

# Outstanding Debt

*FY 2018*



## City of Horseshoe Bay, Texas

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**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES



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# TAB A

## SUMMARY OF DEBT



**City of Horseshoe Bay, Texas**  
**Outstanding General Obligation Debt as of FY 2018**

	\$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
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%		
<b>Total</b>	<b>\$4,410</b>		<b>\$7,250</b>		<b>\$9,025</b>		<b>\$3,600</b>	

Issue Details				
<i>Next Call</i>	Any date @ par plus "Make-Whole"	February 15, 2020 @ par	February 15, 2023 @ par	August 15, 2025 @ par
<i>Delivery Date</i>	December 28, 2007	July 19, 2011	June 24, 2014	October 13, 2016
<i>Interest Due</i>	February 1      August 1	February 15      August 15	February 15      August 15	February 15      August 15
<i>Principal Due</i>	August 1	February 15	February 15	August 15
<i>Insurance</i>	None	None	None	None
<i>Paying Agent</i>	Bank of America	Regions Bank	BOKF	BOKF
<i>Use of Funds</i>	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
09/30/2017	-	-	-
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
<b>Total</b>	<b>\$10,155,000.00</b>	<b>\$3,309,547.08</b>	<b>\$13,464,547.08</b>

### 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	4,435,000.00
14 \$9.8mm C/O (5/20) FINAL - allocation -Streets	4,800,000.00
16 C/O (9/19) FINAL -Fire Truck Portion	920,000.00
<b>TOTAL</b>	<b>10,155,000.00</b>

## City of Horseshoe Bay, Texas

### Aggregate Tax-Supported Debt Service Semi-Annual Basis

## Aggregate Debt Service

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2017	-	-	-	-
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
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

## City of Horseshoe Bay, Texas

### Aggregate Tax-Supported Debt Service Semi-Annual Basis

## Aggregate Debt Service

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
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
<b>Total</b>	<b>\$10,155,000.00</b>	<b>\$3,309,547.08</b>	<b>\$13,464,547.08</b>	<b>-</b>

### 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

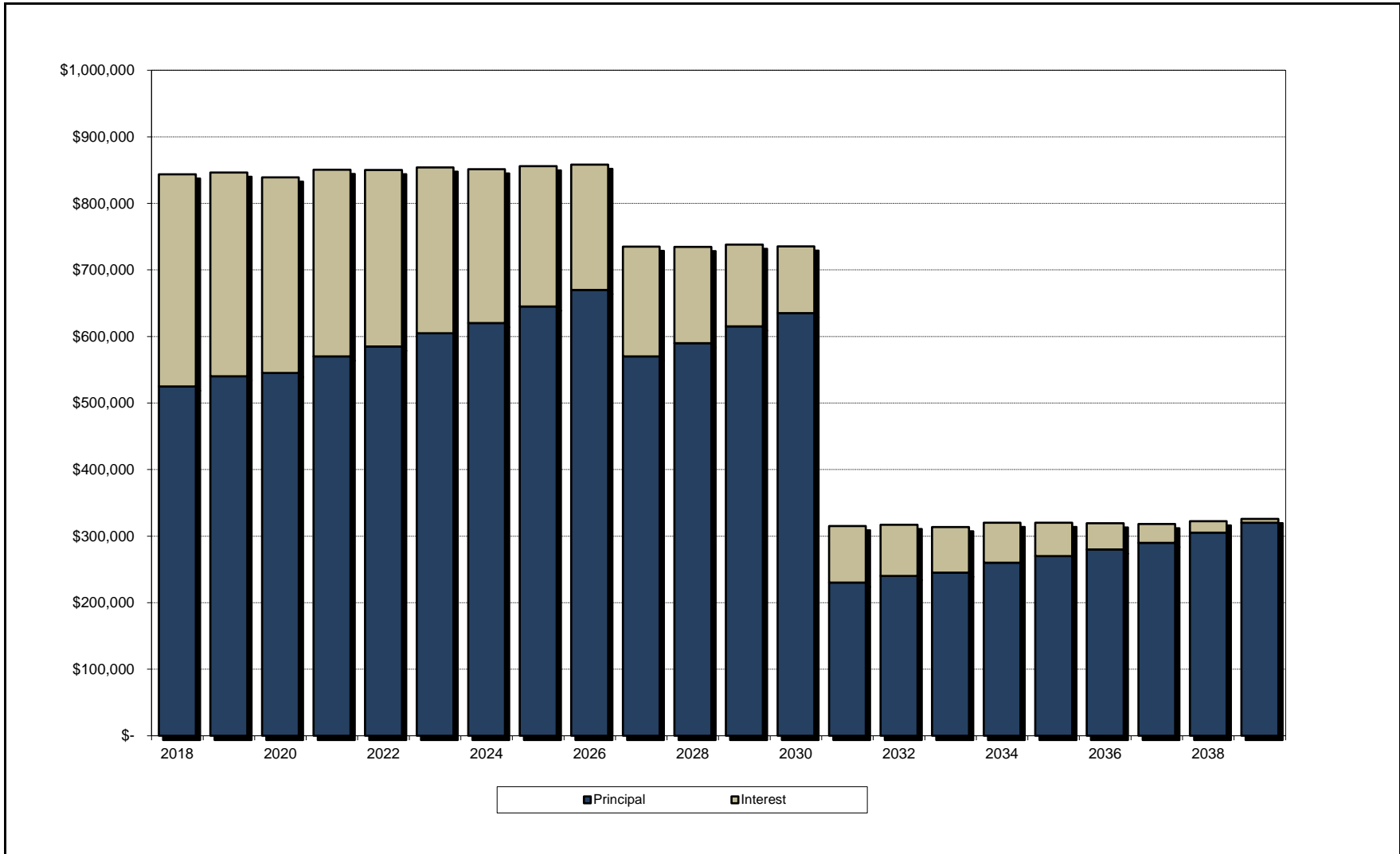
11 \$9.8MM CO FINAL allocations -Streets	4,435,000.00
14 \$9.8mm C/O (5/20) FINAL - allocation -Streets	4,800,000.00
16 C/O (9/19) FINAL -Fire Truck Portion	920,000.00
<b>TOTAL</b>	<b>10,155,000.00</b>

Aggregate | 11/ 3/2017 | 11:11 AM

Specialized Public Finance Inc.  
Austin, Texas



**City of Horseshoe Bay, Texas**  
**Aggregate Tax-Supported General Obligation Debt**  
*As of Fiscal Year 2018*



## 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
09/30/2017	-	-	-	-
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
<b>Total</b>	<b>\$4,435,000.00</b>	<b>\$1,085,821.25</b>	<b>\$5,520,821.25</b>	<b>-</b>

#### 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	4,435,000.00
<b>TOTAL</b>	<b>4,435,000.00</b>

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Specialized Public Finance Inc.  
Austin, Texas

## City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014  
Streets (Tax-Supported) Portion Only

### Debt Service Schedule

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2017	-	-	-	-
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
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

Aggregate | 11/ 3/2017 | 11:17 AM

Specialized Public Finance Inc.  
Austin, Texas

## City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2014  
Streets (Tax-Supported) Portion Only

### Debt Service Schedule

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
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
<b>Total</b>	<b>\$4,800,000.00</b>	<b>\$2,060,425.83</b>	<b>\$6,860,425.83</b>	<b>-</b>

#### 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	4,800,000.00
<b>TOTAL</b>	<b>4,800,000.00</b>

## 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
09/30/2017	-	-	-	-
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
<b>Total</b>	<b>\$920,000.00</b>	<b>\$163,300.00</b>	<b>\$1,083,300.00</b>	<b>-</b>

### 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
<b>TOTAL</b>	<b>920,000.00</b>

Aggregate | 11/ 3/2017 | 11:19 AM

Specialized Public Finance Inc.  
Austin, Texas



**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
09/30/2017	-	-	-
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
<b>Total</b>	<b>\$11,450,000.00</b>	<b>\$3,541,708.00</b>	<b>\$14,991,708.00</b>

### 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	4,410,000.00
11 \$9.8MM CO FINAL allocations -Utility	2,815,000.00
14 \$9.8mm C/O (5/20) FINAL - allocation -Utility	4,225,000.00
<b>TOTAL</b>	<b>11,450,000.00</b>

## City of Horseshoe Bay, Texas

### Aggregate Utility Supported Debt Service Semi-Annual Basis

## Debt Service Schedule

Part 1 of 3

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2017	-	-	-	-
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
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



## City of Horseshoe Bay, Texas

### Aggregate Utility Supported Debt Service Semi-Annual Basis

## Debt Service Schedule

Part 2 of 3

Date	Principal	Interest	Total P+I	Fiscal Total
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	-
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	-

## City of Horseshoe Bay, Texas

Aggregate Utility Supported Debt Service  
Semi-Annual Basis

### Debt Service Schedule

Part 3 of 3

Date	Principal	Interest	Total P+I	Fiscal Total
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
<b>Total</b>	<b>\$11,450,000.00</b>	<b>\$3,541,708.00</b>	<b>\$14,991,708.00</b>	-

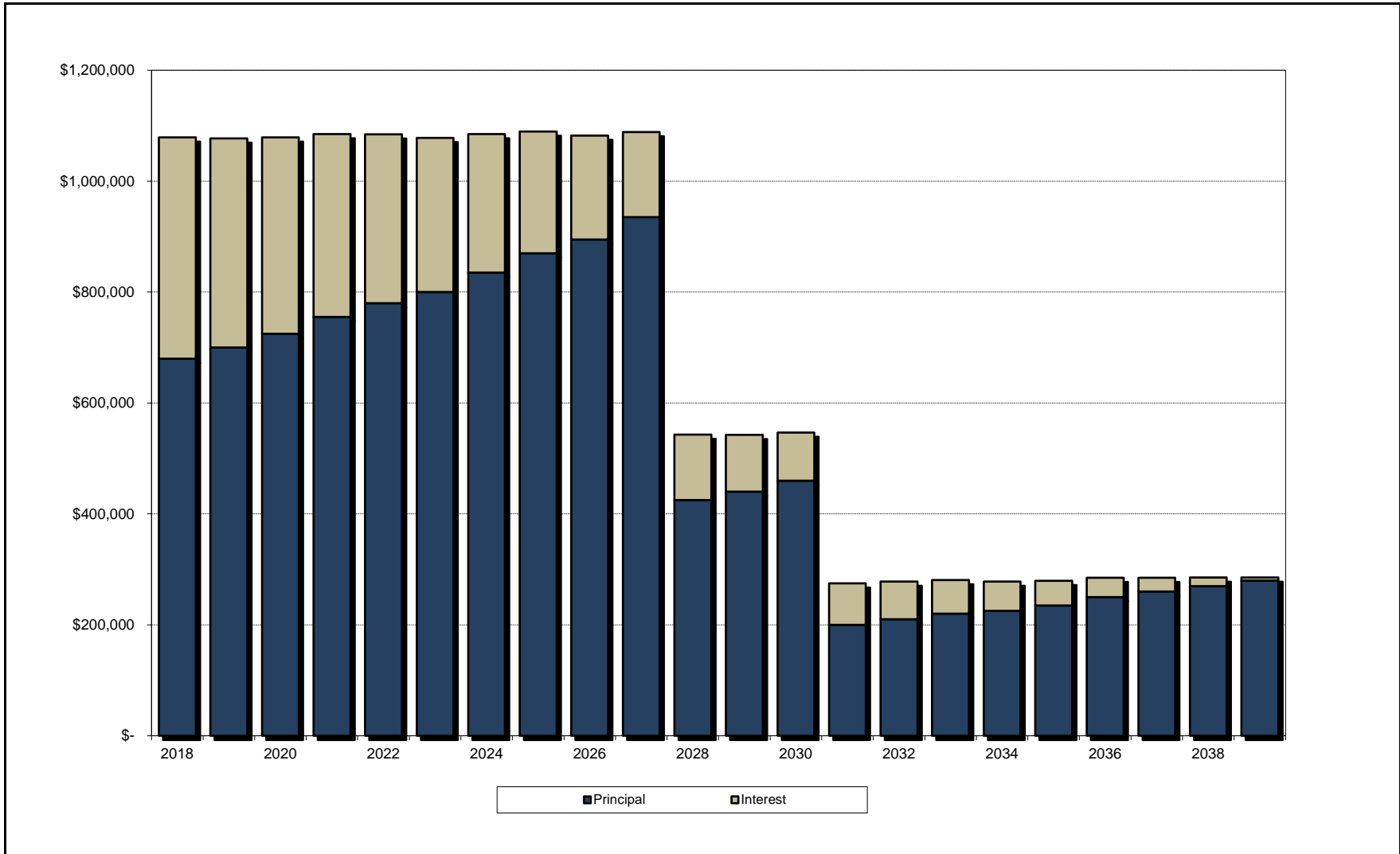
#### Yield Statistics

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	4,410,000.00
11 \$9.8MM CO FINAL allocations -Utility	2,815,000.00
14 \$9.8mm C/O (5/20) FINAL - allocation -Utility	4,225,000.00
<b>TOTAL</b>	<b>11,450,000.00</b>

**City of Horseshoe Bay, Texas**  
**Aggregate Utility Supported General Obligation Debt**  
*As of Fiscal Year 2018*



## 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
09/30/2017	-	-	-	-
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
<b>Total</b>	<b>\$4,410,000.00</b>	<b>\$1,039,088.00</b>	<b>\$5,449,088.00</b>	<b>-</b>

#### 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	4,410,000.00
<b>TOTAL</b>	<b>4,410,000.00</b>

Aggregate | 11/ 3/2017 | 11:46 AM

Specialized Public Finance Inc.  
Austin, Texas

## 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
09/30/2017	-	-	-	-
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
<b>Total</b>	<b>\$2,815,000.00</b>	<b>\$687,810.00</b>	<b>\$3,502,810.00</b>	<b>-</b>

#### 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	2,815,000.00
<b>TOTAL</b>	<b>2,815,000.00</b>

Aggregate | 11/ 3/2017 | 11:50 AM

## City of Horseshoe Bay, Texas

### Combination Tax & Revenue Certificates of Obligation, Series 2014

Utility Portion

## Debt Service Schedule

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2017	-	-	-	-
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
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

Aggregate | 11/ 3/2017 | 11:55 AM

Specialized Public Finance Inc.  
Austin, Texas

## City of Horseshoe Bay, Texas

### Combination Tax & Revenue Certificates of Obligation, Series 2014

Utility Portion

## Debt Service Schedule

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
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
<b>Total</b>	<b>\$4,225,000.00</b>	<b>\$1,814,810.00</b>	<b>\$6,039,810.00</b>	<b>-</b>

### 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	4,225,000.00
<b>TOTAL</b>	<b>4,225,000.00</b>

Aggregate | 11/ 3/2017 | 11:55 AM

Specialized Public Finance Inc.  
Austin, Texas



**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	-	-	-
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
<b>Total</b>	<b>\$2,680,000.00</b>	<b>\$817,100.00</b>	<b>\$3,497,100.00</b>

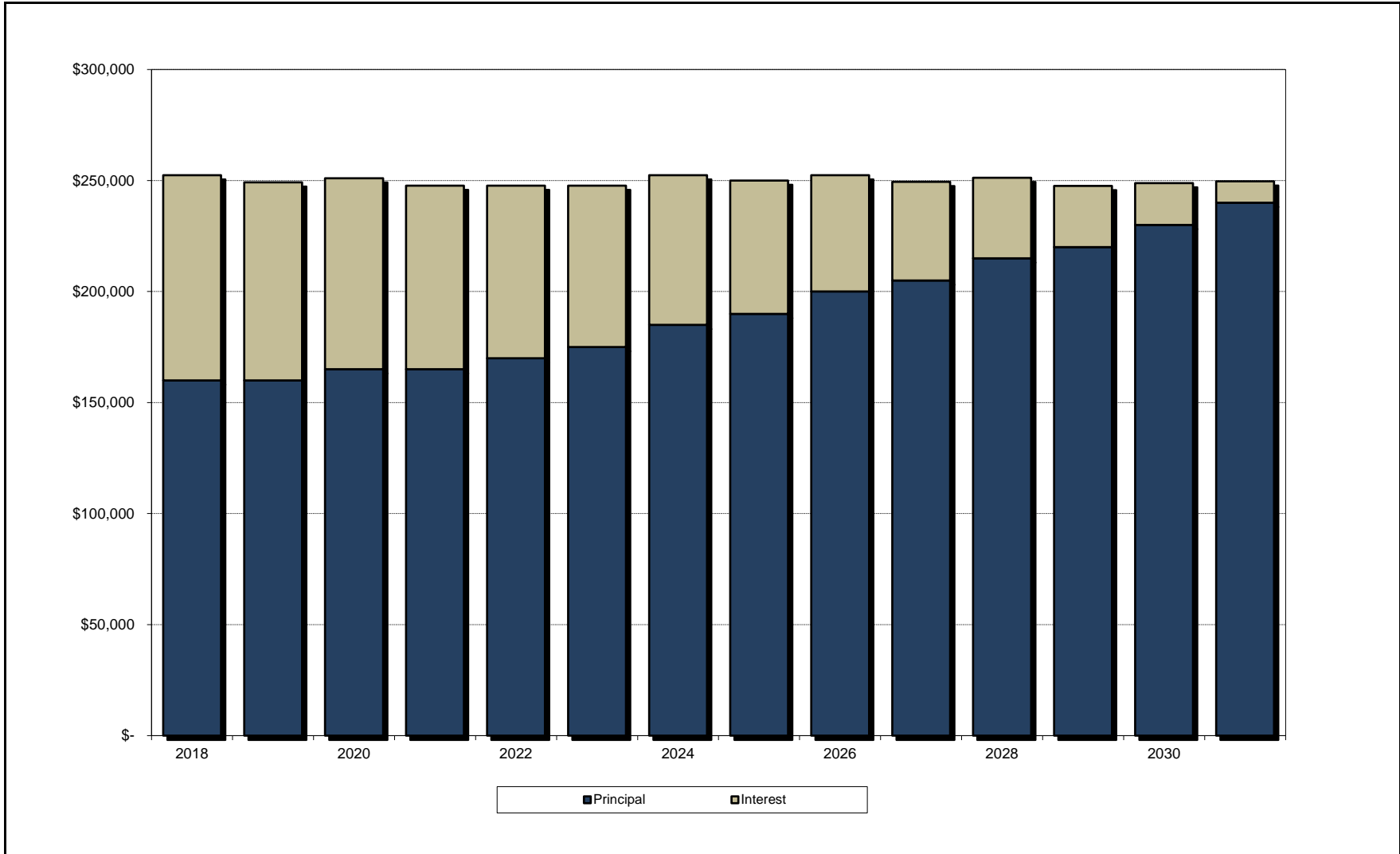
### Yield Statistics

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	2,680,000.00
<b>TOTAL</b>	<b>2,680,000.00</b>

**City of Horseshoe Bay, Texas**  
**Aggregate PID Supported General Obligation Debt**  
*As of Fiscal Year 2018*



## City of Horseshoe Bay, Texas

### Combination Tax & Revenue Certificates of Obligation, Series 2016

PID Portion

Semi-Annual Basis

## Debt Service Schedule

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2017	-	-	-	-
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	-
08/15/2030	230,000.00	9,400.00	239,400.00	-
09/30/2030	-	-	-	248,800.00

Aggregate | 11/ 3/2017 | 12:01 PM

## City of Horseshoe Bay, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2016

PID Portion

Semi-Annual Basis

## Debt Service Schedule

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
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
<b>Total</b>	<b>\$2,680,000.00</b>	<b>\$817,100.00</b>	<b>\$3,497,100.00</b>	<b>-</b>

### 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	2,680,000.00
<b>TOTAL</b>	<b>2,680,000.00</b>



# TAB E

## RATING AGENCY REPORT



# RatingsDirect®

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## 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

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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		
<i>Long Term Rating</i>	AA+/Stable	New
Horseshoe Bay GO		
<i>Long Term Rating</i>	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](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://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](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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**TAB F**  
**TEXAS MUNICIPAL REPORT**



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of August 01, 2016)

Table with financial data: Net Taxable Assessed Valuation, New Debt, Outstanding Debt, Total General Obligation Debt, Less: Self-Supporting (a), GO Debt payable from Ad Valorem Taxes, Net Debt.

(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.

TAX DATA

Table with columns: Tax Year, A.V., Tax Rate, Adjusted Levy, % Collections Current, % Collections Total, Year Ended.

\*Collections as of July 31, 2016.

Table with columns: Tax Rate Distribution, 2015, 2014, 2013, 2012. Rows: Operations, I&S, Totals.

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.

Table with columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate.

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.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield.

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.



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

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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.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond terms from 08/15/2017 to 08/15/2031.

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

Table with columns: Period Ending, Principal, Interest, Debt Service. Shows debt service schedule from 09/30/16 to 09/30/30.

Table with 4 columns showing financial data for periods 09/30/31 through 09/30/39, with a total row at the bottom.

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Table with columns: Period Ending, Principal, % of Principal Retired. Shows amortization rates from 09/30/2016 to 09/30/2039.

DEBT SERVICE FUND MANAGEMENT INDEX

Table showing G.O. Debt Service Requirements for fiscal year ending 09/30/2016, including I&S Fds, Water & Sewer, PID, and Fire Truck.

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...

Statement includes undeterminable amount of garbage expense.

Table with columns: Revenues, Sanitation, and Fiscal Year Ended (09-30-2015, 09-30-2014, 09-30-2013, 09-30-2012).

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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	%Ovlp	Ovlp 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

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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)

Table with 3 columns: Year, Description, Volume. Rows for 2012, 2013, 2014 Enchanted Rock State Natural Area.

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Table with 4 columns: Year, Retail Sales, Effective Buying Income (EBI), County Median Household Income, State Median Household Income, % of Households with EBI below \$25K, % of Households with EBI above \$25K.

EMPLOYMENT DATA (Texas Workforce Commission)

Table with 6 columns: Year, Employed, Earnings. Rows for 2016, 2015, 2014 and four quarters.

TOP 10 TAXPAYERS

Table with 3 columns: Principal Taxpayers, 2016 A.V., % of A.V. Lists 10 taxpayers including Horseshoe Bay Resort Ltd.

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

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