

# 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



Capital  
Markets

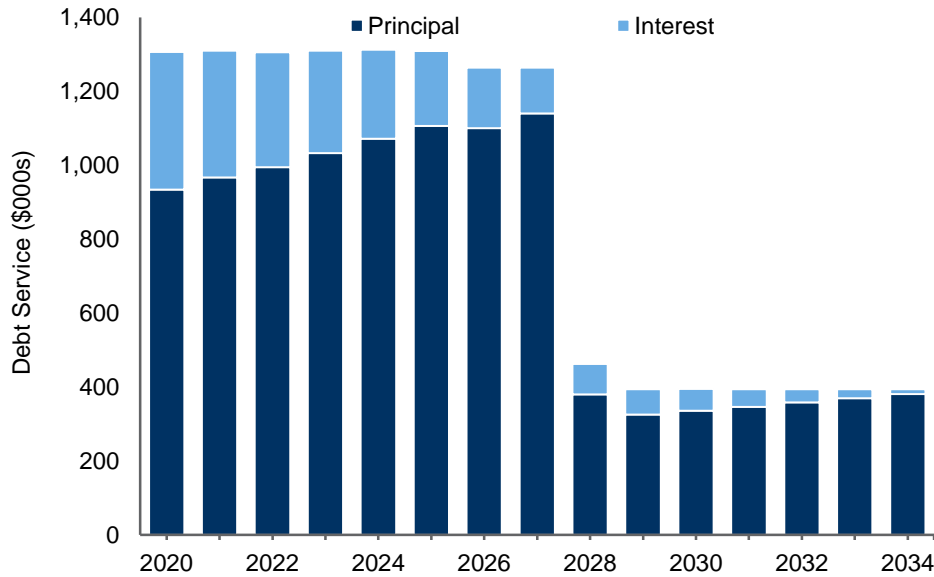
# Overview of Existing Debt

## Outstanding Debt Profile (“A”)

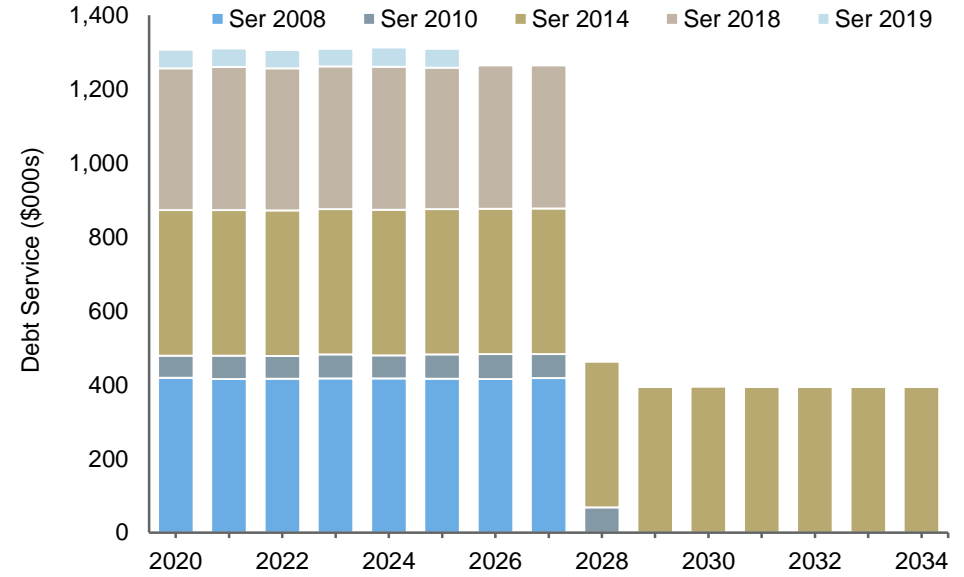
City of Granite Shoals Debt Profile

| 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         | \$2,750,000            | 4.490%                         | 01/07/2019      | 08/01/2027     | Fixed Rate | Land;Municipal Bldg  |
| Comb Tax & Ltd Rev C/O Ser 2010 | 750,000             | 470,000                | 4.250%                         | 01/07/2019      | 08/01/2028     | Fixed Rate | Public Improvements  |
| GO Ref Bds Ser 2014             | 5,725,000           | 4,617,000              | 3.250%                         | 02/01/2025      | 08/01/2034     | Fixed Rate | Refunding            |
| GO Bds Ser 2018                 | 3,000,000           | 2,725,000              | 2.060% - 3.090%                | 01/07/2019      | 08/01/2027     | Fixed Rate | Streets              |
| Ltd Tax Notes Ser 2019          | 280,000             | 280,000                | 2.150%                         | 10/11/2019      | 08/01/2025     | Fixed Rate | Equipment & Vehicles |
| <b>Total</b>                    | <b>\$14,755,000</b> | <b>\$10,842,000</b>    |                                |                 |                |            |                      |

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

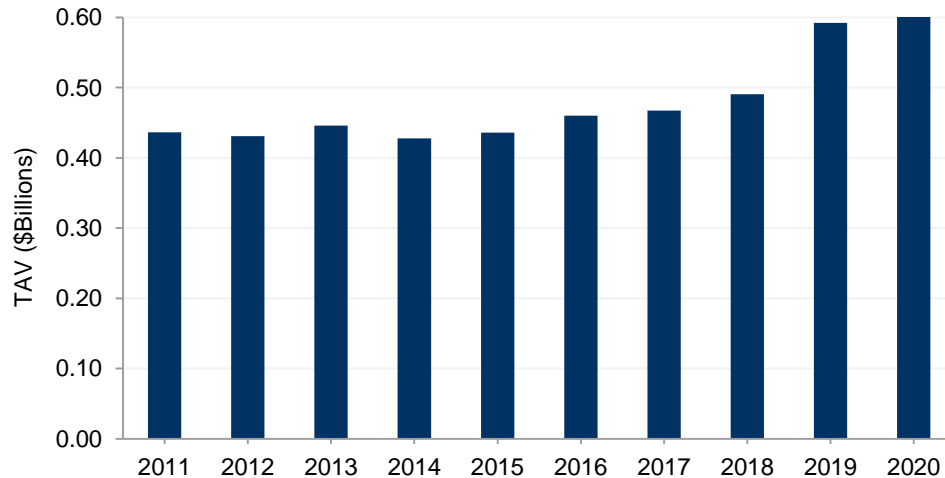
| Fiscal Year End    | Net TAV       | TAV Growth   | M&O Tax Rate | I&S Tax Rate | Total Tax Rate |
|--------------------|---------------|--------------|--------------|--------------|----------------|
| 2011               | \$436,410,183 | 1.19%        | \$0.1766     | \$0.2714     | \$0.4480       |
| 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         |
| 2020               | 630,468,712   | 6.49%        | 0.3515       | 0.2477       | 0.5992         |
| <b>10-yr CAGR*</b> |               | <b>3.75%</b> |              |              |                |
| <b>5-yr CAGR*</b>  |               | <b>6.51%</b> |              |              |                |

Source: Municipal Advisory Council of Texas

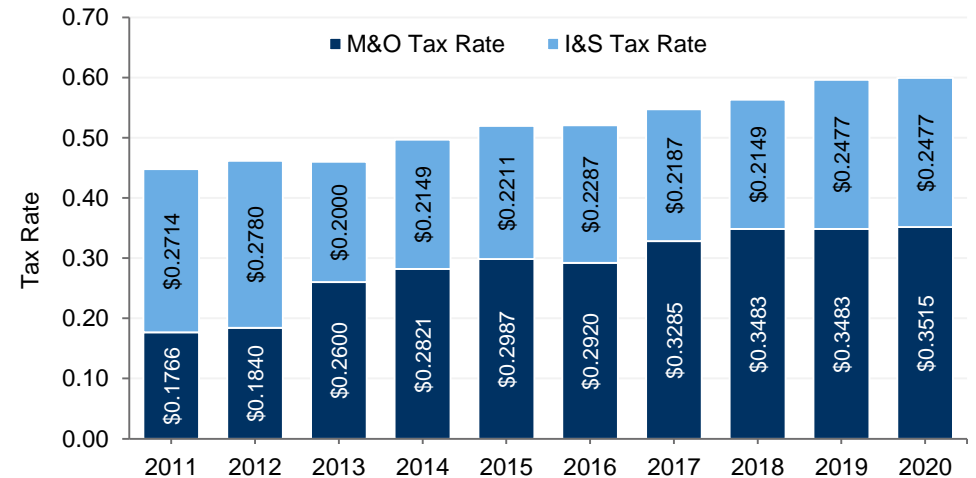
\* Compound Annual Growth Rate

Note: TAV figures on this page are not net of frozen values

### Historical TAV



### Outstanding General Obligation Debt by Series



## Summary of Assumptions

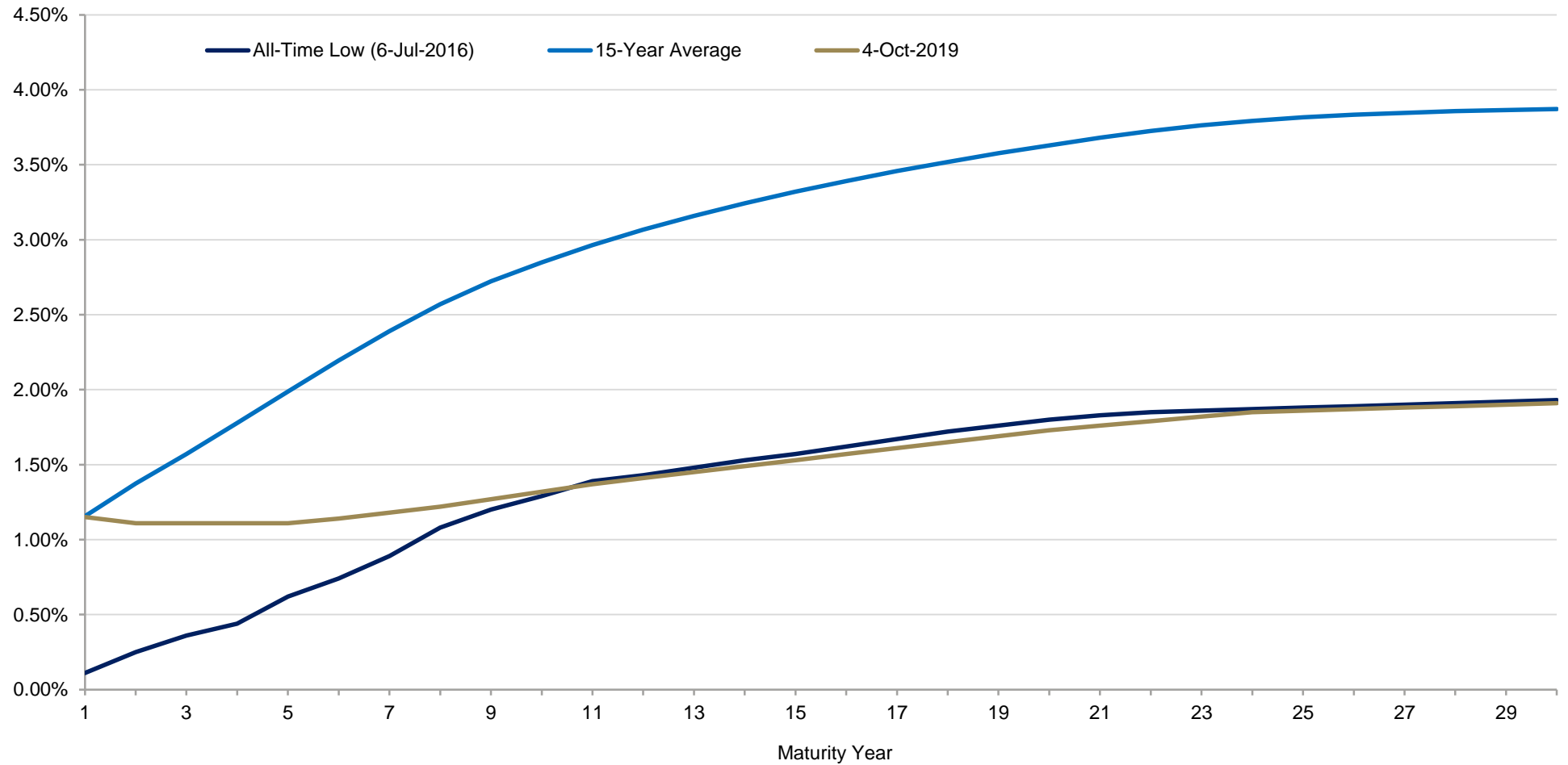
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- Assumes that the bonds are amortized over a 20 year period.
  - Assumes City's current I&S Rate is \$0.2477.
  - Assumes that the 2019/20 TAV after freeze net taxable assessed valuation is \$518.6MM and grows at 4% per year through 2022 and remains constant thereafter.
  - Analysis was run with a blended interest rate of approximately 3.5%. This is conservative rate in the current interest rates environment. Current rates would likely be 1/2% - 3/4% lower.
  - 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.**

## \$7MM Financing

| A             | B                      | C                    | D                               | E                   | F                    | G                                 | H                         | I                                | J                     |
|---------------|------------------------|----------------------|---------------------------------|---------------------|----------------------|-----------------------------------|---------------------------|----------------------------------|-----------------------|
| FYE<br>(9/30) | After<br>Freeze<br>TAV | Total CO<br>& GO DS  | Less:<br>Revenue from<br>Frozen | Net<br>Debt Service | \$7MM<br>Series 2020 | Less:<br>Utility Fund<br>Revenues | Less:<br>Other<br>Sources | Projected<br>Net<br>Debt Service | Projected<br>I&S Rate |
| 2020          | \$ 518,639,000         | \$ 1,256,289         | \$ (183,886)                    | \$ 1,072,403        |                      |                                   |                           | 1,072,403                        | \$ 0.2477             |
| 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            | 146,000              | (183,886)                       | (37,886)            | 592,600              | (60,000)                          |                           | 494,714                          | 0.0870                |
| 2036          | 583,398,340            | 145,600              | (183,886)                       | (38,286)            | 588,800              | (60,000)                          |                           | 490,514                          | 0.0862                |
| 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                |
| <b>Total</b>  |                        | <b>\$ 13,195,027</b> | <b>\$ (3,861,606)</b>           | <b>\$ 9,333,421</b> | <b>\$ 10,246,500</b> | <b>\$ (1,200,000)</b>             |                           | <b>\$ 19,403,811</b>             |                       |

# Today's MMD Curve in Context



Source: Thomson Municipal Market Data



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