Outstanding Debt

FY 2017

City of Horseshoe Bay, Texas

Specialized Public Finance Inc.
248 Addie Roy Road,
Suite B103
Austin, Texas 78746
512.275.7300
512.275.7305 Fax
www.spubfin.com

SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Table of Contents

Section	Tab
Summary of Debt	A
Tax-Supported General Obligation Debt Service Requirements	B
Aggregate Tax Supported Debt Service	
Graph of Aggregate Tax Supported Debt Service	
Combination Tax & Revenue Certificates of Obligation, Series 2011(Tax-portion only)	
Combination Tax & Revenue Certificates of Obligation, Series 2014 (Tax-portion only)	
Combination Tax & Revenue Certificates of Obligation, Series 2016 (Tax-portion only)	
Utility Supported General Obligation Debt Service Requirements	C
Aggregate Utility Supported Debt Service	
Graph of Aggregate Utility Supported Debt Service	
General Obligation Refunding Bonds, Series 2007	
Combination Tax & Revenue Certificates of Obligation, Series 2011 (Utility-supported portion only)	
Combination Tax & Revenue Certificates of Obligation, Series 2014 (Utility-supported portion only)	
PID Supported General Obligation Debt Service Requirements	D
Graph of Aggregate PID Supported Debt Service	
Combination Tax & Revenue Certificates of Obligation, Series 2016 (PID-supported portion only)	
Rating Agency Report	E
Texas Municipal Report	F

TAB A

SUMMARY OF DEBT

City of Horseshoe Bay, Texas
Outstanding General Obligation Debt as of FY 2017

	$7,500,000 GO Ref Bds Series 2007		$9,800,000 Comb Tax & Rev C/O Series 2011		$9,800,000 Comb Tax & Rev C/O Series 2014		$3,770,000 Comb Tax & Rev C/O Series 2016	
FYE 9/30	Principal (000s)	Coupon	Principal (000s)	Coupon	Principal (000s)	Coupon	Principal (000s)	Coupon
2017	355	4.040%	450	2.500%	280	2.000%	170	2.000%
2018	365	4.040%	460	2.500%	285	2.000%	255	2.000%
2019	380	4.040%	475	2.500%	290	2.000%	255	2.000%
2020	395	4.040%	485	2.650%	295	2.000%	260	2.000%
2021	415	4.040%	500	2.850%	310	2.000%	265	3.000%
2022	430	4.040%	515	3.000%	320	2.000%	270	3.000%
2023	445	4.040%	530	3.100%	325	2.000%	280	3.000%
2024	465	4.040%	550	3.250%	335	2.500%	290	4.000%
2025	485	4.040%	570	3.400%	350	3.000%	300	4.000%
2026	505	4.040%	590	3.500%	355	3.000%	315	4.000%
2027	525	4.040%	610	3.600%	370	3.000%	205	4.000%
2028			630	3.700%	385	3.250%	215	4.000%
2029			655	3.800%	400	3.250%	220	4.000%
2030			680	3.900%	415	3.250%	230	4.000%
2031					430	3.250%	240	4.000%
2032					450	3.450%		
2033					465	3.450%		
2034					485	3.450%		
2035					505	4.000%		
2036					530	4.000%		
2037					550	3.625%		
2038					575	3.625%		
2039					600	3.750%		
Total	$4,765		$7,700		$9,305		$3,770	

Issue Details								
Next Call	Any date @ par plus "Make-Whole"		February 15, 2020 @ par		February 15, 2023 @ par		August 15, 2025 @ par	
Delivery Date	December 28, 2007		July 19, 2011		June 24, 2014		October 13, 2016	
Interest Due	February 1	August 1	February 15	August 15	February 15	August 15	February 15	August 15
Principal Due	August 1		February 15		February 15		August 15	
Insurance	None		None		None		None	
Paying Agent	Bank of America		Regions Bank		BOKF		BOKF	
Use of Funds	Refunding of Revenue Note Ser 2004		New Money		New Money		New Money	

Noncallable
Callable

TAB B

TAX-SUPPORTED
GENERAL OBLIGATION
DEBT SERVICE REQUIREMENTS

City of Horseshoe Bay, Texas

Aggregate Tax-Supported Debt Service

Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I
09/30/2016	-	-	-
09/30/2017	425,000.00	323,992.09	748,992.09
09/30/2018	525,000.00	318,573.76	843,573.76
09/30/2019	540,000.00	306,498.76	846,498.76
09/30/2020	545,000.00	293,965.01	838,965.01
09/30/2021	570,000.00	280,610.01	850,610.01
09/30/2022	585,000.00	265,188.76	850,188.76
09/30/2023	605,000.00	248,976.26	853,976.26
09/30/2024	620,000.00	231,345.01	851,345.01
09/30/2025	645,000.00	210,726.26	855,726.26
09/30/2026	670,000.00	188,363.76	858,363.76
09/30/2027	570,000.00	164,851.26	734,851.26
09/30/2028	590,000.00	144,722.51	734,722.51
09/30/2029	615,000.00	123,175.01	738,175.01
09/30/2030	635,000.00	100,413.76	735,413.76
09/30/2031	230,000.00	85,008.76	315,008.76
09/30/2032	240,000.00	77,131.26	317,131.26
09/30/2033	245,000.00	68,765.01	313,765.01
09/30/2034	260,000.00	60,053.76	320,053.76
09/30/2035	270,000.00	50,168.76	320,168.76
09/30/2036	280,000.00	39,168.76	319,168.76
09/30/2037	290,000.00	28,312.51	318,312.51
09/30/2038	305,000.00	17,528.13	322,528.13
09/30/2039	320,000.00	6,000.00	326,000.00
Total	**$10,580,000.00**	**$3,633,539.17**	**$14,213,539.17**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	10.497 Years
Average Coupon	3.4260346%

Par Amounts Of Selected Issues

11 $9.8MM CO FINAL allocations -Streets	4,710,000.00
14 $9.8mm C/O (5/20) FINAL - allocation -Streets	4,950,000.00
16 C/O (9/19) FINAL -Fire Truck Portion	920,000.00
TOTAL	**10,580,000.00**

Specialized Public Finance Inc.
Austin, Texas

City of Horseshoe Bay, Texas

Aggregate Tax-Supported Debt Service

Semi-Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/15/2017	425,000.00	152,699.38	577,699.38	-
08/15/2017	-	171,292.71	171,292.71	-
09/30/2017	-	-	-	748,992.09
02/15/2018	430,000.00	161,786.88	591,786.88	-
08/15/2018	95,000.00	156,786.88	251,786.88	-
09/30/2018	-	-	-	843,573.76
02/15/2019	445,000.00	155,836.88	600,836.88	-
08/15/2019	95,000.00	150,661.88	245,661.88	-
09/30/2019	-	-	-	846,498.76
02/15/2020	450,000.00	149,711.88	599,711.88	-
08/15/2020	95,000.00	144,253.13	239,253.13	-
09/30/2020	-	-	-	838,965.01
02/15/2021	470,000.00	143,303.13	613,303.13	-
08/15/2021	100,000.00	137,306.88	237,306.88	-
09/30/2021	-	-	-	850,610.01
02/15/2022	485,000.00	135,806.88	620,806.88	-
08/15/2022	100,000.00	129,381.88	229,381.88	-
09/30/2022	-	-	-	850,188.76
02/15/2023	500,000.00	127,881.88	627,881.88	-
08/15/2023	105,000.00	121,094.38	226,094.38	-
09/30/2023	-	-	-	853,976.26
02/15/2024	515,000.00	119,519.38	634,519.38	-
08/15/2024	105,000.00	111,825.63	216,825.63	-
09/30/2024	-	-	-	851,345.01
02/15/2025	535,000.00	109,725.63	644,725.63	-
08/15/2025	110,000.00	101,000.63	211,000.63	-
09/30/2025	-	-	-	855,726.26
02/15/2026	555,000.00	98,800.63	653,800.63	-
08/15/2026	115,000.00	89,563.13	204,563.13	-
09/30/2026	-	-	-	858,363.76
02/15/2027	570,000.00	87,263.13	657,263.13	-
08/15/2027	-	77,588.13	77,588.13	-
09/30/2027	-	-	-	734,851.26
02/15/2028	590,000.00	77,588.13	667,588.13	-
08/15/2028	-	67,134.38	67,134.38	-
09/30/2028	-	-	-	734,722.51
02/15/2029	615,000.00	67,134.38	682,134.38	-
08/15/2029	-	56,040.63	56,040.63	-
09/30/2029	-	-	-	738,175.01

City of Horseshoe Bay, Texas

Aggregate Tax-Supported Debt Service

Semi-Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I	Fiscal Total
02/15/2030	635,000.00	56,040.63	691,040.63	-
08/15/2030	-	44,373.13	44,373.13	-
09/30/2030	-	-	-	735,413.76
02/15/2031	230,000.00	44,373.13	274,373.13	-
08/15/2031	-	40,635.63	40,635.63	-
09/30/2031	-	-	-	315,008.76
02/15/2032	240,000.00	40,635.63	280,635.63	-
08/15/2032	-	36,495.63	36,495.63	-
09/30/2032	-	-	-	317,131.26
02/15/2033	245,000.00	36,495.63	281,495.63	-
08/15/2033	-	32,269.38	32,269.38	-
09/30/2033	-	-	-	313,765.01
02/15/2034	260,000.00	32,269.38	292,269.38	-
08/15/2034	-	27,784.38	27,784.38	-
09/30/2034	-	-	-	320,053.76
02/15/2035	270,000.00	27,784.38	297,784.38	-
08/15/2035	-	22,384.38	22,384.38	-
09/30/2035	-	-	-	320,168.76
02/15/2036	280,000.00	22,384.38	302,384.38	-
08/15/2036	-	16,784.38	16,784.38	-
09/30/2036	-	-	-	319,168.76
02/15/2037	290,000.00	16,784.38	306,784.38	-
08/15/2037	-	11,528.13	11,528.13	-
09/30/2037	-	-	-	318,312.51
02/15/2038	305,000.00	11,528.13	316,528.13	-
08/15/2038	-	6,000.00	6,000.00	-
09/30/2038	-	-	-	322,528.13
02/15/2039	320,000.00	6,000.00	326,000.00	-
09/30/2039	-	-	-	326,000.00
Total	**$10,580,000.00**	**$3,633,539.17**	**$14,213,539.17**	**-**

Aggregate Debt Service

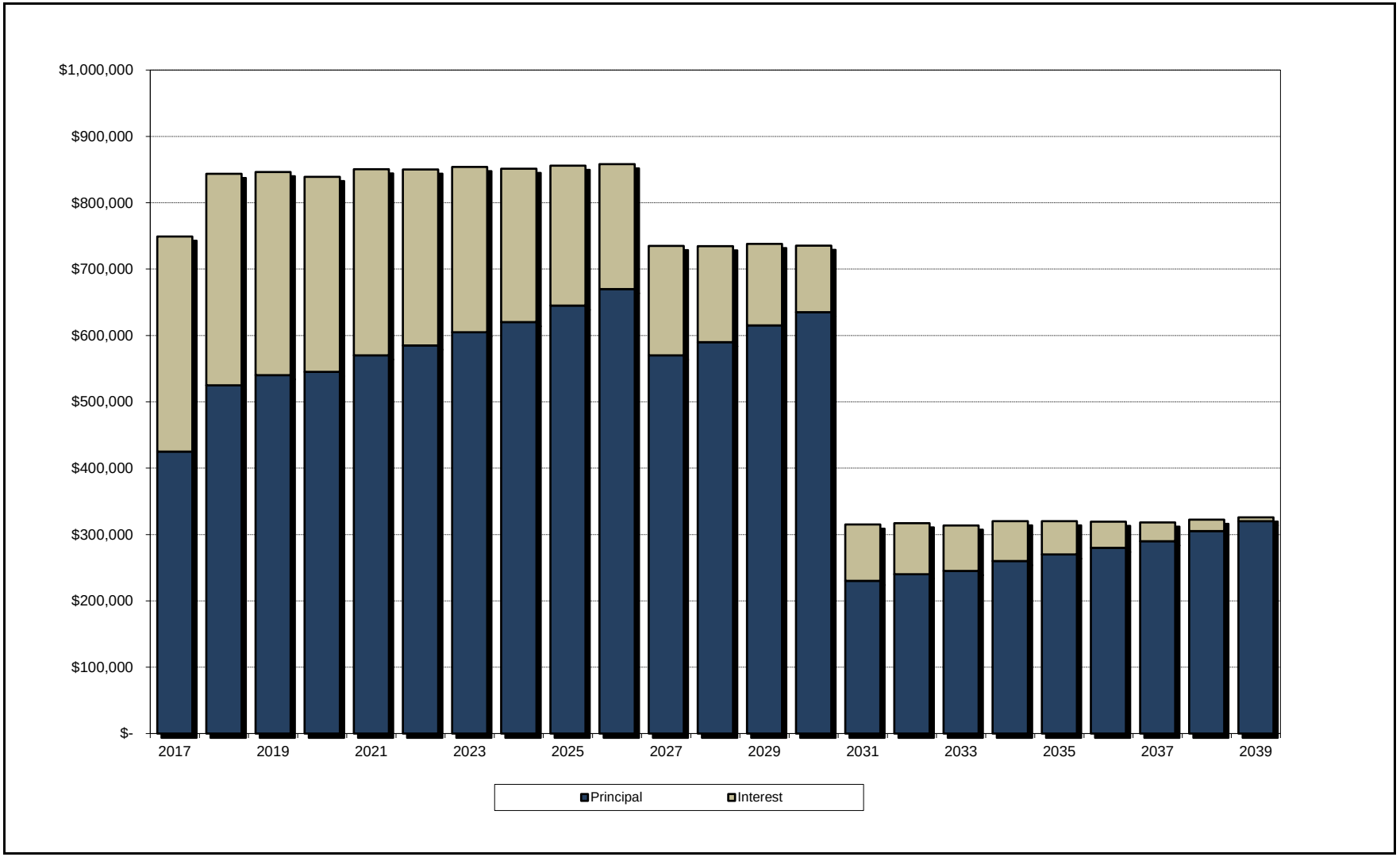
Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	10.497 Years
Average Coupon	3.4260346%

Par Amounts Of Selected Issues

11 $9.8MM CO FINAL allocations -Streets	4,710,000.00
14 $9.8mm C/O (5/20) FINAL - allocation -Streets	4,950,000.00
16 C/O (9/19) FINAL -Fire Truck Portion	920,000.00
TOTAL	**10,580,000.00**

City of Horseshoe Bay, Texas
Aggregate Tax-Supported General Obligation Debt
As of Fiscal Year 2017



City of Horseshoe Bay, TX

Combination Tax & Revenue Certificates of Obligation, Series 2011

STREETS PURPOSE - 20 YEAR REPAYMENT

Tax-Supported Portion Only

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/15/2017	275,000.00	75,926.25	350,926.25	-
08/15/2017	-	72,488.75	72,488.75	-
09/30/2017	-	-	-	423,415.00
02/15/2018	280,000.00	72,488.75	352,488.75	-
08/15/2018	-	68,988.75	68,988.75	-
09/30/2018	-	-	-	421,477.50
02/15/2019	290,000.00	68,988.75	358,988.75	-
08/15/2019	-	65,363.75	65,363.75	-
09/30/2019	-	-	-	424,352.50
02/15/2020	295,000.00	65,363.75	360,363.75	-
08/15/2020	-	61,455.00	61,455.00	-
09/30/2020	-	-	-	421,818.75
02/15/2021	305,000.00	61,455.00	366,455.00	-
08/15/2021	-	57,108.75	57,108.75	-
09/30/2021	-	-	-	423,563.75
02/15/2022	315,000.00	57,108.75	372,108.75	-
08/15/2022	-	52,383.75	52,383.75	-
09/30/2022	-	-	-	424,492.50
02/15/2023	325,000.00	52,383.75	377,383.75	-
08/15/2023	-	47,346.25	47,346.25	-
09/30/2023	-	-	-	424,730.00
02/15/2024	335,000.00	47,346.25	382,346.25	-
08/15/2024	-	41,902.50	41,902.50	-
09/30/2024	-	-	-	424,248.75
02/15/2025	350,000.00	41,902.50	391,902.50	-
08/15/2025	-	35,952.50	35,952.50	-
09/30/2025	-	-	-	427,855.00
02/15/2026	365,000.00	35,952.50	400,952.50	-
08/15/2026	-	29,565.00	29,565.00	-
09/30/2026	-	-	-	430,517.50
02/15/2027	375,000.00	29,565.00	404,565.00	-
08/15/2027	-	22,815.00	22,815.00	-
09/30/2027	-	-	-	427,380.00
02/15/2028	385,000.00	22,815.00	407,815.00	-
08/15/2028	-	15,692.50	15,692.50	-
09/30/2028	-	-	-	423,507.50
02/15/2029	400,000.00	15,692.50	415,692.50	-
08/15/2029	-	8,092.50	8,092.50	-
09/30/2029	-	-	-	423,785.00
02/15/2030	415,000.00	8,092.50	423,092.50	-
09/30/2030	-	-	-	423,092.50
Total	**$4,710,000.00**	**$1,234,236.25**	**$5,944,236.25**	**-**

City of Horseshoe Bay, TX

Combination Tax & Revenue Certificates of Obligation, Series 2011

STREETS PURPOSE - 20 YEAR REPAYMENT

Tax-Supported Portion Only

Debt Service Schedule

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	8.028 Years
Average Coupon	3.4651217%

Par Amounts Of Selected Issues

11 $9.8MM CO FINAL allocations -Streets	4,710,000.00
TOTAL	**4,710,000.00**

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Streets (Tax-Supported) Portion Only

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/15/2017	150,000.00	76,773.13	226,773.13	-
08/15/2017	-	75,273.13	75,273.13	-
09/30/2017	-	-	-	302,046.26
02/15/2018	150,000.00	75,273.13	225,273.13	-
08/15/2018	-	73,773.13	73,773.13	-
09/30/2018	-	-	-	299,046.26
02/15/2019	155,000.00	73,773.13	228,773.13	-
08/15/2019	-	72,223.13	72,223.13	-
09/30/2019	-	-	-	300,996.26
02/15/2020	155,000.00	72,223.13	227,223.13	-
08/15/2020	-	70,673.13	70,673.13	-
09/30/2020	-	-	-	297,896.26
02/15/2021	165,000.00	70,673.13	235,673.13	-
08/15/2021	-	69,023.13	69,023.13	-
09/30/2021	-	-	-	304,696.26
02/15/2022	170,000.00	69,023.13	239,023.13	-
08/15/2022	-	67,323.13	67,323.13	-
09/30/2022	-	-	-	306,346.26
02/15/2023	175,000.00	67,323.13	242,323.13	-
08/15/2023	-	65,573.13	65,573.13	-
09/30/2023	-	-	-	307,896.26
02/15/2024	180,000.00	65,573.13	245,573.13	-
08/15/2024	-	63,323.13	63,323.13	-
09/30/2024	-	-	-	308,896.26
02/15/2025	185,000.00	63,323.13	248,323.13	-
08/15/2025	-	60,548.13	60,548.13	-
09/30/2025	-	-	-	308,871.26
02/15/2026	190,000.00	60,548.13	250,548.13	-
08/15/2026	-	57,698.13	57,698.13	-
09/30/2026	-	-	-	308,246.26
02/15/2027	195,000.00	57,698.13	252,698.13	-
08/15/2027	-	54,773.13	54,773.13	-
09/30/2027	-	-	-	307,471.26
02/15/2028	205,000.00	54,773.13	259,773.13	-
08/15/2028	-	51,441.88	51,441.88	-
09/30/2028	-	-	-	311,215.01
02/15/2029	215,000.00	51,441.88	266,441.88	-
08/15/2029	-	47,948.13	47,948.13	-
09/30/2029	-	-	-	314,390.01

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Streets (Tax-Supported) Portion Only

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
02/15/2030	220,000.00	47,948.13	267,948.13	-
08/15/2030	-	44,373.13	44,373.13	-
09/30/2030	-	-	-	312,321.26
02/15/2031	230,000.00	44,373.13	274,373.13	-
08/15/2031	-	40,635.63	40,635.63	-
09/30/2031	-	-	-	315,008.76
02/15/2032	240,000.00	40,635.63	280,635.63	-
08/15/2032	-	36,495.63	36,495.63	-
09/30/2032	-	-	-	317,131.26
02/15/2033	245,000.00	36,495.63	281,495.63	-
08/15/2033	-	32,269.38	32,269.38	-
09/30/2033	-	-	-	313,765.01
02/15/2034	260,000.00	32,269.38	292,269.38	-
08/15/2034	-	27,784.38	27,784.38	-
09/30/2034	-	-	-	320,053.76
02/15/2035	270,000.00	27,784.38	297,784.38	-
08/15/2035	-	22,384.38	22,384.38	-
09/30/2035	-	-	-	320,168.76
02/15/2036	280,000.00	22,384.38	302,384.38	-
08/15/2036	-	16,784.38	16,784.38	-
09/30/2036	-	-	-	319,168.76
02/15/2037	290,000.00	16,784.38	306,784.38	-
08/15/2037	-	11,528.13	11,528.13	-
09/30/2037	-	-	-	318,312.51
02/15/2038	305,000.00	11,528.13	316,528.13	-
08/15/2038	-	6,000.00	6,000.00	-
09/30/2038	-	-	-	322,528.13
02/15/2039	320,000.00	6,000.00	326,000.00	-
09/30/2039	-	-	-	326,000.00
Total	**$4,950,000.00**	**$2,212,472.09**	**$7,162,472.09**	**-**

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Streets (Tax-Supported) Portion Only

Debt Service Schedule

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	13.559 Years
Average Coupon	3.4109293%

Par Amounts Of Selected Issues

14 $9.8mm C/O (5/20) FINAL - allocation -Streets	4,950,000.00
TOTAL	**4,950,000.00**

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2016
Fire Truck Portion (Tax-Supported Portion only)

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
10/13/2016	-	-	-	-
08/15/2017	-	23,530.83	23,530.83	-
09/30/2017	-	-	-	23,530.83
02/15/2018	-	14,025.00	14,025.00	-
08/15/2018	95,000.00	14,025.00	109,025.00	-
09/30/2018	-	-	-	123,050.00
02/15/2019	-	13,075.00	13,075.00	-
08/15/2019	95,000.00	13,075.00	108,075.00	-
09/30/2019	-	-	-	121,150.00
02/15/2020	-	12,125.00	12,125.00	-
08/15/2020	95,000.00	12,125.00	107,125.00	-
09/30/2020	-	-	-	119,250.00
02/15/2021	-	11,175.00	11,175.00	-
08/15/2021	100,000.00	11,175.00	111,175.00	-
09/30/2021	-	-	-	122,350.00
02/15/2022	-	9,675.00	9,675.00	-
08/15/2022	100,000.00	9,675.00	109,675.00	-
09/30/2022	-	-	-	119,350.00
02/15/2023	-	8,175.00	8,175.00	-
08/15/2023	105,000.00	8,175.00	113,175.00	-
09/30/2023	-	-	-	121,350.00
02/15/2024	-	6,600.00	6,600.00	-
08/15/2024	105,000.00	6,600.00	111,600.00	-
09/30/2024	-	-	-	118,200.00
02/15/2025	-	4,500.00	4,500.00	-
08/15/2025	110,000.00	4,500.00	114,500.00	-
09/30/2025	-	-	-	119,000.00
02/15/2026	-	2,300.00	2,300.00	-
08/15/2026	115,000.00	2,300.00	117,300.00	-
09/30/2026	-	-	-	119,600.00
Total	**$920,000.00**	**$186,830.83**	**$1,106,830.83**	**-**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	6.663 Years
Average Coupon	3.3503263%

Par Amounts Of Selected Issues

16 C/O (9/19) FINAL -Fire Truck Portion	920,000.00
TOTAL	**920,000.00**

Aggregate | 10/25/2016 | 10:48 AM

TAB C

UTILITY SUPPORTED GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

City of Horseshoe Bay, Texas

Aggregate Utility Supported Debt Service

Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I
09/30/2016	-	-	-
09/30/2017	660,000.00	420,493.50	1,080,493.50
09/30/2018	680,000.00	399,064.00	1,079,064.00
09/30/2019	700,000.00	377,055.50	1,077,055.50
09/30/2020	725,000.00	354,123.50	1,079,123.50
09/30/2021	755,000.00	330,019.25	1,085,019.25
09/30/2022	780,000.00	304,524.50	1,084,524.50
09/30/2023	800,000.00	277,975.00	1,077,975.00
09/30/2024	835,000.00	249,888.25	1,084,888.25
09/30/2025	870,000.00	219,456.00	1,089,456.00
09/30/2026	895,000.00	187,234.50	1,082,234.50
09/30/2027	935,000.00	153,565.00	1,088,565.00
09/30/2028	425,000.00	118,042.50	543,042.50
09/30/2029	440,000.00	102,733.75	542,733.75
09/30/2030	460,000.00	86,546.25	546,546.25
09/30/2031	200,000.00	74,960.00	274,960.00
09/30/2032	210,000.00	68,087.50	278,087.50
09/30/2033	220,000.00	60,670.00	280,670.00
09/30/2034	225,000.00	52,993.75	277,993.75
09/30/2035	235,000.00	44,412.50	279,412.50
09/30/2036	250,000.00	34,712.50	284,712.50
09/30/2037	260,000.00	25,000.00	285,000.00
09/30/2038	270,000.00	15,393.75	285,393.75
09/30/2039	280,000.00	5,250.00	285,250.00
Total	**$12,110,000.00**	**$3,962,201.50**	**$16,072,201.50**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	9.308 Years
Average Coupon	3.6008944%

Par Amounts Of Selected Issues

SER 07 GO REF	4,765,000.00
11 $9.8MM CO FINAL allocations -Utility	2,990,000.00
14 $9.8mm C/O (5/20) FINAL - allocation -Utility	4,355,000.00
TOTAL	**12,110,000.00**

Specialized Public Finance Inc.
Austin, Texas

City of Horseshoe Bay, Texas

Aggregate Utility Supported Debt Service

Semi-Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/01/2017	-	96,253.00	96,253.00	-
02/15/2017	305,000.00	115,737.50	420,737.50	-
08/01/2017	355,000.00	96,253.00	451,253.00	-
08/15/2017	-	112,250.00	112,250.00	-
09/30/2017	-	-	-	1,080,493.50
02/01/2018	-	89,082.00	89,082.00	-
02/15/2018	315,000.00	112,250.00	427,250.00	-
08/01/2018	365,000.00	89,082.00	454,082.00	-
08/15/2018	-	108,650.00	108,650.00	-
09/30/2018	-	-	-	1,079,064.00
02/01/2019	-	81,709.00	81,709.00	-
02/15/2019	320,000.00	108,650.00	428,650.00	-
08/01/2019	380,000.00	81,709.00	461,709.00	-
08/15/2019	-	104,987.50	104,987.50	-
09/30/2019	-	-	-	1,077,055.50
02/01/2020	-	74,033.00	74,033.00	-
02/15/2020	330,000.00	104,987.50	434,987.50	-
08/01/2020	395,000.00	74,033.00	469,033.00	-
08/15/2020	-	101,070.00	101,070.00	-
09/30/2020	-	-	-	1,079,123.50
02/01/2021	-	66,054.00	66,054.00	-
02/15/2021	340,000.00	101,070.00	441,070.00	-
08/01/2021	415,000.00	66,054.00	481,054.00	-
08/15/2021	-	96,841.25	96,841.25	-
09/30/2021	-	-	-	1,085,019.25
02/01/2022	-	57,671.00	57,671.00	-
02/15/2022	350,000.00	96,841.25	446,841.25	-
08/01/2022	430,000.00	57,671.00	487,671.00	-
08/15/2022	-	92,341.25	92,341.25	-
09/30/2022	-	-	-	1,084,524.50
02/01/2023	-	48,985.00	48,985.00	-
02/15/2023	355,000.00	92,341.25	447,341.25	-
08/01/2023	445,000.00	48,985.00	493,985.00	-
08/15/2023	-	87,663.75	87,663.75	-
09/30/2023	-	-	-	1,077,975.00
02/01/2024	-	39,996.00	39,996.00	-
02/15/2024	370,000.00	87,663.75	457,663.75	-
08/01/2024	465,000.00	39,996.00	504,996.00	-
08/15/2024	-	82,232.50	82,232.50	-
09/30/2024	-	-	-	1,084,888.25

City of Horseshoe Bay, Texas

Aggregate Utility Supported Debt Service

Semi-Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I	Fiscal Total
02/01/2025	-	30,603.00	30,603.00	-
02/15/2025	385,000.00	82,232.50	467,232.50	-
08/01/2025	485,000.00	30,603.00	515,603.00	-
08/15/2025	-	76,017.50	76,017.50	-
09/30/2025	-	-	-	1,089,456.00
02/01/2026	-	20,806.00	20,806.00	-
02/15/2026	390,000.00	76,017.50	466,017.50	-
08/01/2026	505,000.00	20,806.00	525,806.00	-
08/15/2026	-	69,605.00	69,605.00	-
09/30/2026	-	-	-	1,082,234.50
02/01/2027	-	10,605.00	10,605.00	-
02/15/2027	410,000.00	69,605.00	479,605.00	-
08/01/2027	525,000.00	10,605.00	535,605.00	-
08/15/2027	-	62,750.00	62,750.00	-
09/30/2027	-	-	-	1,088,565.00
02/15/2028	425,000.00	62,750.00	487,750.00	-
08/15/2028	-	55,292.50	55,292.50	-
09/30/2028	-	-	-	543,042.50
02/15/2029	440,000.00	55,292.50	495,292.50	-
08/15/2029	-	47,441.25	47,441.25	-
09/30/2029	-	-	-	542,733.75
02/15/2030	460,000.00	47,441.25	507,441.25	-
08/15/2030	-	39,105.00	39,105.00	-
09/30/2030	-	-	-	546,546.25
02/15/2031	200,000.00	39,105.00	239,105.00	-
08/15/2031	-	35,855.00	35,855.00	-
09/30/2031	-	-	-	274,960.00
02/15/2032	210,000.00	35,855.00	245,855.00	-
08/15/2032	-	32,232.50	32,232.50	-
09/30/2032	-	-	-	278,087.50
02/15/2033	220,000.00	32,232.50	252,232.50	-
08/15/2033	-	28,437.50	28,437.50	-
09/30/2033	-	-	-	280,670.00
02/15/2034	225,000.00	28,437.50	253,437.50	-
08/15/2034	-	24,556.25	24,556.25	-
09/30/2034	-	-	-	277,993.75
02/15/2035	235,000.00	24,556.25	259,556.25	-
08/15/2035	-	19,856.25	19,856.25	-
09/30/2035	-	-	-	279,412.50
02/15/2036	250,000.00	19,856.25	269,856.25	-
08/15/2036	-	14,856.25	14,856.25	-

City of Horseshoe Bay, Texas

Aggregate Utility Supported Debt Service

Semi-Annual Basis

Aggregate Debt Service

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2036	-	-	-	284,712.50
02/15/2037	260,000.00	14,856.25	274,856.25	-
08/15/2037	-	10,143.75	10,143.75	-
09/30/2037	-	-	-	285,000.00
02/15/2038	270,000.00	10,143.75	280,143.75	-
08/15/2038	-	5,250.00	5,250.00	-
09/30/2038	-	-	-	285,393.75
02/15/2039	280,000.00	5,250.00	285,250.00	-
09/30/2039	-	-	-	285,250.00
Total	**$12,110,000.00**	**$3,962,201.50**	**$16,072,201.50**	**-**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	9.308 Years
Average Coupon	3.6008944%

Par Amounts Of Selected Issues

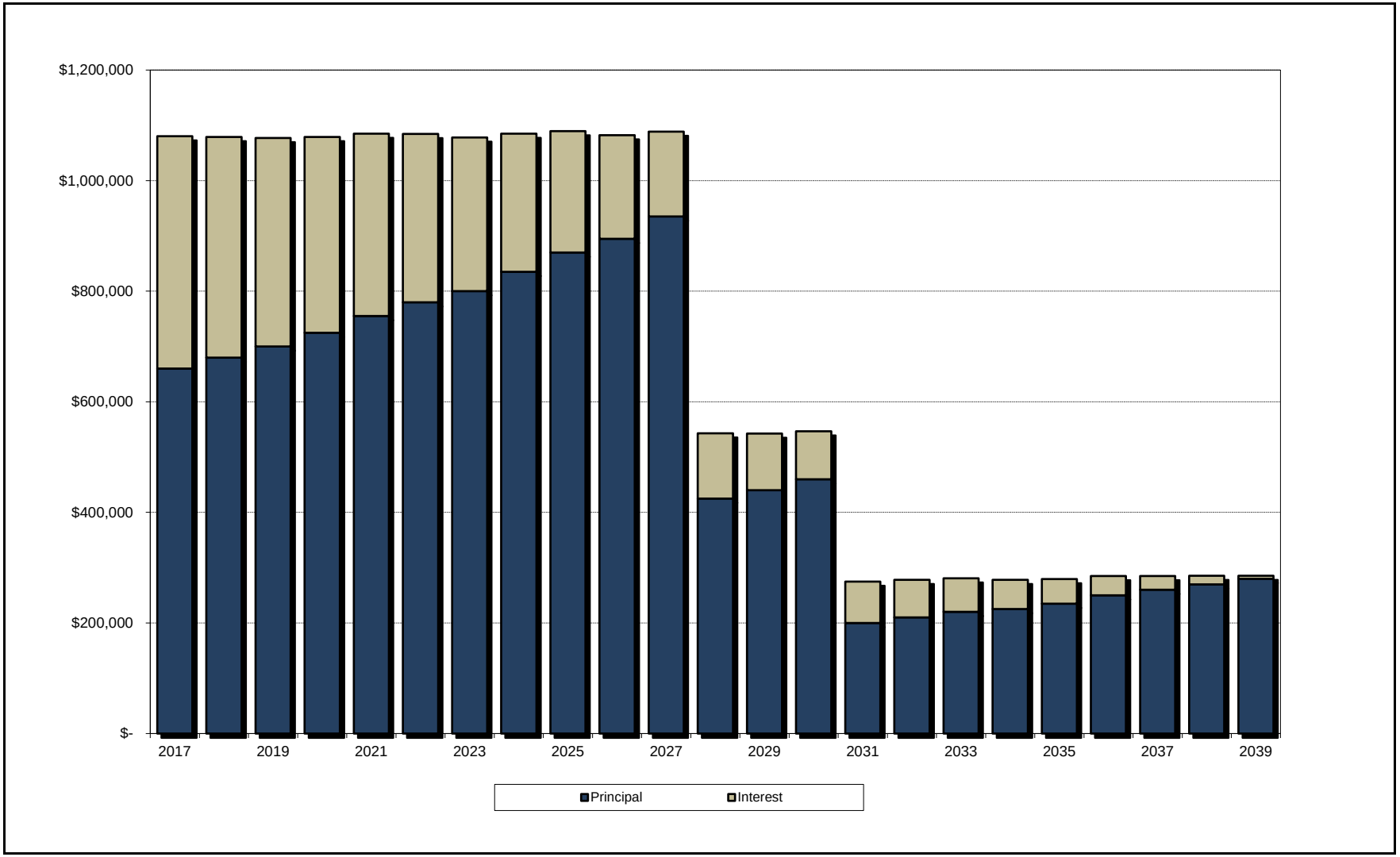
SER 07 GO REF	4,765,000.00
11 $9.8MM CO FINAL allocations -Utility	2,990,000.00
14 $9.8mm C/O (5/20) FINAL - allocation -Utility	4,355,000.00
TOTAL	**12,110,000.00**

Specialized Public Finance Inc.
Austin, Texas

City of Horseshoe Bay, Texas

Aggregate Utility Supported General Obligation Debt

As of Fiscal Year 2017



City of Horseshoe Bay, TX

$7,500,000 General Obligation Refunding Bonds

Series 2007

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/01/2017	-	96,253.00	96,253.00	-
08/01/2017	355,000.00	96,253.00	451,253.00	-
09/30/2017	-	-	-	547,506.00
02/01/2018	-	89,082.00	89,082.00	-
08/01/2018	365,000.00	89,082.00	454,082.00	-
09/30/2018	-	-	-	543,164.00
02/01/2019	-	81,709.00	81,709.00	-
08/01/2019	380,000.00	81,709.00	461,709.00	-
09/30/2019	-	-	-	543,418.00
02/01/2020	-	74,033.00	74,033.00	-
08/01/2020	395,000.00	74,033.00	469,033.00	-
09/30/2020	-	-	-	543,066.00
02/01/2021	-	66,054.00	66,054.00	-
08/01/2021	415,000.00	66,054.00	481,054.00	-
09/30/2021	-	-	-	547,108.00
02/01/2022	-	57,671.00	57,671.00	-
08/01/2022	430,000.00	57,671.00	487,671.00	-
09/30/2022	-	-	-	545,342.00
02/01/2023	-	48,985.00	48,985.00	-
08/01/2023	445,000.00	48,985.00	493,985.00	-
09/30/2023	-	-	-	542,970.00
02/01/2024	-	39,996.00	39,996.00	-
08/01/2024	465,000.00	39,996.00	504,996.00	-
09/30/2024	-	-	-	544,992.00
02/01/2025	-	30,603.00	30,603.00	-
08/01/2025	485,000.00	30,603.00	515,603.00	-
09/30/2025	-	-	-	546,206.00
02/01/2026	-	20,806.00	20,806.00	-
08/01/2026	505,000.00	20,806.00	525,806.00	-
09/30/2026	-	-	-	546,612.00
02/01/2027	-	10,605.00	10,605.00	-
08/01/2027	525,000.00	10,605.00	535,605.00	-
09/30/2027	-	-	-	546,210.00
Total	**$4,765,000.00**	**$1,231,594.00**	**$5,996,594.00**	**-**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	6.433 Years
Average Coupon	4.0400000%

Par Amounts Of Selected Issues

SER 07 GO REF	4,765,000.00
TOTAL	**4,765,000.00**

Aggregate | 10/25/2016 | 11:05 AM

City of Horseshoe Bay, TX

Combination Tax & Revenue Certificates of Obligation, Series 2011

UTILITY PURPOSE - 20 YEAR REPAYMENT

Utility Supported Portion only

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/15/2017	175,000.00	48,170.00	223,170.00	-
08/15/2017	-	45,982.50	45,982.50	-
09/30/2017	-	-	-	269,152.50
02/15/2018	180,000.00	45,982.50	225,982.50	-
08/15/2018	-	43,732.50	43,732.50	-
09/30/2018	-	-	-	269,715.00
02/15/2019	185,000.00	43,732.50	228,732.50	-
08/15/2019	-	41,420.00	41,420.00	-
09/30/2019	-	-	-	270,152.50
02/15/2020	190,000.00	41,420.00	231,420.00	-
08/15/2020	-	38,902.50	38,902.50	-
09/30/2020	-	-	-	270,322.50
02/15/2021	195,000.00	38,902.50	233,902.50	-
08/15/2021	-	36,123.75	36,123.75	-
09/30/2021	-	-	-	270,026.25
02/15/2022	200,000.00	36,123.75	236,123.75	-
08/15/2022	-	33,123.75	33,123.75	-
09/30/2022	-	-	-	269,247.50
02/15/2023	205,000.00	33,123.75	238,123.75	-
08/15/2023	-	29,946.25	29,946.25	-
09/30/2023	-	-	-	268,070.00
02/15/2024	215,000.00	29,946.25	244,946.25	-
08/15/2024	-	26,452.50	26,452.50	-
09/30/2024	-	-	-	271,398.75
02/15/2025	220,000.00	26,452.50	246,452.50	-
08/15/2025	-	22,712.50	22,712.50	-
09/30/2025	-	-	-	269,165.00
02/15/2026	225,000.00	22,712.50	247,712.50	-
08/15/2026	-	18,775.00	18,775.00	-
09/30/2026	-	-	-	266,487.50
02/15/2027	235,000.00	18,775.00	253,775.00	-
08/15/2027	-	14,545.00	14,545.00	-
09/30/2027	-	-	-	268,320.00
02/15/2028	245,000.00	14,545.00	259,545.00	-
08/15/2028	-	10,012.50	10,012.50	-
09/30/2028	-	-	-	269,557.50
02/15/2029	255,000.00	10,012.50	265,012.50	-
08/15/2029	-	5,167.50	5,167.50	-
09/30/2029	-	-	-	270,180.00
02/15/2030	265,000.00	5,167.50	270,167.50	-
09/30/2030	-	-	-	270,167.50
Total	**$2,990,000.00**	**$781,962.50**	**$3,771,962.50**	**-**

City of Horseshoe Bay, TX

Combination Tax & Revenue Certificates of Obligation, Series 2011

UTILITY PURPOSE - 20 YEAR REPAYMENT

Utility Supported Portion only

Debt Service Schedule

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	8.013 Years
Average Coupon	3.4646598%

Par Amounts Of Selected Issues

11 $9.8MM CO FINAL allocations -Utility	2,990,000.00
TOTAL	**2,990,000.00**

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Utility Portion

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2016	-	-	-	-
02/15/2017	130,000.00	67,567.50	197,567.50	-
08/15/2017	-	66,267.50	66,267.50	-
09/30/2017	-	-	-	263,835.00
02/15/2018	135,000.00	66,267.50	201,267.50	-
08/15/2018	-	64,917.50	64,917.50	-
09/30/2018	-	-	-	266,185.00
02/15/2019	135,000.00	64,917.50	199,917.50	-
08/15/2019	-	63,567.50	63,567.50	-
09/30/2019	-	-	-	263,485.00
02/15/2020	140,000.00	63,567.50	203,567.50	-
08/15/2020	-	62,167.50	62,167.50	-
09/30/2020	-	-	-	265,735.00
02/15/2021	145,000.00	62,167.50	207,167.50	-
08/15/2021	-	60,717.50	60,717.50	-
09/30/2021	-	-	-	267,885.00
02/15/2022	150,000.00	60,717.50	210,717.50	-
08/15/2022	-	59,217.50	59,217.50	-
09/30/2022	-	-	-	269,935.00
02/15/2023	150,000.00	59,217.50	209,217.50	-
08/15/2023	-	57,717.50	57,717.50	-
09/30/2023	-	-	-	266,935.00
02/15/2024	155,000.00	57,717.50	212,717.50	-
08/15/2024	-	55,780.00	55,780.00	-
09/30/2024	-	-	-	268,497.50
02/15/2025	165,000.00	55,780.00	220,780.00	-
08/15/2025	-	53,305.00	53,305.00	-
09/30/2025	-	-	-	274,085.00
02/15/2026	165,000.00	53,305.00	218,305.00	-
08/15/2026	-	50,830.00	50,830.00	-
09/30/2026	-	-	-	269,135.00
02/15/2027	175,000.00	50,830.00	225,830.00	-
08/15/2027	-	48,205.00	48,205.00	-
09/30/2027	-	-	-	274,035.00
02/15/2028	180,000.00	48,205.00	228,205.00	-
08/15/2028	-	45,280.00	45,280.00	-
09/30/2028	-	-	-	273,485.00
02/15/2029	185,000.00	45,280.00	230,280.00	-
08/15/2029	-	42,273.75	42,273.75	-
09/30/2029	-	-	-	272,553.75

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Utility Portion

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
02/15/2030	195,000.00	42,273.75	237,273.75	-
08/15/2030	-	39,105.00	39,105.00	-
09/30/2030	-	-	-	276,378.75
02/15/2031	200,000.00	39,105.00	239,105.00	-
08/15/2031	-	35,855.00	35,855.00	-
09/30/2031	-	-	-	274,960.00
02/15/2032	210,000.00	35,855.00	245,855.00	-
08/15/2032	-	32,232.50	32,232.50	-
09/30/2032	-	-	-	278,087.50
02/15/2033	220,000.00	32,232.50	252,232.50	-
08/15/2033	-	28,437.50	28,437.50	-
09/30/2033	-	-	-	280,670.00
02/15/2034	225,000.00	28,437.50	253,437.50	-
08/15/2034	-	24,556.25	24,556.25	-
09/30/2034	-	-	-	277,993.75
02/15/2035	235,000.00	24,556.25	259,556.25	-
08/15/2035	-	19,856.25	19,856.25	-
09/30/2035	-	-	-	279,412.50
02/15/2036	250,000.00	19,856.25	269,856.25	-
08/15/2036	-	14,856.25	14,856.25	-
09/30/2036	-	-	-	284,712.50
02/15/2037	260,000.00	14,856.25	274,856.25	-
08/15/2037	-	10,143.75	10,143.75	-
09/30/2037	-	-	-	285,000.00
02/15/2038	270,000.00	10,143.75	280,143.75	-
08/15/2038	-	5,250.00	5,250.00	-
09/30/2038	-	-	-	285,393.75
02/15/2039	280,000.00	5,250.00	285,250.00	-
09/30/2039	-	-	-	285,250.00
Total	**$4,355,000.00**	**$1,948,645.00**	**$6,303,645.00**	**-**

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014

Utility Portion

Debt Service Schedule

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	13.568 Years
Average Coupon	3.4121044%

Par Amounts Of Selected Issues

14 $9.8mm C/O (5/20) FINAL - allocation -Utility	4,355,000.00
TOTAL	**4,355,000.00**

TAB D

PID SUPPORTED
GENERAL OBLIGATION
DEBT SERVICE REQUIREMENTS

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2016

PID Portion (Annual Basis)

Aggregate Debt Service

Date	Principal	Interest	Total P+I
09/30/2017	170,000.00	80,365.56	250,365.56
09/30/2018	160,000.00	92,400.00	252,400.00
09/30/2019	160,000.00	89,200.00	249,200.00
09/30/2020	165,000.00	86,000.00	251,000.00
09/30/2021	165,000.00	82,700.00	247,700.00
09/30/2022	170,000.00	77,750.00	247,750.00
09/30/2023	175,000.00	72,650.00	247,650.00
09/30/2024	185,000.00	67,400.00	252,400.00
09/30/2025	190,000.00	60,000.00	250,000.00
09/30/2026	200,000.00	52,400.00	252,400.00
09/30/2027	205,000.00	44,400.00	249,400.00
09/30/2028	215,000.00	36,200.00	251,200.00
09/30/2029	220,000.00	27,600.00	247,600.00
09/30/2030	230,000.00	18,800.00	248,800.00
09/30/2031	240,000.00	9,600.00	249,600.00
Total	**$2,850,000.00**	**$897,465.56**	**$3,747,465.56**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	9.063 Years
Average Coupon	3.7197058%

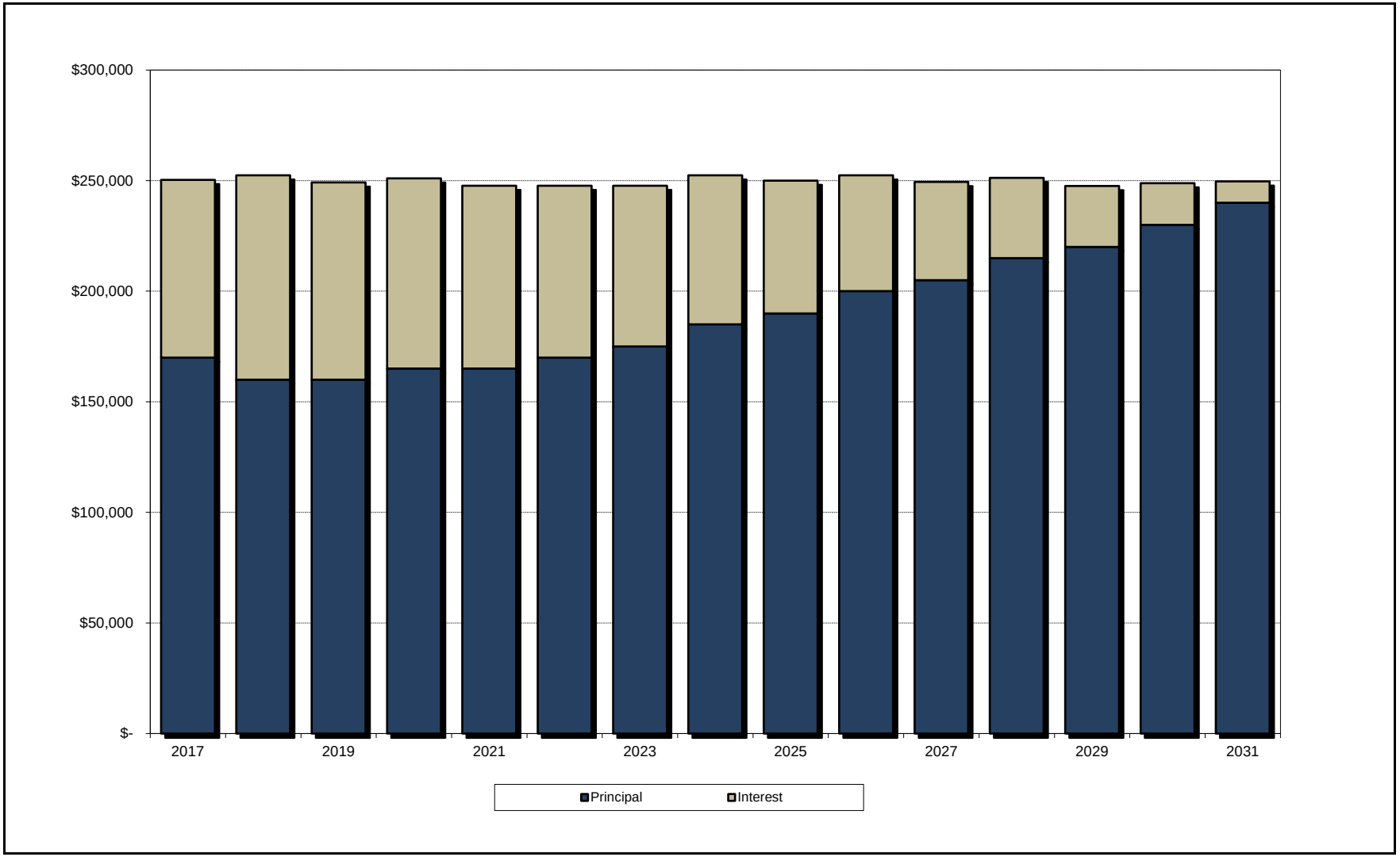
Par Amounts Of Selected Issues

16 C/O (9/19) FINAL -PID Portion	2,850,000.00
TOTAL	**2,850,000.00**

City of Horseshoe Bay, Texas

Aggregate PID Supported General Obligation Debt

As of Fiscal Year 2017



City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2016

PID Portion

Semi-Annual Basis

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
10/13/2016	-	-	-	-
08/15/2017	170,000.00	80,365.56	250,365.56	-
09/30/2017	-	-	-	250,365.56
02/15/2018	-	46,200.00	46,200.00	-
08/15/2018	160,000.00	46,200.00	206,200.00	-
09/30/2018	-	-	-	252,400.00
02/15/2019	-	44,600.00	44,600.00	-
08/15/2019	160,000.00	44,600.00	204,600.00	-
09/30/2019	-	-	-	249,200.00
02/15/2020	-	43,000.00	43,000.00	-
08/15/2020	165,000.00	43,000.00	208,000.00	-
09/30/2020	-	-	-	251,000.00
02/15/2021	-	41,350.00	41,350.00	-
08/15/2021	165,000.00	41,350.00	206,350.00	-
09/30/2021	-	-	-	247,700.00
02/15/2022	-	38,875.00	38,875.00	-
08/15/2022	170,000.00	38,875.00	208,875.00	-
09/30/2022	-	-	-	247,750.00
02/15/2023	-	36,325.00	36,325.00	-
08/15/2023	175,000.00	36,325.00	211,325.00	-
09/30/2023	-	-	-	247,650.00
02/15/2024	-	33,700.00	33,700.00	-
08/15/2024	185,000.00	33,700.00	218,700.00	-
09/30/2024	-	-	-	252,400.00
02/15/2025	-	30,000.00	30,000.00	-
08/15/2025	190,000.00	30,000.00	220,000.00	-
09/30/2025	-	-	-	250,000.00
02/15/2026	-	26,200.00	26,200.00	-
08/15/2026	200,000.00	26,200.00	226,200.00	-
09/30/2026	-	-	-	252,400.00
02/15/2027	-	22,200.00	22,200.00	-
08/15/2027	205,000.00	22,200.00	227,200.00	-
09/30/2027	-	-	-	249,400.00
02/15/2028	-	18,100.00	18,100.00	-
08/15/2028	215,000.00	18,100.00	233,100.00	-
09/30/2028	-	-	-	251,200.00
02/15/2029	-	13,800.00	13,800.00	-
08/15/2029	220,000.00	13,800.00	233,800.00	-
09/30/2029	-	-	-	247,600.00
02/15/2030	-	9,400.00	9,400.00	-

City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2016

PID Portion

Semi-Annual Basis

Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
08/15/2030	230,000.00	9,400.00	239,400.00	-
09/30/2030	-	-	-	248,800.00
02/15/2031	-	4,800.00	4,800.00	-
08/15/2031	240,000.00	4,800.00	244,800.00	-
09/30/2031	-	-	-	249,600.00
Total	**$2,850,000.00**	**$897,465.56**	**$3,747,465.56**	**-**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2016
Average Life	9.063 Years
Average Coupon	3.7197058%

Par Amounts Of Selected Issues

16 C/O (9/19) FINAL -PID Portion	2,850,000.00
TOTAL	**2,850,000.00**

Specialized Public Finance Inc.
Austin, Texas

TAB E

RATING AGENCY REPORT

S&P Global
Ratings

RatingsDirect®

Summary:

Horseshoe Bay, Texas; General Obligation

Primary Credit Analyst:
Jim Tchou, New York (1) 212-438-3821; jim.tchou@spglobal.com

Secondary Contact:
Daniel E Hughes, Centennial 303.721.4272; daniel.hughes@spglobal.com

Table Of Contents

Rationale

Outlook

Related Research

Summary:

Horseshoe Bay, Texas; General Obligation

Credit Profile		
US$4.02 mil combination tax and rev certs of oblig ser 2016 dtd 09/15/2016 due 08/15/2031		
Long Term Rating	AA+/Stable	New
Horseshoe Bay GO		
Long Term Rating	AA+/Stable	Affirmed

Rationale

S&P Global Ratings assigned its 'AA+' rating and stable outlook to Horseshoe Bay, Texas' series 2016 combination tax and revenue certificates of obligation and affirmed its 'AA+' rating, with a stable outlook, on the city's existing general obligation (GO) debt.

The certificates are payable from an annual ad valorem tax levied against all taxable property in the city within the limits prescribed by law. The certificates are also payable through a limited $1,000 pledge of surplus revenue from the city's water and wastewater system. However, we rate the certificates based on the city's ad valorem pledge.

State statutes provide for a maximum ad valorem tax rate of $2.50 per $100 of taxable assessed valuation (AV) for all city purposes, including a maximum $1.50 for all GO debt service calculated at the time of issuance based on 90% tax collections. For fiscal 2016, the total tax rate is 25 cents per $100 of AV, which includes 2.8 cents for debt service. Due to the city's current tax rate flexibility, very strong liquidity, and high investment-grade rating, we do not differentiate between limited- and unlimited-tax pledges. We understand officials will use series 2016 certificate proceeds to finance improvements to the city's water and wastewater system and acquire two fire engines and related equipment.

The rating reflects our opinion of the following factors for the city, specifically its:

- Very strong economy, with projected per capita effective buying income at 208% of the national level and market value per capita of $263,132;
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 56% of operating expenditures;
- Very strong liquidity, with total government available cash at 110.6% of total governmental fund expenditures and 10.9x governmental debt service, and access to external liquidity we consider strong;
- Adequate debt and contingent liability position, with debt service carrying charges at 10.2% of expenditures and net direct debt that is 142.5% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

Very strong economy

We consider Horseshoe Bay's economy very strong. The city, with an estimated population of 6,711, is located in Burnet and Llano counties. The city has a projected per capita effective buying income of 208% of the national level and per capita market value of $263,132. Overall, the city's market value grew by 4.4% over the past year to $1.8 billion in 2017. The weight-averaged unemployment rate of the counties was 4.2% in 2015.

Horseshoe Bay is near Marble Falls, about 55 miles northwest of Austin. The 14-square-mile city consists predominately of luxury homes for retirees and vacation homeowners. Therefore, the property tax base is very diverse with the 10 leading taxpayers accounting for just 5.5% of AV. We expect tax base growth to continue, supported by the ongoing activity within the Summit Rock development, the annexation of properties in the surrounding areas, and the expansion of some commercial areas.

Due to the city's sizable retiree population and current construction of additional residential units targeting the 55-year-and-older segment, we believe, over the long term, the city's economy could be negatively affected by a highly dependent population--one we define as greater than 55% of the total population.

Strong management

We view the city's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Key practices include management's:

- Revenue and expenditure assumptions based, in part, on five years of historical trends and the use of outside sources to assist with forecasting;
- Monthly budget updates to the city council for review, including budget-to-actual comparisons;
- Use of a five-year capital plan that it updates annually with funding sources identified for some projects;
- Formal investment management policy that follows state guidelines with monthly holdings and performance reports to the council; and
- Formal reserve policy of maintaining six months' total operating expenses in reserve.

The city does not currently have any formal long-term financial forecasting or debt management practices.

Strong budgetary performance

Horseshoe Bay's budgetary performance is strong in our opinion. The city had operating surpluses of 1.8% of expenditures in the general fund and 10% of expenditures across all governmental funds in fiscal 2015.

We have adjusted the city's expenditures for significant one-time items such as the spending down of bond proceeds and cash used for its large street project. We expect budgetary performance to remain strong over the next two fiscal years. Current fiscal year-end 2016 estimates suggest a strong performance with surpluses of 2.8% of expenditures in the general fund and 1.4% of expenditures across all governmental funds.

The proposed fiscal 2017 budget suggests a 2.2% surplus for the general fund. We also expect performance across all governmental funds to be similar to fiscal 2016 results. In fiscal 2015, property taxes generated about 53% of general revenue while charges for services accounted for 15% and sales taxes generated 14%. All revenue streams have

historically been relatively reliable.

Very strong budgetary flexibility

Horseshoe Bay's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 56% of operating expenditures, or $3.5 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

We expect budgetary flexibility to remain very strong over the next two fiscal years, supported by the city's formal policy of maintaining six months' operating expenses in reserve. We estimate the city will end fiscal 2016 with an available fund balance of roughly 55.6% of expenditures. We expect officials to continue to build available fund balance since the completion of a large street improvement project. The city cash funded a portion of street improvements recently rather than incur additional debt.

Very strong liquidity

In our opinion, Horseshoe Bay's liquidity is very strong, with total government available cash at 110.6% of total governmental fund expenditures and 10.9x governmental debt service in 2015. In our view, the city has strong access to external liquidity if necessary.

The city's access to the market within the past 20 years and issuance of mainly tax-backed bonds demonstrate its strong access to external liquidity. It has historically had, what we consider, very strong cash balances. In addition, we do not believe its cash position will deteriorate over the next two fiscal years. Currently, all of its investments comply with state guidelines. As of July 2016, city investments were primarily in the state investment pool and local banks. We do not consider these investments aggressive.

Adequate debt and contingent liability profile

In our view, Horseshoe Bay's debt and contingent liability profile is adequate. Total governmental fund debt service is 10.2% of total governmental fund expenditures, and net direct debt is 142.5% of total governmental fund revenue. Overall net debt is low at 1.5% of market value, which is, in our view, a positive credit factor.

We understand management is discussing issuing additional debt for its wastewater plant expansion, which could occur within two years to three years, depending on the rate of residential growth and its effect on capacity. The city's five-year capital plan includes $400,000 to issue in fiscal 2018 to cover engineering costs and $2.5 million in fiscal 2019 for the actual plant expansion.

Horseshoe Bay provides pension benefits for all full-time employees through Nationwide Retirement Solutions Inc.; it makes annual contributions to the plan equal to the amounts accrued for pension expenses. The plan is a defined-contribution plan, and the city does not currently have ongoing or unfunded liabilities. Horseshoe Bay contributes an amount currently equal to 5% of the employee's regular base salary, not including overtime, into the effective pension plan until the employee's five-year anniversary date. After five years of continuous employment, the city's contribution to the plan will increase by 2.5% of regular salary to a total of 7.5%. The city does not offer other postemployment benefits to its retirees.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Outlook

The stable outlook reflects S&P Global Ratings' opinion that it will not change the rating over the two-year outlook period. We expect the city's budgetary flexibility and liquidity to remain very strong, supported by strong management and a formal policy to maintain six months' operating expenses in reserve. We also expect ongoing residential development will support the city's growth and very strong economic indicators. Although the city's debt profile has improved to adequate levels, we believe a significant portion of the city's future debt for the planned wastewater plant expansion will be self-supporting.

Upside scenario

We could raise the rating if available fund balance were to exceed 75% of general fund expenditures consistently or if projected per capita effective buying income were to exceed 225% of the national level. We could also raise the rating if the city's debt profile does not weaken with the additional planned bond issuance to expand the wastewater plant.

Downside scenario

We could lower the rating if a weak budgetary performance trend were to develop, resulting in available fund balance falling below the policy requirement.

Related Research

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2016 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

TAB F

TEXAS MUNICIPAL REPORT

FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of August 01, 2016)

Net Taxable Assessed Valuation ("A.V."), 2016	$1,765,878,202
New Debt	$3,770,000
Outstanding Debt	21,770,000
Total General Obligation Debt	$25,540,000
Less: Self-Supporting (a)	
Water & Sewer	12,110,741
PID	2,850,120
Fire Department	919,880
GO Debt payable from Ad Valorem Taxes	$9,659,259
Less: I&S Fund	284,684
Net Debt	$9,374,575

(a) The September 30, 2015 Audit reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.

Net Debt Per Net Taxable Assessed Valuation - 0.53%
Net Debt Per Sq mile - $669,612.50
Net Debt Per Capita - $1,396.90

Net Taxable Assessed Valuation Per Capita - $263,131.90

Bureau of Census Pop: 2000 - 3,337
Bureau of Census Pop: 2010 - 3,418
2015 Estimated Population - 6,711
Area: 14.00 Sq mile

PAYMENT RECORD: Never defaulted.

MATERIAL INFORMATION:

MATERIAL EVENT NOTICE (As of May 9, 2014) Standard & Poor's Ratings Services (S&P) raised its long-term rating on the City's outstanding general obligation debt one notch to AA+ from AA based on S&P's local GO criteria released on September 12, 2013. The outlook is stable. The rating reflects S&P's assessment of the following factors for the City: (i) very strong economy, with market value per capita at about $238,100; (ii) very strong budgetary flexibility, with fiscal 2013 audited reserves at 71% of expenditures; (iii) adequate budgetary performance; (iv) very strong liquidity providing very strong cash levels to cover both debt service and expenditures; (v) strong management with good financial policies; and (vi) weak debt and contingent liabilities position. The outlook reflects S&P's expectation that the City will continue to maintain very strong budgetary flexibility and that the economic indicators will remain very strong.

TAX DATA

Tax Year	A.V.	Tax Rate	Adjusted Levy	% Collections Current	% Collections Total	Year Ended
2010	$1,563,990,341	$0.2500	$3,901,210	98.77	100.43	09/30/2011
2011	1,546,896,736	0.2500	3,867,242	98.71	99.49	09/30/2012
2012	1,562,601,838	0.2500	3,906,505	97.89	98.84	09/30/2013
2013	1,586,832,001	0.2500	3,967,080	99.18	99.90	09/30/2014
2014	1,631,759,665	0.2500	4,079,399	99.23	99.49	09/30/2015
2015	1,691,718,253	0.2500	4,229,296	98.26*	99.12*	09/30/2016
2016	1,765,878,202					

*Collections as of July 31, 2016.

Tax Rate Distribution	2015	2014	2013	2012
Operations	$0.2220	$0.2220	$0.2230	$0.2220
I&S	0.0280	0.0280	0.0270	0.0280
Totals	$0.2500	$0.2500	$0.2500	$0.2500

Tax Rate Limitation: Article XI, Section 4 of Texas Constitution, applicable to cities of 5,000 or less - $1.50 per $100 assessed valuation for all purposes.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A, Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Voters approved an additional sales and use tax of 1/2 of 1% for property tax reduction, effective October of 2007. Voters approved an additional sales and use tax of 1/4 of 1% for street maintenance and repair, effective April of 2010. Net allocations on calendar year basis are as follows:

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2012	1.750%	$821,644	21.03%	$0.05
2013	1.750	1,003,113	25.28	0.06
2014	1.750	972,452	23.83	0.06
2015	1.750	963,993	22.79	0.06

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 8/1/2016)

GO Ref Bds Ser 2007

Tax Treatment:	Bank Qualified
Original Issue Amount	$7,500,000.00
Dated Date:	12/15/2007
Sale Date:	12/11/2007
Delivery Date:	12/28/2007
Sale Type:	Private Placement
Record Date:	MSRB
Bond Form:	FR
Denomination	$5,000
Interest pays	Semi-Annually: 02/01, 08/01
1st Coupon Date:	08/01/2008

Paying Agent: Bank of America, N.A., Dallas, TX
Bond Counsel: Vinson & Elkins L.L.P.
Purchaser: Bank of America, N.A.

Water & Sewer 100.00%

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 12/1/2014 of WW & SS Rev Note Ser 2004 (originally Lake LBJ MUD (WW & SS))@ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
08/01/2027T	4,765,000.00	4.0400%	N/A
			$4,765,000.00

Call Option: Term bonds maturing on 08/01/2027 callable in whole or in part on any date @ par plus the "make-whole" amount as specified in the Indenture.

Term Call: Term bonds maturing on 08/01/2027:

Mandatory Redemption Date	Principal Amount

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.

08/01/2008	$365,000
08/01/2009	$255,000
08/01/2010	$265,000
08/01/2011	$280,000
08/01/2012	$290,000
08/01/2013	$300,000
08/01/2014	$315,000
08/01/2015	$325,000
08/01/2016	$340,000
08/01/2017	$355,000
08/01/2018	$365,000
08/01/2019	$380,000
08/01/2020	$395,000
08/01/2021	$415,000
08/01/2022	$430,000
08/01/2023	$445,000
08/01/2024	$465,000
08/01/2025	$485,000
08/01/2026	$505,000
08/01/2027	$525,000

Comb Tax & Rev C/O Ser 2011

Tax Treatment: Bank Qualified
Original Issue Amount $9,800,000.00
Dated Date: 06/15/2011
Sale Date: 06/21/2011
Delivery Date: 07/19/2011
Sale Type: Competitive
TIC: 3.2622%
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2012

Paying Agent: Regions Bank, Houston, TX
Bond Counsel: Vinson & Elkins L.L.P.
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: FTN Financial

Security : Limited Tax and a subordinate lien on the surplus revenues of the Waterworks & Sewer system not to exceed $1,000

Water & Sewer 38.82%

Use of Proceeds: Public Improvements.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2017	450,000.00	2.5000%	1.750%
02/15/2018	460,000.00	2.5000%	2.100%
02/15/2019	475,000.00	2.5000%	2.350%
02/15/2020	485,000.00	2.6500%	100.00%
02/15/2021	500,000.00	2.8500%	100.00%
02/15/2022	515,000.00	3.0000%	100.00%
02/15/2023	530,000.00	3.1000%	100.00%
02/15/2024	550,000.00	3.2500%	100.00%
02/15/2025	570,000.00	3.4000%	100.00%
02/15/2026	590,000.00	3.5000%	100.00%
02/15/2027	610,000.00	3.6000%	100.00%
02/15/2028	630,000.00	3.7000%	100.00%
02/15/2029	655,000.00	3.8000%	100.00%
02/15/2030	680,000.00	3.9000%	100.00%
			$7,700,000.00

Call Option: Bonds maturing on 02/15/2021 to 02/15/2030 callable in whole or in part on any date beginning 02/15/2020 @ par.

Comb Tax & Rev C/O Ser 2014

Tax Treatment: Bank Qualified
Original Issue Amount $9,800,000.00
Dated Date: 05/15/2014
Sale Date: 05/20/2014
Delivery Date: 06/24/2014
Sale Type: Competitive
TIC: 3.2502%
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2015

Paying Agent: BOKF, N.A., Austin, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: Coastal Securities, Inc.
Co-Manager: Allison, M.E. & Co., Inc.
Co-Manager: Braymen, Lambert and Noel Securities, Ltd
Co-Manager: Crews & Associates, Inc.
Co-Manager: SAMCO Capital Markets, Inc.

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed $1,000

Water & Sewer 46.82%

Use of Proceeds: Public Improvements.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2017	280,000.00	2.0000%	0.700%
02/15/2018	285,000.00	2.0000%	0.950%
02/15/2019	290,000.00	2.0000%	1.150%
02/15/2020	295,000.00	2.0000%	1.400%
02/15/2021	310,000.00	2.0000%	1.650%
02/15/2022	320,000.00	2.0000%	1.850%
02/15/2023	325,000.00	2.0000%	2.050%
02/15/2024	335,000.00	2.5000%	2.150%
02/15/2025	350,000.00	3.0000%	2.300%
02/15/2026	355,000.00	3.0000%	2.500%
02/15/2027	370,000.00	3.0000%	2.600%
02/15/2028	385,000.00	3.2500%	2.750%
02/15/2029	400,000.00	3.2500%	2.850%
02/15/2030	415,000.00	3.2500%	3.050%
02/15/2031	430,000.00	3.2500%	3.200%
02/15/2034T	1,400,000.00	3.4500%	100.00%
02/15/2035	505,000.00	4.0000%	3.630%
02/15/2036	530,000.00	4.0000%	3.680%
02/15/2037	550,000.00	3.6250%	3.700%
02/15/2038	575,000.00	3.6250%	3.750%
02/15/2039	600,000.00	3.7500%	3.800%
			$9,305,000.00

Call Option: Bonds maturing on 02/15/2024 to 02/15/2031 and 02/15/2035 to 02/15/2039 and term bonds maturing on 02/15/2034 callable in whole or in part on any date beginning 02/15/2023 @ par.

Term Call: Term bonds maturing on 02/15/2034:

Mandatory Redemption Date	Principal Amount
02/15/2032	$450,000
02/15/2033	$465,000
02/15/2034	$485,000

Comb Tax & Rev C/O Ser 2016

Tax Treatment: Bank Qualified
Original Issue Amount $3,770,000.00
Dated Date: 09/15/2016

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.

Sale Date:	09/20/2016
Delivery Date:	10/13/2016
Sale Type:	Negotiated
NIC:	2.0548%
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 02/15, 08/15
1st Coupon Date:	08/15/2017

Paying Agent: BOKF, N.A., Austin, TX
Bond Counsel: Bracewell LLP, Austin, TX
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: Robert W. Baird & Co., Inc.
Underwriter's Counsel: McCall, Parkhurst & Horton L.L.P., Austin, TX

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed $1,000.

PID 75.60%
Fire Truck 24.40%

Use of Proceeds: Public Improvements.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
08/15/2017	170,000.00	2.0000%	0.800%
08/15/2018	255,000.00	2.0000%	0.890%
08/15/2019	255,000.00	2.0000%	0.990%
08/15/2020	260,000.00	2.0000%	1.100%
08/15/2021	265,000.00	3.0000%	1.180%
08/15/2022	270,000.00	3.0000%	1.290%
08/15/2023	280,000.00	3.0000%	1.360%
08/15/2024	290,000.00	4.0000%	1.460%
08/15/2025	300,000.00	4.0000%	1.540%
08/15/2026	315,000.00	4.0000%	1.610%
08/15/2027	205,000.00	4.0000%	1.650%
08/15/2028	215,000.00	4.0000%	1.740%
08/15/2029	220,000.00	4.0000%	1.780%
08/15/2030	230,000.00	4.0000%	1.830%
08/15/2031	240,000.00	4.0000%	1.880%
			$3,770,000.00

Call Option: Bonds maturing on 08/15/2026 to 08/15/2031 callable in whole or in part on any date beginning 08/15/2025 @ par.

Grand Total ==========> $25,540,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/16	1,055,000.00	750,265.75	1,805,265.75
09/30/17	1,255,000.00	824,851.14	2,079,851.14
09/30/18	1,365,000.00	810,037.75	2,175,037.75
09/30/19	1,400,000.00	772,754.25	2,172,754.25
09/30/20	1,435,000.00	734,088.50	2,169,088.50
09/30/21	1,490,000.00	693,329.25	2,183,329.25
09/30/22	1,535,000.00	647,463.25	2,182,463.25
09/30/23	1,580,000.00	599,601.25	2,179,601.25
09/30/24	1,640,000.00	548,633.25	2,188,633.25
09/30/25	1,705,000.00	490,182.25	2,195,182.25
09/30/26	1,765,000.00	427,998.25	2,192,998.25
09/30/27	1,710,000.00	362,816.25	2,072,816.25
09/30/28	1,230,000.00	298,965.00	1,528,965.00
09/30/29	1,275,000.00	253,508.75	1,528,508.75
09/30/30	1,325,000.00	205,760.00	1,530,760.00
09/30/31	670,000.00	169,568.75	839,568.75
09/30/32	450,000.00	145,218.75	595,218.75
09/30/33	465,000.00	129,435.00	594,435.00
09/30/34	485,000.00	113,047.50	598,047.50
09/30/35	505,000.00	94,581.25	599,581.25
09/30/36	530,000.00	73,881.25	603,881.25
09/30/37	550,000.00	53,312.50	603,312.50
09/30/38	575,000.00	32,921.88	607,921.88
09/30/39	600,000.00	11,250.00	611,250.00
	26,595,000.00	9,243,471.76	35,838,471.76

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2016	1,055,000.00	03.97%
09/30/2017	1,255,000.00	08.69%
09/30/2018	1,365,000.00	13.82%
09/30/2019	1,400,000.00	19.08%
09/30/2020	1,435,000.00	24.48%
09/30/2021	1,490,000.00	30.08%
09/30/2022	1,535,000.00	35.85%
09/30/2023	1,580,000.00	41.79%
09/30/2024	1,640,000.00	47.96%
09/30/2025	1,705,000.00	54.37%
09/30/2026	1,765,000.00	61.01%
09/30/2027	1,710,000.00	67.44%
09/30/2028	1,230,000.00	72.06%
09/30/2029	1,275,000.00	76.86%
09/30/2030	1,325,000.00	81.84%
09/30/2031	670,000.00	84.36%
09/30/2032	450,000.00	86.05%
09/30/2033	465,000.00	87.80%
09/30/2034	485,000.00	89.62%
09/30/2035	505,000.00	91.52%
09/30/2036	530,000.00	93.51%
09/30/2037	550,000.00	95.58%
09/30/2038	575,000.00	97.74%
09/30/2039	600,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2016		$1,805,266
I&S Fds all G.O. issues 09/30/2015	$132,092	
2015 I&S Fund Tax Levy @ 90%	426,313	
Water & Sewer	1,080,309	
PID	207,065	
Fire Truck	66,830	

OPERATING STATEMENT

WATER AND SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers and debt service payments.

Statement includes undeterminable amount of garbage expense.

	Fiscal Year Ended 09-30-2015	09-30-2014	09-30-2013	09-30-2012
Revenues:				
Water & Sewer	$5,200,546	$4,971,323	$5,106,019	$5,162,072
Sanitation	798,027	768,765	776,748	786,834

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.

Other	33,480	15,923	43,974	35,206
Total Revenues	$6,032,053	$5,756,011	$5,926,741	$5,984,112
Expenses	$4,686,783	$4,421,340	$4,309,470	$4,182,160
Available For Debt Service	$1,345,270	$1,334,671	$1,617,271	$1,801,952

SYSTEM DESCRIPTION AND PERTINENT CONTRACTS

WATER SUPPLY The City purchases bulk water by contract with the Lower Colorado River Authority; water is pumped from Lake LBJ.

RATES, FEES AND OPERATING DATA

WATER RATES (Monthly billing) Historical rate changes were effective October 1, 2012, October 1, 2013, October 2, 2015.

Old Rates
Inside the City (Effective October 1, 2013)

First 5,000	$24.25(Min)
Next 5,000	3.50/M
Next 15,000	4.25/M
Next 25,000	5.00/M
Next 50,000	6.00/M
Over 100,000	6.50/M

New Rates
Inside the City (Effective October 1, 2015)

First 5,000	$24.75(Min)
Next 5,000	3.57/M
Next 15,000	4.35/M
Next 25,000	5.15/M
Next 50,000	6.20/M
Over 100,000	6.75/M

Sewer Rates (Monthly billing) Historical rate changes were effective October 1, 2012 and October 1, 2013.

Old Rates (Effective October 1, 2012)
Inside the City - Residential

Flat Rate - $40.00

New Rates (Effective October 1, 2013)
Inside the City - Residential

Flat Rate - $42.25

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

PENSION FUND LIABILITY

PENSION FUND LIABILITY In addition to Social Security, a retirement plan, administered by Nationwide Retirements Solutions, Inc., is available for all City employees. The City pays 5% of the individual's base salary not including overtime to the plan. After 5 years of continuous employment, the City's contribution will increase 2.5% to 7.5% of the individual's base salary not including overtime to the plan. The employee is 100% vested after one full year of employment. However, if an employee terminates employment with the City at any time prior to one full year employment with the City, they are not entitled to any of the City's accrued pension amount. The City will match the employee's contribution not to exceed 5% of the employee's base salary. If the employee contributes during the first year of employment, matching funds will be accrued and paid to the current pension plan after completion of the first year of employment.

Summary of transactions:	2015	2014	2013	2012
Beginning balance	$3,268,558	$2,717,581	$2,392,073	$1,212,220
Contributions	416,329	421,510	407,858	339,278
Investment earnings	22,063	258,252	374,841	198,248
Withdrawals	(260,850)	(128,762)	(457,141)	(207,259)
Fees	(584)	(482)	(50)	(482)
Ending Balance at 9/30	$3,445,516	$3,268,558	$2,717,581	$1,542,005

Source: City of Horseshoe Bay, Financial Statements 9/30/2015.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2015)

The City reports additional debt in the principal amount of $251,491 under Govt Activities and $34,962 under W&S Fund as follows:

	Amount Outstanding	Reported Under
Compensated Absences	$251,491	Govt Activities
Compensated Absences	$34,962	W&S Fund

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of	%Ovlpg	Ovlpg Amt
Burnet Co	$0	09/30/15	3.86	$0
Llano Co	420,000 *	09/30/16	39.92	167,664
Llano ISD	41,010,000 *	09/30/16	43.30	17,757,330
Marble Falls ISD	62,663,768	06/30/15	5.59	3,502,905
Total Overlapping Debt:				$21,427,899
Horseshoe Bay, City of		08/01/16		$9,374,575
Total Direct and Overlapping Debt:				$30,802,474
Total Direct and Overlapping Debt % of A.V.:				1.74%
Total Direct and Overlapping Debt per Capita:				$4,590

* Gross Debt

ECONOMIC BACKGROUND

The City of Horseshoe Bay is a 14 square mile area located in Llano and Burnet Counties, near the City of Marble Falls, approximately 55 miles northwest of the City of Austin. Principal access to the City is by State Highway 71 and U.S. Highway 281. The Lake LBJ MUD was developed as Horseshoe Bay, a resort retirement and second home development. In January 2006 the MUD became the City of Horseshoe Bay. The City's 2010 census population was 3,418, increasing 2.43% since 2000.

COUNTY CHARACTERISTICS: Llano County is located in central Texas, traversed by State Highways 261, 71, 29 and 16 and five farm-to-market roads. Llano County is ranked number one in the state in deer hunting according to the Texas Almanac. Lake Buchanan, Inks Lake and Lake LBJ are popular recreational facilities with water skiing and fishing.

COUNTY SEAT: Llano

2010 census: 19,301 increasing 13.2 % since 2000

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.

2000 census: 17,044 increasing 46.5 % since 1990
1990 census: 11,631

ECONOMIC BASE
Mineral: vermiculite, llanite and granite.

Industry: vineyards, trade, tourism, retirement and ranch trading center.

Agricultural: sheep, goats and beef cattle.

PARKS (Texas Parks & Wildlife)

Year	Description	Volume
2012	Enchanted Rock State Natural Area	230,010 Visitors
2013	Enchanted Rock State Natural Area	252,631 Visitors
2014	Enchanted Rock State Natural Area	270,120 Visitors

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2014	2013	2012
Retail Sales	$324.2M	$182.0M	$175.0M
Effective Buying Income (EBI)	$549.0M	$489.2M	$477.1M
County Median Household Income	$40,802	$34,989	$37,233
State Median Household Income	$50,464	$48,646	$47,613
% of Households with EBI below $25K	15.3 %	17.9 %	17.2 %
% of Households with EBI above $25K	64.3 %	62.6 %	62.4 %

EMPLOYMENT DATA (Texas Workforce Commission)

	2016		2015		2014	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	4,551	$37.6M	4,466	$36.4M	4,327	$34.6M
2nd Q:	N/A	N/A	4,676	$38.4M	4,478	$35.5M
3rd Q:	N/A	N/A	4,687	$40.5M	4,424	$36.7M
4th Q:	N/A	N/A	4,598	$42.5M	4,367	$38.1M

TOP 10 TAXPAYERS

Principal Taxpayers	2016 A.V.	% of A.V.
1. Horseshoe Bay Resort Ltd. Resort	$48,011,730	2.72%
2. Summit Rock Communities LLC Home Realtor	17,511,159	0.99%
3. Mackey W. Watkins Residential	6,349,800	0.36%
4. Manzanita Properties LLC Real Estate	6,287,980	0.36%
5. HSB Base LLC Commercial	6,189,230	0.35%
6. Pigs Can Fly LLC Commercial	5,513,643	0.31%
7. Peter & Courtney Quintard Residential	5,414,950	0.31%
8. RJ and Stephanie Pipkin Residential	5,247,233	0.30%
9. Gordon & Margaret Hartman Residential	4,972,926	0.28%
10. Steve & Sue Caperton Residential	4,845,291	0.27%
Total:	$110,343,942	6.25%

FINANCE CONNECTED OFFICIALS

Mayor
Steve Jordan
1 Community Dr
Horseshoe Bay, TX 78657
Phone: 830-598-9943
Fax: 830-598-8744
sjordan@horseshoe-bay-tx.gov

City Manager
Stan R. Farmer
1 Community Dr
Horseshoe Bay, TX 78657
Phone: 830-598-9940
Fax: 830-598-8744
sfarmer@horseshoe-bay-tx.gov

City Secretary
Teresa L. Moore
1 Community Dr
Horseshoe Bay, TX 78657
Phone: 830-598-9943
Fax: 830-598-8744
tmoore@horseshoe-bay-tx.gov

Finance Director
Larry Anderson
1 Community Dr
Horseshoe Bay, TX 78657
Phone: 830-598-9907
Fax: 830-598-8744
landerson@horseshoe-bay-tx.gov

Tax Assessor/Collector
Dexter Sagebiel
Llano County Tax Office
P.O. Box 307
Llano, TX 78643
Phone: 325-247-4165
Fax: 325-247-5205
llanotax@moment.net

Chief Appraiser
Stan Hemphill
Burnet County Appraisal District
P.O. Drawer 908
Burnet, TX 78611-0908
Phone: 512-756-8291
Fax: 512-756-7873
burnetad@nctv.com

Chief Appraiser
Gary E. Eldridge
Llano County Appraisal District
103 E. Sandstone
Llano, TX 78643
Phone: 325-247-3065
Fax: 325-247-4656
geldridge@llanocad.net

LB

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.