

City of Granite Shoals, Texas

Pro-Forma Capacity Analysis

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Capital
Markets

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1. Debt Profile and Preliminary Analysis

Debt Profile and Preliminary Analysis

SECTION 1



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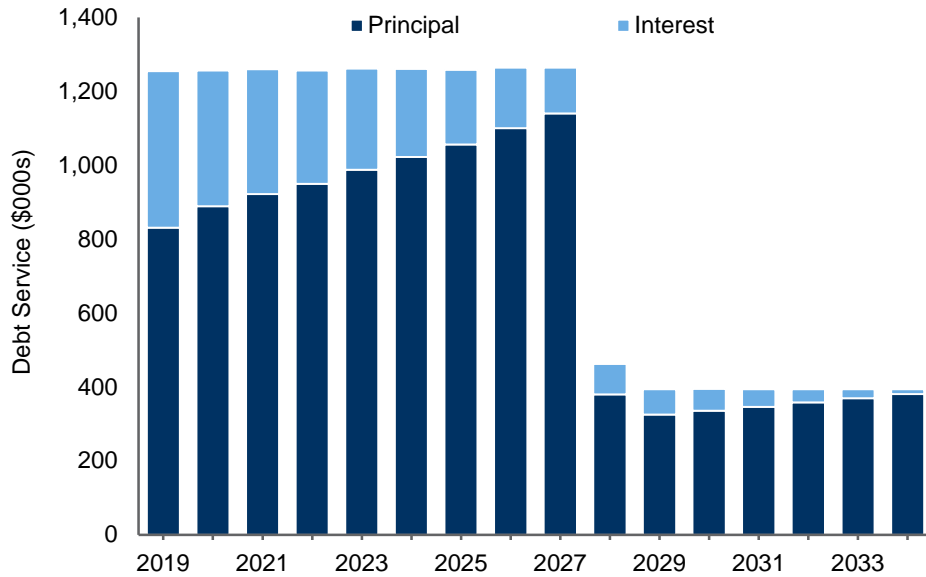
Overview of Existing Debt

Outstanding Debt Profile ("A")

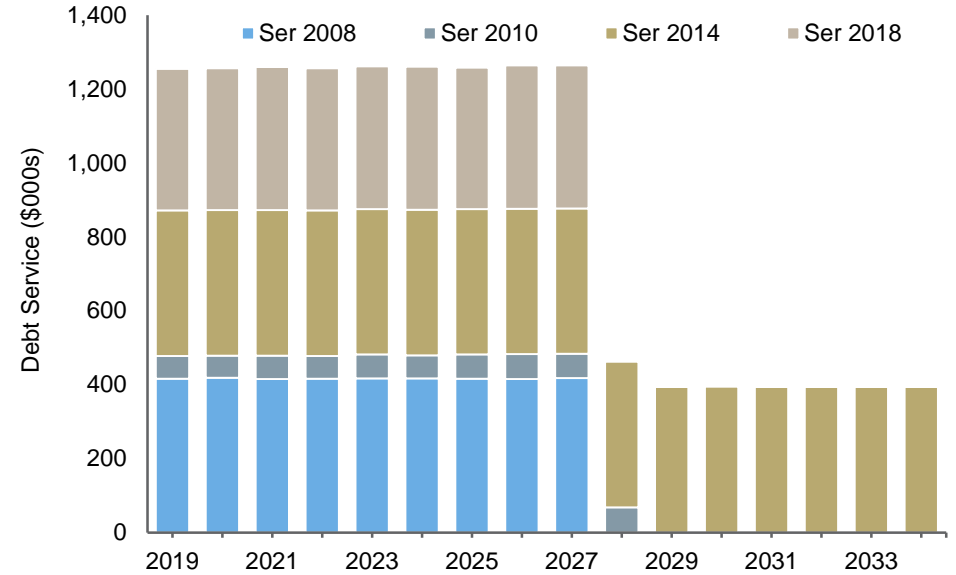
City of Granite Shoals Debt Profile

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure	Use of Proceeds
Comb Tax & Ltd Rev C/O Ser 2008	\$5,000,000	\$3,030,000	4.490%	01/07/2019	08/01/2027	Fixed Rate	Land;Municipal Bldg
Comb Tax & Ltd Rev C/O Ser 2010	750,000	510,000	4.250%	01/07/2019	08/01/2028	Fixed Rate	Public Improvements
GO Ref Bds Ser 2014	5,725,000	4,853,000	3.250%	02/01/2025	08/01/2034	Fixed Rate	Refunding
GO Bds Ser 2018	3,000,000	3,000,000	2.060% - 3.090%	01/07/2019	08/01/2027	Fixed Rate	Streets
Total	\$14,475,000	\$11,393,000					

Outstanding General Obligation Debt by Principal & Interest



Outstanding General Obligation Debt by Series



Historical Taxable Assessed Values

Historical TAV & Tax Data

Historical Net TAV & Tax Rates

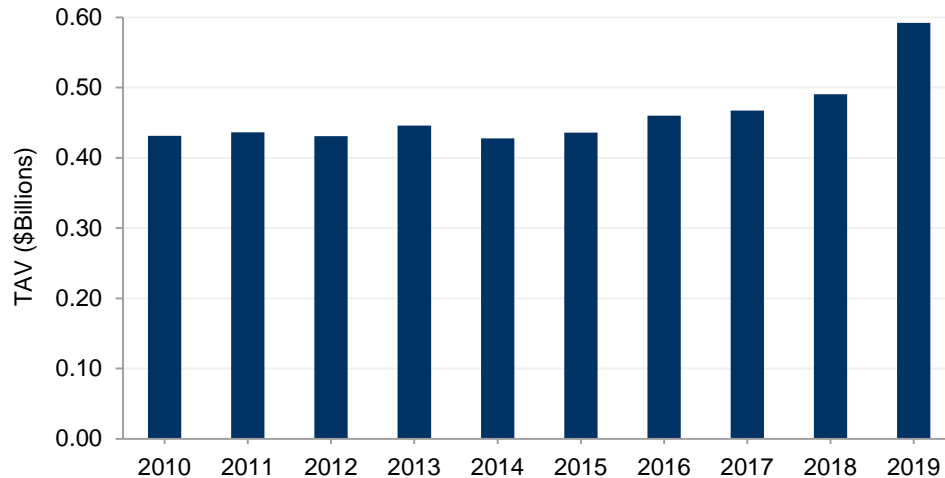
Fiscal Year End	Net TAV	TAV Growth	M&O Tax Rate	I&S Tax Rate	Total Tax Rate
2010	\$431,291,106	13.60%	\$0.1766	\$0.2534	\$0.4300
2011	436,410,183	1.19%	0.1766	0.2714	0.4480
2012	430,872,661	-1.27%	0.1840	0.2780	0.4620
2013	445,686,500	3.44%	0.2600	0.2000	0.4600
2014	427,850,955	-4.00%	0.2821	0.2149	0.4970
2015	435,918,490	1.89%	0.2987	0.2211	0.5198
2016	459,967,443	5.52%	0.2920	0.2287	0.5207
2017	467,185,455	1.57%	0.3285	0.2187	0.5472
2018	490,589,967	5.01%	0.3483	0.2149	0.5632
2019	592,035,615	20.68%	0.3483	0.2477	0.5960
10-yr CAGR*		3.22%			
5-yr CAGR*		6.31%			

Source: Municipal Advisory Council of Texas

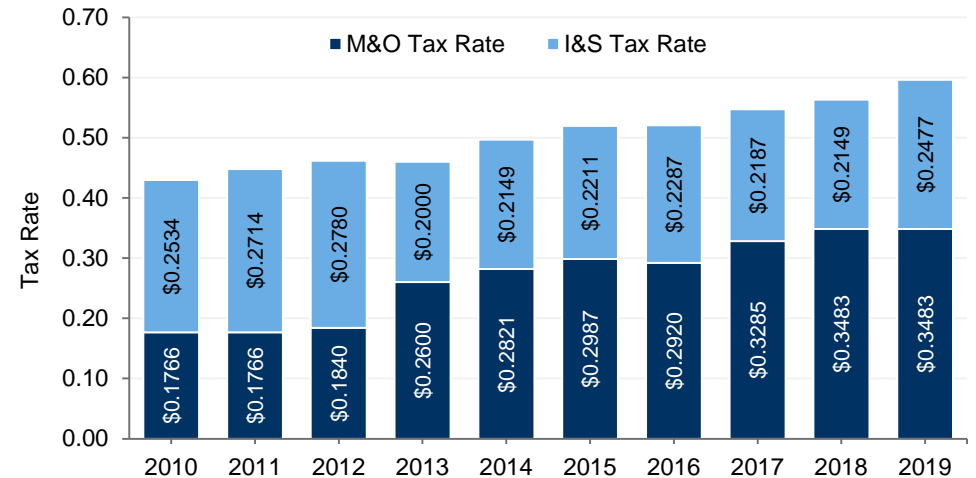
* Compound Annual Growth Rate

Note: TAV Figures do not net out frozen values.

Historical TAV



Outstanding General Obligation Debt by Series



Summary of Assumptions

- This analysis is a working document and to be used for discussion in advance of finalizing a plan of finance for various City capital improvement projects.
 - Assumes that the bonds are amortized over a 20 year period.
 - Assumes City's current I&S Rate is \$0.2477.
 - Assumes the City's 2018/19 after freeze net taxable assessed valuation is \$487MM.
 - Assumes that the 2019/20 TAV after freeze net taxable assessed valuation increases to \$518.6MM (per Burnett CAD preliminary estimate and grow at 4% per year through 2022 and remains constant thereafter.
 - Assumes current market rates of interest plus 50 bps (0.50%). This makes the total interest rate for the analysis approximately 3.5%
 - Assumes that the City prices bonds in 2020 following a November 2019 election.
 - Assumes first payment February 2021.
 - Assumes approximately \$60K per year from utility fund revenues
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- Results
 - Scenario 1: Estimated current capacity at ~\$7MM without increase in I&S Rate.
 - Scenario 2: Additional capacity of \$8.35MM in 2027 without increase in I&S Rate.

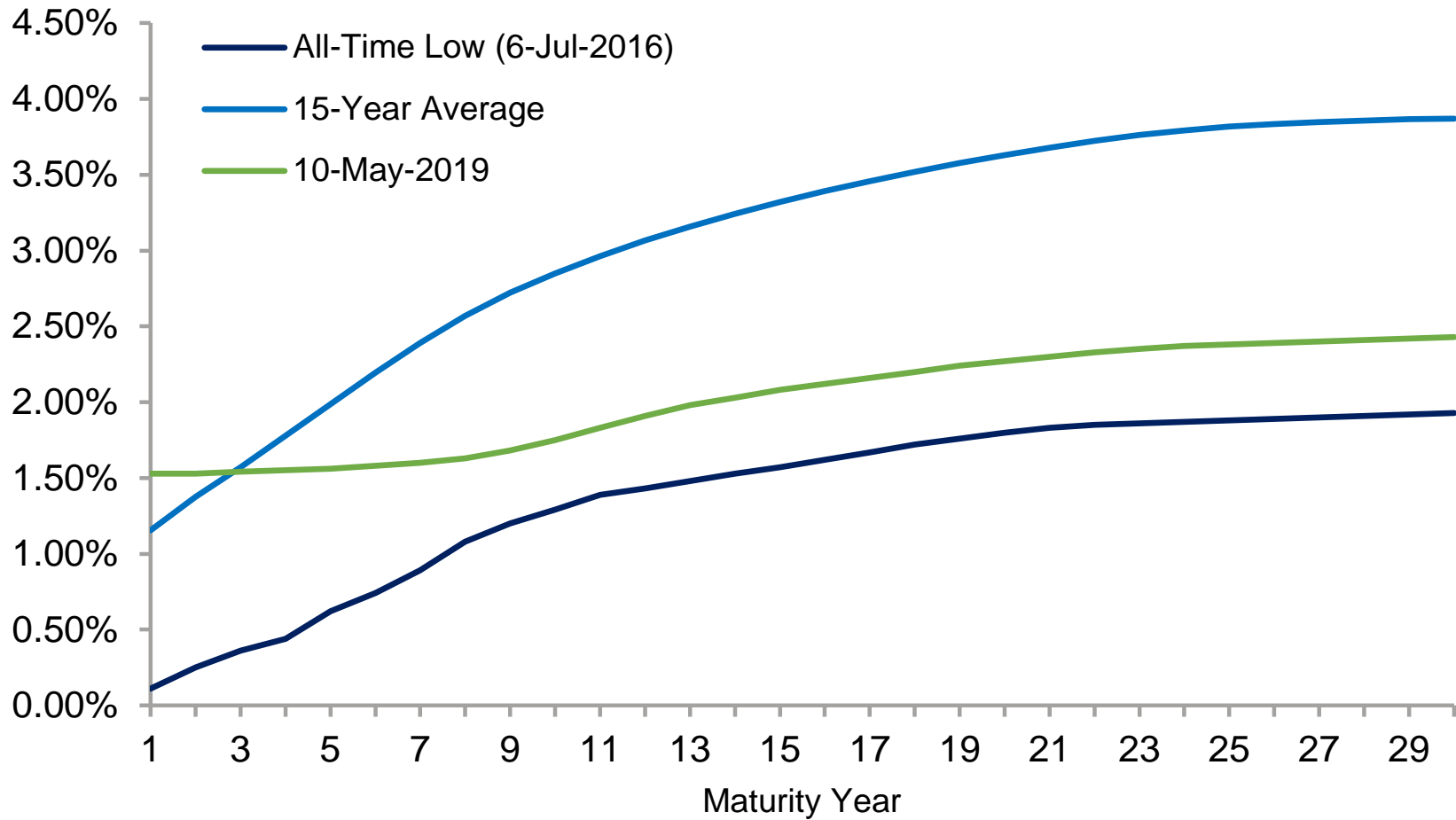
\$7MM Financing

A	B	C	D	E	F	G	H	I	J
FYE (9/30)	After Freeze TAV	Total CO & GO DS	I&S Portion of Freeze Levy	Net Debt Service	\$7MM Series 2020	Less: Est. Funds From Water Rate Increase	Less: Other Sources	Projected Net Debt Service	Projected I&S Rate
2019	\$ 487,000,000	\$ 1,254,587	\$ (158,696)	\$ 1,095,891				\$ 937,195	\$ 0.2477
2020	518,639,000	1,256,289	(183,886)	1,072,403				888,517	
2021	539,384,560	1,259,532	(183,886)	1,075,646	\$ 336,500	\$ (60,000)	\$ (49,500)	1,302,646	\$ 0.2477
2022	560,959,942	1,256,247	(183,886)	1,072,361	365,000	(60,000)	(22,500)	1,354,861	0.2477
2023	583,398,340	1,261,294	(183,886)	1,077,408	381,000	(60,000)	-	1,398,408	0.2458
2024	583,398,340	1,260,573	(183,886)	1,076,687	381,200	(60,000)	-	1,397,887	0.2458
2025	583,398,340	1,258,140	(183,886)	1,074,254	381,200	(60,000)	-	1,395,454	0.2453
2026	583,398,340	1,263,934	(183,886)	1,080,048	381,000	(60,000)	-	1,401,048	0.2463
2027	583,398,340	1,263,748	(183,886)	1,079,862	380,600	(60,000)	-	1,400,462	0.2462
2028	583,398,340	461,738	(183,886)	277,852	590,000	(60,000)	-	807,852	0.1420
2029	583,398,340	393,738	(183,886)	209,852	590,800	(60,000)	-	740,652	0.1302
2030	583,398,340	394,175	(183,886)	210,289	591,000	(60,000)	-	741,289	0.1303
2031	583,398,340	393,255	(183,886)	209,369	590,600	(60,000)	-	739,969	0.1301
2032	583,398,340	394,010	(183,886)	210,124	589,600	(60,000)	-	739,724	0.1300
2033	583,398,340	393,375	(183,886)	209,489	593,000	(60,000)	-	742,489	0.1305
2034	583,398,340	393,383	(183,886)	209,497	590,600	(60,000)	-	740,097	0.1301
2035	583,398,340	-	(183,886)	(183,886)	592,600	(60,000)	-	348,714	0.0613
2036	583,398,340	-	(183,886)	(183,886)	588,800	(60,000)	-	344,914	0.0606
2037	583,398,340	-	(183,886)	(183,886)	589,400	(60,000)	-	345,514	0.0607
2038	583,398,340	-	(183,886)	(183,886)	589,200	(60,000)	-	345,314	0.0607
2039	583,398,340	-	(183,886)	(183,886)	593,200	(60,000)	-	349,314	0.0614
2040	583,398,340	-	(183,886)	(183,886)	551,200	(60,000)	-	307,314	0.0540
Total		\$ 14,158,013	\$ (4,020,297)	\$ 10,137,716	\$ 10,246,500	\$ (1,200,000)	\$ (72,000)	\$ 18,769,635	

\$7MM Financing in 2020 + Future Capacity

A	B	C	D	E	F	G	H	I	J	K
FYE (9/30)	After Freeze TAV	Total CO & GO DS	I&S Portion of Freeze Levy	Net Debt Service	\$7MM Series 2020	Less: Est. Funds From Water Rate Increase	Less: Other Sources	8.35MM Series 2027	Projected Net Debt Service	Projected I&S Rate
2019	\$ 487,000,000	\$ 1,254,587	\$ (158,696)	\$ 1,095,891					1,095,891	\$ 0.2477
2020	518,639,000	1,256,289	(183,886)	1,072,403					1,072,403	
2021	539,384,560	1,259,532	(183,886)	1,075,646	\$ 336,500	\$ (60,000)	\$ (49,500)		1,302,646	\$ 0.2477
2022	560,959,942	1,256,247	(183,886)	1,072,361	365,000	(60,000)	(22,000)		1,355,361	0.2478
2023	583,398,340	1,261,294	(183,886)	1,077,408	381,000	(60,000)	-		1,398,408	0.2458
2024	583,398,340	1,260,573	(183,886)	1,076,687	381,200	(60,000)	-		1,397,887	0.2458
2025	583,398,340	1,258,140	(183,886)	1,074,254	381,200	(60,000)	-		1,395,454	0.2453
2026	583,398,340	1,263,934	(183,886)	1,080,048	381,000	(60,000)	-		1,401,048	0.2463
2027	583,398,340	1,263,748	(183,886)	1,079,862	380,600	(60,000)	-		1,400,462	0.2462
2028	583,398,340	461,738	(183,886)	277,852	590,000	(60,000)	-	601,325	1,409,177	0.2477
2029	583,398,340	393,738	(183,886)	209,852	590,800	(60,000)	-	656,925	1,397,577	0.2457
2030	583,398,340	394,175	(183,886)	210,289	591,000	(60,000)	-	659,100	1,400,389	0.2462
2031	583,398,340	393,255	(183,886)	209,369	590,600	(60,000)	-	655,600	1,395,569	0.2453
2032	583,398,340	394,010	(183,886)	210,124	589,600	(60,000)	-	656,650	1,396,374	0.2455
2033	583,398,340	393,375	(183,886)	209,489	593,000	(60,000)	-	657,025	1,399,514	0.2460
2034	583,398,340	393,383	(183,886)	209,497	590,600	(60,000)	-	656,725	1,396,822	0.2456
2035	583,398,340	-	(183,886)	(183,886)	592,600	(60,000)	-	655,750	1,004,464	0.1766
2036	583,398,340	-	(183,886)	(183,886)	588,800	(60,000)	-	659,100	1,004,014	0.1765
2037	583,398,340	-	(183,886)	(183,886)	589,400	(60,000)	-	656,550	1,002,064	0.1762
2038	583,398,340	-	(183,886)	(183,886)	589,200	(60,000)	-	658,325	1,003,639	0.1764
2039	583,398,340	-	(183,886)	(183,886)	593,200	(60,000)	-	659,200	1,008,514	0.1773
2040	583,398,340	-	(183,886)	(183,886)	551,200	(60,000)	-	659,175	966,489	0.1699
2041	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	658,250	414,364	0.0728
2042	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	656,425	412,539	0.0725
2043	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	658,700	414,814	0.0729
2044	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	659,850	415,964	0.0731
2045	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	659,875	415,989	0.0731
2046	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	658,775	414,889	0.0729
2047	583,398,340	-	(183,886)	(183,886)	-	(60,000)	-	616,550	372,664	0.0655
Total		\$ 14,158,013	\$ (5,307,497)	\$ 8,850,516	\$ 10,246,500	\$ (1,620,000)	\$ (71,500)	\$ 13,059,875	\$ 30,465,391	

Today's MMD Curve in Context



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