954
2021 Certificates of Obligation	195,000	95,638	290,638
2021A Certificates of Obligation	170,000	107,070	277,070
2023 Certificates of Obligation	191,520	252,221	443,741
	<u>\$ 3,186,056</u>	<u>\$ 1,706,715</u>	<u>\$ 4,892,772</u>
<b>WATER UTILITY</b>			
2017 General Obligation/Certificates of Obligation Refunding	\$ 248,868	\$ 32,982	\$ 281,850
2017 Certificates of Obligation	36,303	20,637	56,939
2019 Certificates of Obligation	178,142	122,254	300,396
2023 Certificates of Obligation	168,480	221,879	390,359
	<u>\$ 631,793</u>	<u>\$ 397,751</u>	<u>\$ 1,029,544</u>
<b>WASTEWATER UTILITY</b>			
2017 General Obligation/Certificates of Obligation Refunding	\$ 355,135	\$ 47,065	\$ 402,200
2017 Certificates of Obligation	36,303	20,637	56,939
2020 Certificates of Obligation	75,713	33,898	109,611
	<u>\$ 467,151</u>	<u>\$ 101,600</u>	<u>\$ 568,750</u>
<b>GRAND TOTAL</b>	<u><b>\$ 4,285,000</b></u>	<u><b>\$ 2,206,066</b></u>	<u><b>\$ 6,491,067</b></u>

## GENERAL LONG-TERM DEBT

Debt Issuance	Interest Rate	Issue Date	Final Maturity	Original Amount of Issue	Gross Amount Outstanding as of 9/30/24
2016 Certificates of Obligation	2.00 to 5.00	05-15-2016	02-15-2036	\$ 13,275,000	\$ 10,465,000
2017 General Obligation/ Certificates of Obligation Refunding	2.00 to 5.00	8-15-2017	02-15-2027	14,240,000	4,395,000
2017 Certificates of Obligation	2.00 to 5.00	08-15-2017	02-15-2037	4,855,000	3,885,000
2019 Certificates of Obligation	2.75 to 5.00	02-15-2019	02-15-2039	19,205,000	16,815,000
2020 Certificates of Obligation	1.25 to 4.00	02-15-2020	02-15-2040	9,260,000	8,120,000
2021 Certificate of Obligation	1.15 to 4.00	02-15-2021	02-15-2041	4,740,000	4,255,000
2021A Certificate of Obligation	3.00 to 4.00	10-21-2021	02-15-2041	4,285,000	3,790,000
2023 Certificate of Obligation	3.00 to 4.00	10-21-2021	02-15-2041	10,980,000	10,800,000
				<b>\$ 80,840,000</b>	<b>\$ 62,525,000</b>

## LONG-TERM DEBT BY FUND

Year	Water Debt	Wastewater Debt	Tax Supported Debt	Total
FY2025	\$1,029,544	\$568,750	\$4,892,772	\$6,491,066
FY2026	1,026,969	566,686	4,885,618	6,479,273
FY2027	1,027,871	568,053	4,888,042	6,483,966
FY2028	746,307	166,129	3,987,556	4,899,991
FY2029	745,803	166,196	3,986,867	4,898,866
FY2030	746,872	166,515	3,995,017	4,908,404
FY2031	744,909	166,238	3,986,295	4,897,441
FY2032	745,404	166,935	3,992,415	4,904,754
FY2033	747,335	166,682	3,993,773	4,907,790
FY2034	747,132	167,159	3,992,815	4,907,106
FY2035	747,099	166,296	3,991,523	4,904,918
FY2036	746,083	165,979	3,992,289	4,904,351
FY2037	745,460	166,455	2,877,644	3,789,559
FY2038	688,681	109,682	2,625,051	3,423,414
FY2039	688,757	109,423	2,621,222	3,419,402
FY2040	390,078	110,042	1,495,416	1,995,536
FY2041	387,972	-	1,006,463	1,394,435
FY2042	389,984	-	443,316	833,300
FY2043	389,048	-	442,252	831,300
<b>TOTAL</b>	<b>\$ 13,481,309</b>	<b>\$ 3,697,218</b>	<b>\$ 62,096,345</b>	<b>\$ 79,274,872</b>

### 2025-2043 DEBT SERVICE PRINCIPAL AND INTEREST REQUIREMENTS

