

# Outstanding Debt

*As of FY 2021*



## City of Lockhart, Texas

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



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**TAB A**

**SUMMARY OF DEBT**



**City of Lockhart, Texas**  
**Outstanding General Obligation Debt as of FY 2021**

	\$525,000 Comb Tax & Rev C/O Series 2006		\$3,035,000 Comb Tax & Rev C/O Series 2006A		\$16,685,000 Comb Tax & Rev C/O Series 2015		\$6,530,000 GO Ref Bonds Series 2016	
FYE 9/30	Principal (000s)	Coupon	Principal (000s)	Coupon	Principal (000s)	Coupon	Principal (000s)	Coupon
2021	45	4.100%	280	4.120%	460	3.000%	305	3.000%
2022					790	5.000%	720	3.000%
2023					830	4.000%	755	2.250%
2024					860	4.000%	765	3.000%
2025					895	5.000%	795	4.000%
2026					940	3.000%	835	4.000%
2027					970	3.000%	865	4.000%
2028					1,000	3.000%	910	4.000%
2029					1,070	3.000%		
2030					1,100	3.125%		
2031					1,135	3.250%		
2032					1,170	3.250%		
2033					1,210	3.375%		
2034					1,250	3.375%		
2035					1,295	3.500%		
<b>Total</b>	<b>\$45</b>		<b>\$280</b>		<b>\$14,975</b>		<b>\$5,950</b>	
<i>Next Call</i>	Non Callable		Any date @ par plus redemption premium		August 1, 2024 @ par		August 1, 2025 @ par	
<i>Delivery Date</i>	February 28, 2006		November 28, 2006		April 9, 2015		April 12, 2016	
<i>Principal Due</i>	August 1		August 1		August 1		August 1	
<i>Interest Due</i>	February 1	August 1	February 1	August 1	February 1	August 1	February 1	August 1
<i>Insurance</i>	None		None		BAM		None	
<i>Paying Agent</i>	Bank of America		Bank of America		BOKF		The Bank of New York Mellon Trust Company, N.A.	
<i>Purpose</i>	New Money		New Money		New Money		RE of 09 CO & 09 Bds	

Callable  
Noncallable

**Guadalupe-Blanco River Authority (City of Lockhart, Texas Project)  
Outstanding Debt as of FY 2021**

<b>\$4,950,000 Treated Water Delivery Sys Contract Rev Ref Bds Series 2014</b>		
FYE 9/30	Principal (000s)	Coupon
2021	290	3.450%
2022	300	3.450%
2023	310	3.450%
2024	320	3.450%
2025	335	3.450%
2026	345	3.450%
2027	355	3.450%
2028	370	3.450%
2029	380	3.450%
2030	395	3.450%
<b>Total</b>	<b>\$3,400</b>	
<i>Next Call</i>	February 15, 2024 @ Par	
<i>Delivery Date</i>	February 26, 2014	
<i>Principal Due</i>	February 15	
<i>Interest Due</i>	February 15	August 15
<i>Insurance</i>	None	
<i>Paying Agent</i>	Regions Bank	
<i>Purpose</i>	Ref of 04 Bds	

Callable  
Noncallable

**City of Lockhart, Texas**  
**Outstanding Economic Development Corporation Debt as of FY 2021**

\$1,645,000 Sales Tax Rev Bds Taxable Series 2020		
FYE 9/30	Principal (000s)	Coupon
2021	105	2.470%
2022	95	2.470%
2023	95	2.470%
2024	100	2.470%
2025	100	2.470%
2026	100	2.470%
2027	105	2.470%
2028	110	2.470%
2029	110	2.470%
2030	115	2.470%
2031	115	2.470%
2032	120	2.470%
2033	120	2.470%
2034	125	2.470%
2035	130	2.470%
<b>Total</b>	<b>\$1,645</b>	
<i>Next Call</i>	Any Date @ Par	
<i>Delivery Date</i>	December 10, 2020	
<i>Principal Due</i>	August 1	
<i>Interest Due</i>	February 1	August 1
<i>Insurance</i>	None	
<i>Paying Agent</i>	Wilmington Trust, N.A.	
<i>Purpose</i>	New Money	

Callable  
 Noncallable

**TAB B**

**GENERAL OBLIGATION  
DEBT SERVICE REQUIREMENTS**



## City of Lockhart, Texas

### Aggregate General Obligation Debt Service

## Aggregate Debt Service

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
02/01/2021	-	371,478.00	371,478.00	-
08/01/2021	1,090,000.00	371,478.00	1,461,478.00	-
09/30/2021	-	-	-	1,832,956.00
02/01/2022	-	353,312.50	353,312.50	-
08/01/2022	1,510,000.00	353,312.50	1,863,312.50	-
09/30/2022	-	-	-	2,216,625.00
02/01/2023	-	322,762.50	322,762.50	-
08/01/2023	1,585,000.00	322,762.50	1,907,762.50	-
09/30/2023	-	-	-	2,230,525.00
02/01/2024	-	297,668.75	297,668.75	-
08/01/2024	1,625,000.00	297,668.75	1,922,668.75	-
09/30/2024	-	-	-	2,220,337.50
02/01/2025	-	268,993.75	268,993.75	-
08/01/2025	1,690,000.00	268,993.75	1,958,993.75	-
09/30/2025	-	-	-	2,227,987.50
02/01/2026	-	230,718.75	230,718.75	-
08/01/2026	1,775,000.00	230,718.75	2,005,718.75	-
09/30/2026	-	-	-	2,236,437.50
02/01/2027	-	199,918.75	199,918.75	-
08/01/2027	1,835,000.00	199,918.75	2,034,918.75	-
09/30/2027	-	-	-	2,234,837.50
02/01/2028	-	168,068.75	168,068.75	-
08/01/2028	1,910,000.00	168,068.75	2,078,068.75	-
09/30/2028	-	-	-	2,246,137.50
02/01/2029	-	134,868.75	134,868.75	-
08/01/2029	1,070,000.00	134,868.75	1,204,868.75	-
09/30/2029	-	-	-	1,339,737.50
02/01/2030	-	118,818.75	118,818.75	-
08/01/2030	1,100,000.00	118,818.75	1,218,818.75	-
09/30/2030	-	-	-	1,337,637.50
02/01/2031	-	101,631.25	101,631.25	-
08/01/2031	1,135,000.00	101,631.25	1,236,631.25	-
09/30/2031	-	-	-	1,338,262.50
02/01/2032	-	83,187.50	83,187.50	-
08/01/2032	1,170,000.00	83,187.50	1,253,187.50	-
09/30/2032	-	-	-	1,336,375.00
02/01/2033	-	64,175.00	64,175.00	-
08/01/2033	1,210,000.00	64,175.00	1,274,175.00	-
09/30/2033	-	-	-	1,338,350.00
02/01/2034	-	43,756.25	43,756.25	-
08/01/2034	1,250,000.00	43,756.25	1,293,756.25	-

Aggregate | 12/ 8/2020 | 3:45 PM



## City of Lockhart, Texas

### Aggregate General Obligation Debt Service

## Aggregate Debt Service

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2034	-	-	-	1,337,512.50
02/01/2035	-	22,662.50	22,662.50	-
08/01/2035	1,295,000.00	22,662.50	1,317,662.50	-
09/30/2035	-	-	-	1,340,325.00
<b>Total</b>	<b>\$21,250,000.00</b>	<b>\$5,564,043.50</b>	<b>\$26,814,043.50</b>	-

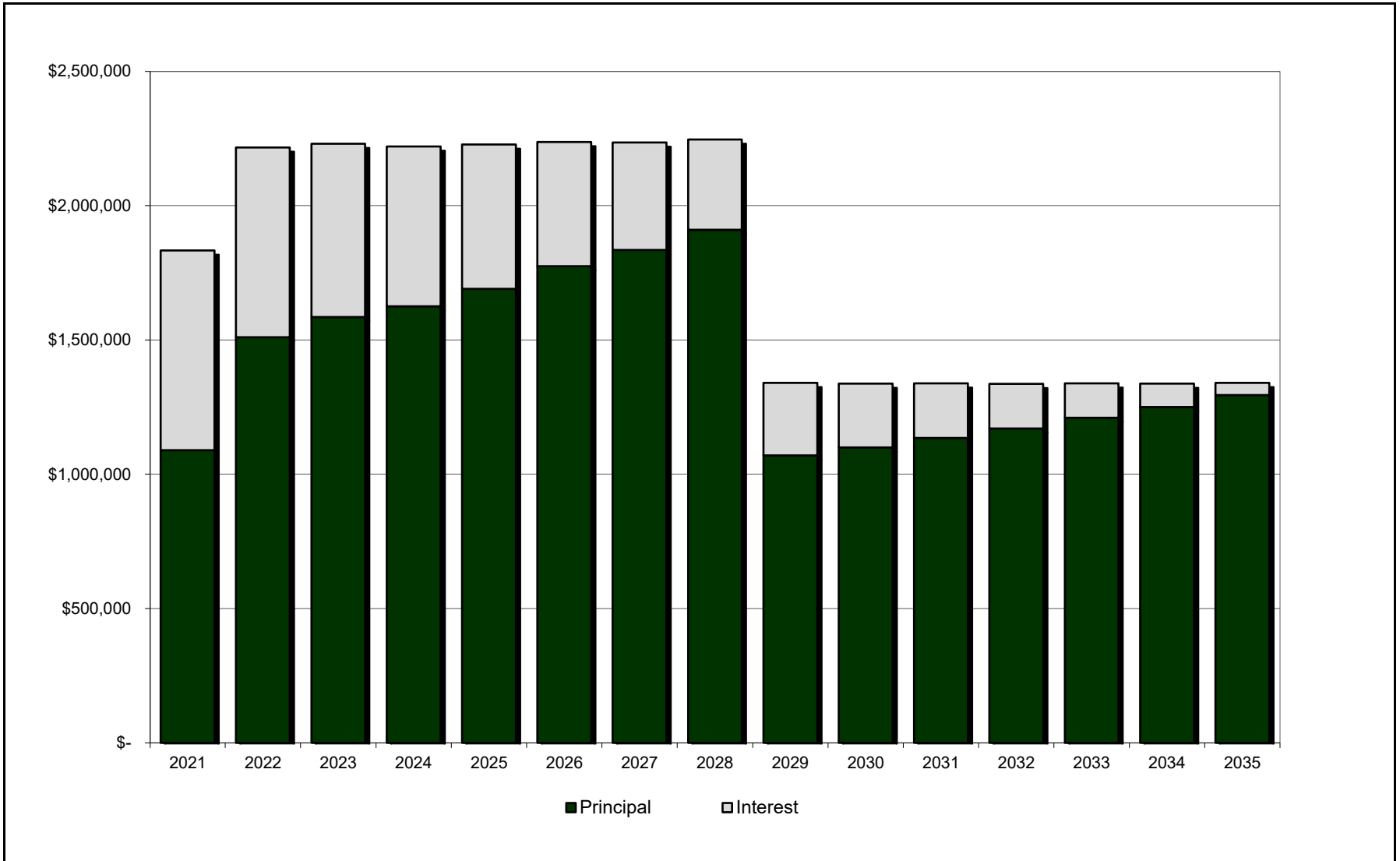
### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	7.103 Years
Average Coupon	3.4208150%

### Par Amounts Of Selected Issues

06 deals* -CO-100% I&S	45,000.00
06A CO*	280,000.00
15 CO \$17MM (3/17) UBS FINAL	14,975,000.00
16 GO Ref (3/7) FINAL	5,950,000.00
<b>TOTAL</b>	<b>21,250,000.00</b>

**City of Lockhart, Texas**  
**Outstanding General Obligation Debt as of FY 2021**



**City of Lockhart, Texas**

\$525,000 Combination Tax & Revenue Certificates of Obligation, Series 2006

Paying Agent: Bank of America

Non-Callable

**Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total P+I</b>	<b>Fiscal Total</b>
02/01/2021	-	922.50	922.50	-
08/01/2021	45,000.00	922.50	45,922.50	-
09/30/2021	-	-	-	46,845.00
<b>Total</b>	<b>\$45,000.00</b>	<b>\$1,845.00</b>	<b>\$46,845.00</b>	<b>-</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	0.461 Years
Average Coupon	4.1000000%

**Par Amounts Of Selected Issues**

06 deals* -CO-100% I&S	45,000.00
<b>TOTAL</b>	<b>45,000.00</b>

**City of Lockhart, Texas**

\$3,035,000 Combination Tax & Revenue Certificates of Obligation, Series 2006A

Paying Agent: Bank of America

Callable: Any date @ par plus Redemption Premium

**Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total P+I</b>	<b>Fiscal Total</b>
02/01/2021	-	5,768.00	5,768.00	-
08/01/2021	280,000.00	5,768.00	285,768.00	-
09/30/2021	-	-	-	291,536.00
<b>Total</b>	<b>\$280,000.00</b>	<b>\$11,536.00</b>	<b>\$291,536.00</b>	-

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	0.461 Years
Average Coupon	4.1200017%

**Par Amounts Of Selected Issues**

06A CO*	280,000.00
<b>TOTAL</b>	<b>280,000.00</b>

## City of Lockhart, Texas

\$16,685,000 Combination Tax & Revenue Certificates of Obligation, Series 2015

Paying Agent: BOKF, N.A.

Callable: August 1, 2024 @ par

## Debt Service Schedule

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
02/01/2021	-	261,343.75	261,343.75	-
08/01/2021	460,000.00	261,343.75	721,343.75	-
09/30/2021	-	-	-	982,687.50
02/01/2022	-	254,443.75	254,443.75	-
08/01/2022	790,000.00	254,443.75	1,044,443.75	-
09/30/2022	-	-	-	1,298,887.50
02/01/2023	-	234,693.75	234,693.75	-
08/01/2023	830,000.00	234,693.75	1,064,693.75	-
09/30/2023	-	-	-	1,299,387.50
02/01/2024	-	218,093.75	218,093.75	-
08/01/2024	860,000.00	218,093.75	1,078,093.75	-
09/30/2024	-	-	-	1,296,187.50
02/01/2025	-	200,893.75	200,893.75	-
08/01/2025	895,000.00	200,893.75	1,095,893.75	-
09/30/2025	-	-	-	1,296,787.50
02/01/2026	-	178,518.75	178,518.75	-
08/01/2026	940,000.00	178,518.75	1,118,518.75	-
09/30/2026	-	-	-	1,297,037.50
02/01/2027	-	164,418.75	164,418.75	-
08/01/2027	970,000.00	164,418.75	1,134,418.75	-
09/30/2027	-	-	-	1,298,837.50
02/01/2028	-	149,868.75	149,868.75	-
08/01/2028	1,000,000.00	149,868.75	1,149,868.75	-
09/30/2028	-	-	-	1,299,737.50
02/01/2029	-	134,868.75	134,868.75	-
08/01/2029	1,070,000.00	134,868.75	1,204,868.75	-
09/30/2029	-	-	-	1,339,737.50
02/01/2030	-	118,818.75	118,818.75	-
08/01/2030	1,100,000.00	118,818.75	1,218,818.75	-
09/30/2030	-	-	-	1,337,637.50
02/01/2031	-	101,631.25	101,631.25	-
08/01/2031	1,135,000.00	101,631.25	1,236,631.25	-
09/30/2031	-	-	-	1,338,262.50
02/01/2032	-	83,187.50	83,187.50	-
08/01/2032	1,170,000.00	83,187.50	1,253,187.50	-
09/30/2032	-	-	-	1,336,375.00
02/01/2033	-	64,175.00	64,175.00	-
08/01/2033	1,210,000.00	64,175.00	1,274,175.00	-
09/30/2033	-	-	-	1,338,350.00
02/01/2034	-	43,756.25	43,756.25	-
08/01/2034	1,250,000.00	43,756.25	1,293,756.25	-

**City of Lockhart, Texas**

\$16,685,000 Combination Tax & Revenue Certificates of Obligation, Series 2015

Paying Agent: BOKF, N.A.

Callable: August 1, 2024 @ par

**Debt Service Schedule**

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
09/30/2034	-	-	-	1,337,512.50
02/01/2035	-	22,662.50	22,662.50	-
08/01/2035	1,295,000.00	22,662.50	1,317,662.50	-
09/30/2035	-	-	-	1,340,325.00
<b>Total</b>	<b>\$14,975,000.00</b>	<b>\$4,462,750.00</b>	<b>\$19,437,750.00</b>	-

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	8.322 Years
Average Coupon	3.3551939%

**Par Amounts Of Selected Issues**

15 CO \$17MM (3/17) UBS FINAL	14,975,000.00
<b>TOTAL</b>	<b>14,975,000.00</b>

## City of Lockhart, Texas

\$6,530,000 General Obligation Refunding Bonds, Series 2016

Paying Agent: Bank of New York Mellon

Callable: August 1, 2025 @ par

## Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
02/01/2021	-	103,443.75	103,443.75	-
08/01/2021	305,000.00	103,443.75	408,443.75	-
09/30/2021	-	-	-	511,887.50
02/01/2022	-	98,868.75	98,868.75	-
08/01/2022	720,000.00	98,868.75	818,868.75	-
09/30/2022	-	-	-	917,737.50
02/01/2023	-	88,068.75	88,068.75	-
08/01/2023	755,000.00	88,068.75	843,068.75	-
09/30/2023	-	-	-	931,137.50
02/01/2024	-	79,575.00	79,575.00	-
08/01/2024	765,000.00	79,575.00	844,575.00	-
09/30/2024	-	-	-	924,150.00
02/01/2025	-	68,100.00	68,100.00	-
08/01/2025	795,000.00	68,100.00	863,100.00	-
09/30/2025	-	-	-	931,200.00
02/01/2026	-	52,200.00	52,200.00	-
08/01/2026	835,000.00	52,200.00	887,200.00	-
09/30/2026	-	-	-	939,400.00
02/01/2027	-	35,500.00	35,500.00	-
08/01/2027	865,000.00	35,500.00	900,500.00	-
09/30/2027	-	-	-	936,000.00
02/01/2028	-	18,200.00	18,200.00	-
08/01/2028	910,000.00	18,200.00	928,200.00	-
09/30/2028	-	-	-	946,400.00
<b>Total</b>	<b>\$5,950,000.00</b>	<b>\$1,087,912.50</b>	<b>\$7,037,912.50</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	4.401 Years
Average Coupon	3.7291385%

### Par Amounts Of Selected Issues

16 GO Ref (3/7) FINAL	5,950,000.00
<b>TOTAL</b>	<b>5,950,000.00</b>

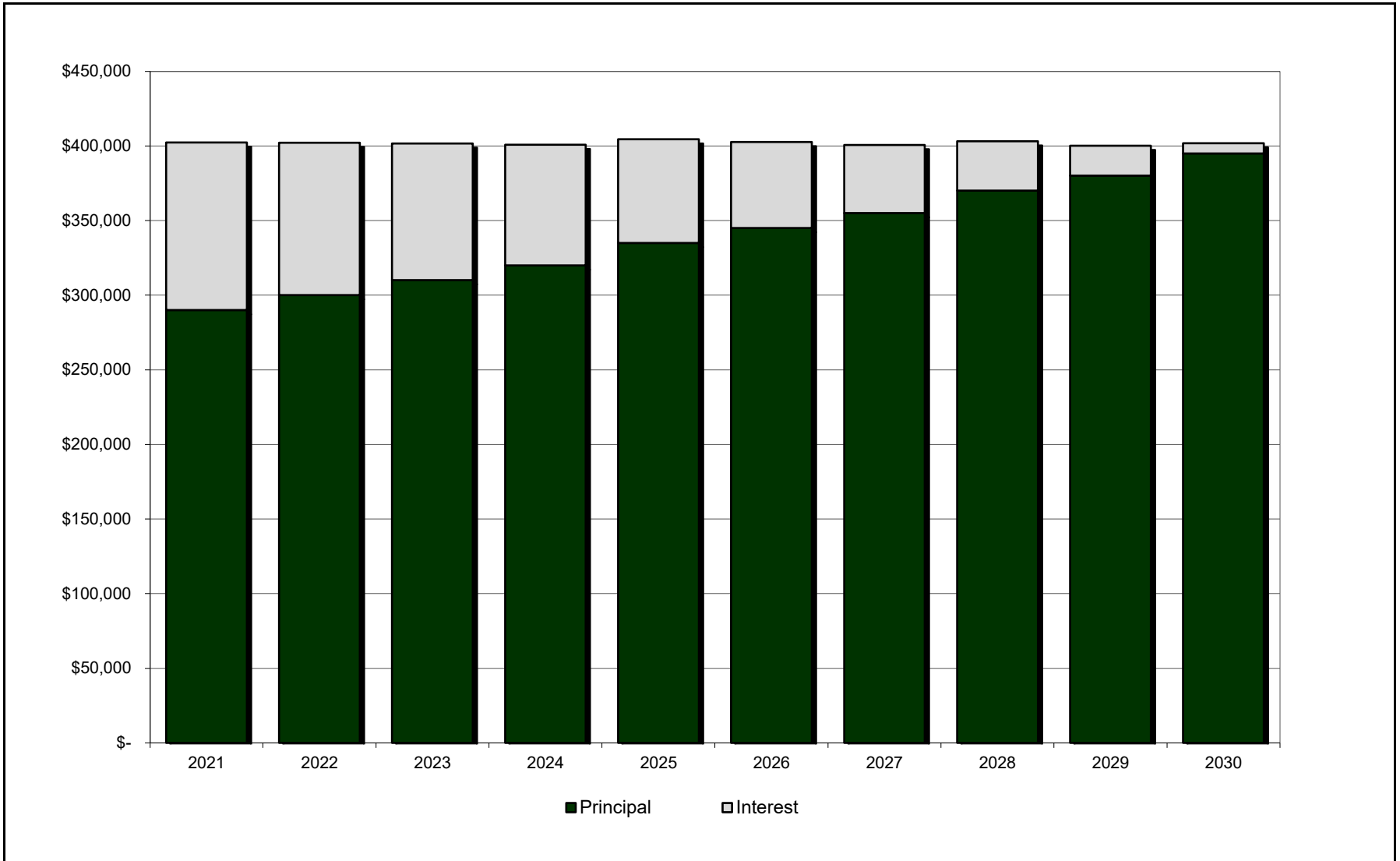
## **TAB C**

### **GUADALUPE-BLANCO RIVER AUTHORITY (City of Lockhart Project)**





**Guadalupe-Blanco River Authority (City of Lockhart, Texas Project)**  
**Outstanding Debt as of FY 2021**



Guadalupe-Blanco River Auth (City of Lockhart, Texas Project)

\$4,950,000 Treated Water Delivery System Contract Revenue Refunding Bonds, Series 2014

Paying Agent: Regions Bank

Callable: February 15, 2024 @ par

## Debt Service Schedule

Date	Principal	Interest	Total P+I	Fiscal Total
02/15/2021	290,000.00	58,650.00	348,650.00	-
08/15/2021	-	53,647.50	53,647.50	-
08/31/2021	-	-	-	402,297.50
02/15/2022	300,000.00	53,647.50	353,647.50	-
08/15/2022	-	48,472.50	48,472.50	-
08/31/2022	-	-	-	402,120.00
02/15/2023	310,000.00	48,472.50	358,472.50	-
08/15/2023	-	43,125.00	43,125.00	-
08/31/2023	-	-	-	401,597.50
02/15/2024	320,000.00	43,125.00	363,125.00	-
08/15/2024	-	37,605.00	37,605.00	-
08/31/2024	-	-	-	400,730.00
02/15/2025	335,000.00	37,605.00	372,605.00	-
08/15/2025	-	31,826.25	31,826.25	-
08/31/2025	-	-	-	404,431.25
02/15/2026	345,000.00	31,826.25	376,826.25	-
08/15/2026	-	25,875.00	25,875.00	-
08/31/2026	-	-	-	402,701.25
02/15/2027	355,000.00	25,875.00	380,875.00	-
08/15/2027	-	19,751.25	19,751.25	-
08/31/2027	-	-	-	400,626.25
02/15/2028	370,000.00	19,751.25	389,751.25	-
08/15/2028	-	13,368.75	13,368.75	-
08/31/2028	-	-	-	403,120.00
02/15/2029	380,000.00	13,368.75	393,368.75	-
08/15/2029	-	6,813.75	6,813.75	-
08/31/2029	-	-	-	400,182.50
02/15/2030	395,000.00	6,813.75	401,813.75	-
08/31/2030	-	-	-	401,813.75
<b>Total</b>	<b>\$3,400,000.00</b>	<b>\$619,620.00</b>	<b>\$4,019,620.00</b>	-

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	5.228 Years
Average Coupon	3.4500000%

### Par Amounts Of Selected Issues

Refunding bonds 1.30.14 FINAL Regions	3,400,000.00
<b>TOTAL</b>	<b>3,400,000.00</b>

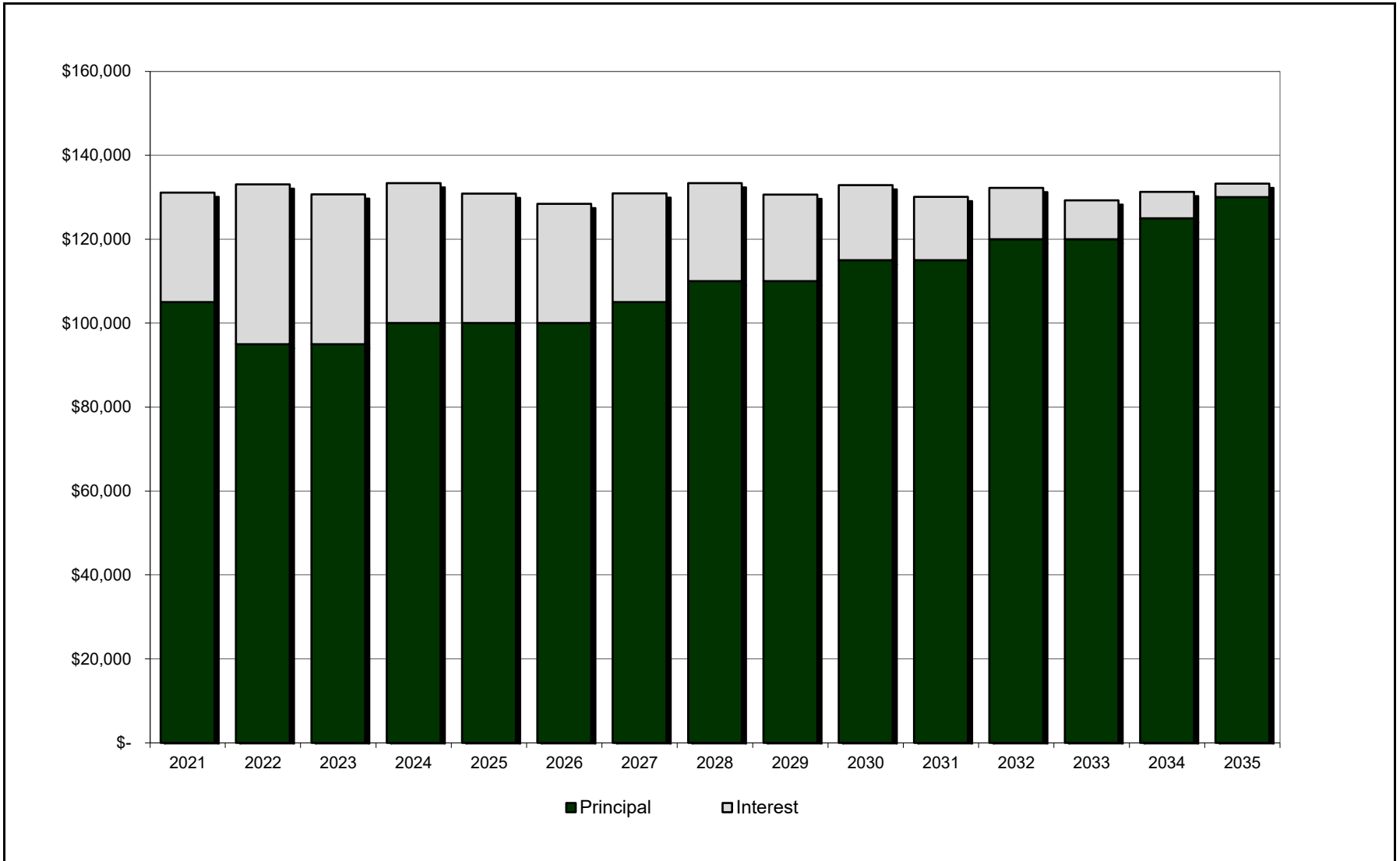
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**TAB D**

**LOCKHART**  
**ECONOMIC DEVELOPMENT CORPORATION**



**City of Lockhart, Texas**  
**Outstanding Economic Development Corporation Debt as of FY 2021**



## Lockhart Economic Development Corporation

\$1,645,000 Sales Tax Revenue Bonds, Taxable Series 2020

Paying Agent: Wilmington Trust, N.A.

Callable: Any Date @ Par

## Debt Service Schedule

Part 1 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
12/10/2020	-	-	-	-
08/01/2021	105,000.00	26,071.88	131,071.88	-
09/30/2021	-	-	-	131,071.88
02/01/2022	-	19,019.00	19,019.00	-
08/01/2022	95,000.00	19,019.00	114,019.00	-
09/30/2022	-	-	-	133,038.00
02/01/2023	-	17,845.75	17,845.75	-
08/01/2023	95,000.00	17,845.75	112,845.75	-
09/30/2023	-	-	-	130,691.50
02/01/2024	-	16,672.50	16,672.50	-
08/01/2024	100,000.00	16,672.50	116,672.50	-
09/30/2024	-	-	-	133,345.00
02/01/2025	-	15,437.50	15,437.50	-
08/01/2025	100,000.00	15,437.50	115,437.50	-
09/30/2025	-	-	-	130,875.00
02/01/2026	-	14,202.50	14,202.50	-
08/01/2026	100,000.00	14,202.50	114,202.50	-
09/30/2026	-	-	-	128,405.00
02/01/2027	-	12,967.50	12,967.50	-
08/01/2027	105,000.00	12,967.50	117,967.50	-
09/30/2027	-	-	-	130,935.00
02/01/2028	-	11,670.75	11,670.75	-
08/01/2028	110,000.00	11,670.75	121,670.75	-
09/30/2028	-	-	-	133,341.50
02/01/2029	-	10,312.25	10,312.25	-
08/01/2029	110,000.00	10,312.25	120,312.25	-
09/30/2029	-	-	-	130,624.50
02/01/2030	-	8,953.75	8,953.75	-
08/01/2030	115,000.00	8,953.75	123,953.75	-
09/30/2030	-	-	-	132,907.50
02/01/2031	-	7,533.50	7,533.50	-
08/01/2031	115,000.00	7,533.50	122,533.50	-
09/30/2031	-	-	-	130,067.00
02/01/2032	-	6,113.25	6,113.25	-
08/01/2032	120,000.00	6,113.25	126,113.25	-
09/30/2032	-	-	-	132,226.50
02/01/2033	-	4,631.25	4,631.25	-
08/01/2033	120,000.00	4,631.25	124,631.25	-
09/30/2033	-	-	-	129,262.50
02/01/2034	-	3,149.25	3,149.25	-

Aggregate | 12/ 8/2020 | 3:31 PM

## Lockhart Economic Development Corporation

\$1,645,000 Sales Tax Revenue Bonds, Taxable Series 2020

Paying Agent: Wilmington Trust, N.A.

Callable: Any Date @ Par

## Debt Service Schedule

Part 2 of 2

Date	Principal	Interest	Total P+I	Fiscal Total
08/01/2034	125,000.00	3,149.25	128,149.25	-
09/30/2034	-	-	-	131,298.50
02/01/2035	-	1,605.50	1,605.50	-
08/01/2035	130,000.00	1,605.50	131,605.50	-
09/30/2035	-	-	-	133,211.00
<b>Total</b>	<b>\$1,645,000.00</b>	<b>\$326,300.38</b>	<b>\$1,971,300.38</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculations	2/15/2021
Average Life	7.850 Years
Average Coupon	2.4700000%

### Par Amounts Of Selected Issues

STRB EDC Taxable (12-01-20) FINAL	1,645,000.00
<b>TOTAL</b>	<b>1,645,000.00</b>



**TAB D**  
**TEXAS MUNICIPAL REPORTS**



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of September 30, 2018)

Table with 2 columns: Description and Amount. Rows include Net Taxable Assessed Valuation, Total General Obligation Debt, Less: Self-Supporting (Water Works, Drainage, Sewer, Economic Development, Hotel), GO Debt payable from Ad Valorem Taxes, Less: I&S Fund, and Net Debt.

(a) Includes \$21,317,722 under review. (a) The September 30, 2018 Financial Advisor 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 - 1.57%
Net Debt Per Sq mile - \$678,215.41
Net Debt Per Capita - \$765.87

Net Taxable Assessed Valuation Per Capita - \$48,645.11

Bureau of Census Pop: 2000 - 11,615
Bureau of Census Pop: 2010 - 12,698
2018 Estimated Population - 13,788
Area: 15.57 Sq mile

PAYMENT RECORD

Never defaulted.

TAX DATA

Table with 7 columns: Tax Year, A.V., Tax Rate, Adjusted Levy, % Collections Current, % Collections Total, Year Ended. Rows for years 2013 through 2018.

\* Includes \$21,317,722 for 2018 under review.

Table with 5 columns: Tax Rate Distribution, 2018, 2017, 2016, 2015. Rows for Operations, I&S, and Totals.

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population: \$2.50 per \$100 assessed valuation. The City operates under a Home Rule Charter which adopts constitutional provisions.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of the 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. In addition some cities are subject to a property tax relief and/or an economic and industrial development tax. On May 4, 1996, voters approved the levy of an additional 1/2 cent sales tax to benefit the Lockhart Economic Development Corporation (4B), effective October 1, 1996. Net allocations on calendar year basis are as follows:

Table with 5 columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate. Rows for years 2015 through 2018.

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 9/30/2018)

Comb Tax & Rev C/O Ser 2006

Tax Treatment: Bank Qualified
Original Issue Amount \$525,000.00
Dated Date: 02/15/2006
Sale Date: 02/07/2006
Delivery Date: 02/28/2006
Sale Type: Private Placement
Record Date: MSRB
Bond Form: FR
Denomination \$5,000
Interest pays Semi-Annually: 08/01, 02/01
1st Coupon Date: 02/01/2007

Paying Agent: Bank of America, N.A., Austin, TX
Bond Counsel: Fulbright & Jaworski L.L.P.
Purchaser: Bank of America, N.A., Austin, TX

Security : Limited Tax and a subordinate lien on the net revenues of the Water, Sewer & Electric System not to exceed \$1,000.

Use of Proceeds: EMS Building, Municipal Bldg, Airport.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Row for 08/01/2021T with amount \$135,000.00.

Call Option: Non Callable. The following term bonds are subject to mandatory sinking fund redemption each 8/1 @ par as follows: Mty 08/01/2021: 20M-08/01/2007; 25M-08/01/2008; 30M-08/01/2009; 30M-08/01/2010; 30M-08/01/2011; 30M-08/01/2012; 35M-08/01/2013; 35M-08/01/2014; 35M-08/01/2015; 40M-08/01/2016; 40M-08/01/2017; 40M-08/01/2018; 45M-08/01/2019; 45M-08/01/2020; 45M matures 08/01/2021.

Table with 2 columns: Mandatory Redemption Date, Principal Amount. Rows for 08/01/2019, 08/01/2020, and 08/01/2021.

Comb Tax & Rev C/O Ser 2006A

Tax Treatment: Bank Qualified
Original Issue Amount \$3,035,000.00
Dated Date: 11/15/2006
Sale Date: 11/06/2006
Delivery Date: 11/28/2006
Sale Type: Private Placement
Record Date: MSRB
Bond Form: FR
Denomination \$5,000

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Interest pays Semi-Annually: 02/01, 08/01
1st Coupon Date: 08/01/2007

Paying Agent: Bank of America, N.A., Dallas, TX
Bond Counsel: Fulbright & Jaworski L.L.P.
Purchaser: Banc of America, N.A.

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

Water Works 7.00%

Use of Proceeds: Streets, Park, Water.

Table with columns: Maturity, Amount, Coupon, Price/Yield. Row: 08/01/2021T, 800,000.00, 4.1200%, N/A. Total: \$800,000.00

Call Option: Bonds maturing on 08/01/2021 callable in whole or in part on any date @ par plus a Redemption Premium. The Redemption Premium shall be equal to the greater of (1) zero or (2) the Mark-to-Market Adjustment as specified in the Indenture. The following term bonds are subject to mandatory sinking fund redemption each 8/1 @ par as follows: Mty 08/01/2021: 40M-08/01/2007; 145M-08/01/2008; 155M-08/01/2009; 180M-08/01/2010; 185M-08/01/2011; 195M-08/01/2012; 200M-08/01/2013; 210M-08/01/2014; 220M-08/01/2015; 225M-08/01/2016; 235M-08/01/2017; 245M-08/01/2018; 255M-08/01/2019; 265M-08/01/2020; 280M matures 08/01/2021.

Table with columns: Mandatory Redemption Date, Principal Amount. Rows: 08/01/2019 (\$255,000), 08/01/2020 (\$265,000), 08/01/2021 (\$280,000)

Comb Tax & Ltd Rev C/O Ser 2015

Tax Treatment: Tax Exempt
Original Issue Amount \$16,685,000.00
Dated Date: 03/15/2015
Sale Date: 03/17/2015
Delivery Date: 04/09/2015
Sale Type: Competitive
TIC: 3.1603%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/01, 02/01
1st Coupon Date: 02/01/2016

Paying Agent: BOKF, N.A., Austin, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Austin, TX
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: UBS Securities LLC
Co-Manager: BOSCO, Inc.
Co-Manager: Citigroup Global Markets Inc.
Co-Manager: First Southwest Company
Co-Manager: JPMorgan Chase Bank
Co-Manager: Protective Securities
Co-Manager: R. Seelaus & Co., Inc.
Co-Manager: Ramirez & Co., Inc.
Co-Manager: Siebert Brandford Shank & Co., L.L.C.
Co-Manager: Sterne Agee
Co-Manager: Wiley Bros. Aintree Capital

Insurance: Build America Mutual

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system.

Economic Development 4.90% (Type B)
Drainage 7.94%
Water Works 49.60%
Sewer 4.30%

Use of Proceeds: Public Improvements.

Table with columns: Maturity, Amount, Coupon, Price/Yield. Lists various bond maturities from 08/01/2019 to 08/01/2035 with amounts and yields. Total: \$15,865,000.00

Call Option: Bonds maturing on 08/01/2025 to 08/01/2035 callable in whole or in part on any date beginning 08/01/2024 @ par.

GO Ref Bds Ser 2016

Tax Treatment: Bank Qualified
Original Issue Amount \$6,530,000.00
Dated Date: 03/01/2016
Sale Date: 03/07/2016
Delivery Date: 04/12/2016
Sale Type: Negotiated
NIC: 2.2161%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 02/01, 08/01
1st Coupon Date: 08/01/2016

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Austin, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Austin, TX
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: Robert W. Baird & Co., Inc.
Underwriter's Counsel: Andrews Kurth L.L.P., Austin, TX

Hotel 4.96%
Water Works 20.73%
Sewer 3.18%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues: Comb Tax & Rev C/O Ser 2009

Table with columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Lists refunded amounts and dates from 08/01/2020 to 08/01/2028.

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GO Ref Bds Ser 2009

Refunded Amount	Mat Date	Coupon	Price	Sched Call
260,000.00*	02/01/2020	4.250	Par	02/01/2018
285,000.00	02/01/2022	4.250	Par	02/01/2018
315,000.00	02/01/2024	4.250	Par	02/01/2018
350,000.00	02/01/2026	4.300	Par	02/01/2018
385,000.00	02/01/2028	4.400	Par	02/01/2018

\* Partial Maturity

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
08/01/2019	275,000.00	4.0000%	1.050%
08/01/2020	305,000.00	3.5000%	1.250%
08/01/2021	305,000.00	3.0000%	1.400%
08/01/2022	720,000.00	3.0000%	1.600%
08/01/2023	755,000.00	2.2500%	1.750%
08/01/2024	765,000.00	3.0000%	1.850%
08/01/2025	795,000.00	4.0000%	1.950%
08/01/2026	835,000.00	4.0000%	2.020%
08/01/2027	865,000.00	4.0000%	2.070%
08/01/2028	910,000.00	4.0000%	2.150%
-----\$6,530,000.00			

Call Option: Bonds maturing on 08/01/2026 to 08/01/2028 callable in whole or in part on any date beginning 08/01/2025 @ par.

**Grand Total =====> \$23,330,000.00**

**Bond Debt Service**

Period Ending	Principal	Interest	Debt Service
09/30/19	1,015,000.00	807,545.00	1,822,545.00
09/30/20	1,065,000.00	775,394.00	1,840,394.00
09/30/21	1,090,000.00	742,956.00	1,832,956.00
09/30/22	1,510,000.00	706,625.00	2,216,625.00
09/30/23	1,585,000.00	645,525.00	2,230,525.00
09/30/24	1,625,000.00	595,337.50	2,220,337.50
09/30/25	1,690,000.00	537,987.50	2,227,987.50
09/30/26	1,775,000.00	461,437.50	2,236,437.50
09/30/27	1,835,000.00	399,837.50	2,234,837.50
09/30/28	1,910,000.00	336,137.50	2,246,137.50
09/30/29	1,070,000.00	269,737.50	1,339,737.50
09/30/30	1,100,000.00	237,637.50	1,337,637.50
09/30/31	1,135,000.00	203,262.50	1,338,262.50
09/30/32	1,170,000.00	166,375.00	1,336,375.00
09/30/33	1,210,000.00	128,350.00	1,338,350.00
09/30/34	1,250,000.00	87,512.50	1,337,512.50
09/30/35	1,295,000.00	45,325.00	1,340,325.00
-----	23,330,000.00	7,146,982.50	30,476,982.50

COMPUTED ON BASIS OF MANDATORY REDEMPTION

**Debt Amortization Rates**

Period Ending	Principal	% of Principal Retired
09/30/2019	1,015,000.00	04.35%
09/30/2020	1,065,000.00	08.92%
09/30/2021	1,090,000.00	13.59%
09/30/2022	1,510,000.00	20.06%
09/30/2023	1,585,000.00	26.85%
09/30/2024	1,625,000.00	33.82%

09/30/2025	1,690,000.00	41.06%
09/30/2026	1,775,000.00	48.67%
09/30/2027	1,835,000.00	56.54%
09/30/2028	1,910,000.00	64.72%
09/30/2029	1,070,000.00	69.31%
09/30/2030	1,100,000.00	74.02%
09/30/2031	1,135,000.00	78.89%
09/30/2032	1,170,000.00	83.90%
09/30/2033	1,210,000.00	89.09%
09/30/2034	1,250,000.00	94.45%
09/30/2035	1,295,000.00	100.00%

**DEBT SERVICE FUND MANAGEMENT INDEX**

G.O. Debt Service Requirements for fiscal year-ending 09/30/2019	\$1,822,545
I&S Fds all G.O. issues 09/30/2018	\$240,674
2018 I&S Fund Tax Levy @ 90%*	649,524
Water Works	610,868
Economic Development	48,044
Drainage	77,851
Sewer	58,174
Hotel	24,977

\* Debt service will be met with transfers from various funds.

**OPERATING STATEMENT**

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, debt service payments and expenditures identified as capital.

**DRAINAGE FEE**

	Fiscal Year Ended			
	09-30-2018	09-30-2017	09-30-2016	09-30-2015
Revenues	\$192,718	\$188,288	\$172,150	\$142,886
Expenditures	\$33,411	\$6,548	\$6,393	\$20,342
Available For Debt Service	\$159,307	\$181,740	\$165,757	\$122,544

**ECONOMIC DEVELOPMENT**

	Fiscal Year Ended			
	09-30-2018	09-30-2017	09-30-2016	09-30-2015
Revenues:				
Sales Tax	\$825,465	\$774,847	\$739,033	\$739,528
Other	44,684	32,609	30,297	299,236
Total Revenues	\$870,149	\$807,456	\$769,330	\$1,038,764
Expenditures	\$650,905	\$364,236	\$533,857	\$536,520
Available For Debt Service	\$219,244	\$443,220	\$235,473	\$502,244

**HOTEL/MOTEL TAX**

	Fiscal Year Ended			
	09-30-2018	09-30-2017	09-30-2016	09-30-2015
Revenue	\$82,323	\$88,359	\$92,124	\$100,589
Expenditures	\$42,180	\$48,202	\$50,542	\$60,555
Available For Debt Service	\$40,143	\$40,157	\$41,582	\$40,034

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AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

Required Contribution Rates (Percentage of gross covered salary)

Table with 3 columns: Employee, 2019, 2018. Rows for Employee and City rates.

Table with 3 columns: Actuarial Valuation as of, 12/31/2017, 12/31/2016. Rows for Assets and Accrued Liabilities.

(Unfunded)/Overfunded Liab. (\$4,589,119) (\$4,787,459)

Table with 3 columns: Funded Ratio, 85.75%, 84.31%. Rows for Annual Covered Payroll and (Unfunded)/Overfunded Liability as a % of Covered Payroll.

Table with 3 columns: Pension Liability - Beginning, \$30,506,229, \$28,655,653. Rows for Pension Liability - Beginning and Pension Liability - Ending (a).

Table with 3 columns: Contributions Employer, \$779,767, \$708,591. Rows for Contributions Employer and Contributions Employee.

Table with 3 columns: Plan Fiduciary Net Position Beg, \$25,232,705, \$23,682,371. Rows for Plan Fiduciary Net Position Beg and Plan Fiduciary Net Position End (b).

Table with 3 columns: Net Pension Liability (a) - (b), \$3,416,076, \$5,273,524. Row for Net Pension Liability (a) - (b) (Pension Liab - Fiduciary Position).

Table with 3 columns: Plan Fiduciary Net Position as a % of Total Pension Liability, 89.39%, 82.71%.

Table with 3 columns: Covered Employee Payroll, 5,970,653, 5,937,749.

Table with 3 columns: Net Pension Liability as a % of Covered Payroll, 57.21%, 88.81%.

Table with 3 columns: Membership Data. Rows for Inactive employees or beneficiaries currently receiving benefits, Inactive employees entitled to but not yet receiving benefits, Active employees, and Total.

Source: Texas Municipal Retirement System.

OTHER POSTEMPLOYMENT BENEFIT (OPEB)

SUPPLEMENTAL DEATH BENEFIT PLAN The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary; retired employees are insured for \$7,500; this coverage is an "other postemployment benefit."

Measurement Year 2018

Table with 2 columns: Description, Amount. Rows for Net change in total OPEB liability, Total OPEB liability - Beg., Total OPEB liability - Ending, Covered employee payroll, Total OPEB liability as a %age of covered employee payroll.

Source: City of Lockhart 09/30/2018 Audit.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2018)

The City reports additional debt in the principal amount of \$185,195 under Eco Dev Corp, \$3,850,296 under Govt Activities and \$89,324 under Sanitation Fund as follows:

Table with 4 columns: Description, Amount Outstanding, Next Year's Requirements, Reported Under. Rows for Compensated Absences Note, Compensated Absences, Pension Liability\* OPEB\*.

\* See PENSION FUND LIABILITY section for details of this obligation.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Table with 5 columns: Taxing Body, Debt Amount, As Of, %Ovlp, Ovlp Amt. Rows for Caldwell Co, Lockhart ISD, Total Overlapping Debt, Lockhart, City of, Total Direct and Overlapping Debt, Total Direct and Overlapping Debt % of A.V., Total Direct and Overlapping Debt per Capita.

MATERIAL EVENTS AND OTHER FILINGS

This section contains excerpt(s) from or a summary of filings made by or on behalf of the issuer. The information below is an extract or summary only. The complete filing should be viewed on the Texas MAC website (www.mactexas.com) or the Electronic Municipal Market Access (EMMA) System of the Municipal Securities Rulemaking Board (https://emma.msrb.org/). See TMR disclaimer at the bottom of this page.

03/04/2016 - Standard & Poor's Underlying: Upgrade on 03/03/2016

"Standard & Poor's Rating Services raised its long-term rating on Lockhart, Texas' general obligation bonds to "AA-" from "A+". The outlook is stable. The upgrade reflects our opinion of the city's improving economic profile coupled with maintenance of very strong reserve levels."

05/20/2014 - S&P Underlying Rating Upgrade

"Standard & Poor's Rating Services raised its long-term rating and underlying rating on Lockhart, Texas general obligation debt one notch to "A+" from "A".

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The outlook is stable. The stable outlook reflects S&P's opinion that Lockhart will likely maintain very strong reserves while it has access to liquidity."

ECONOMIC BACKGROUND

The City of Lockhart is the county seat of Caldwell County and is located 30 miles south of Austin on U.S. Highway 183. The 2010 population was 12,698, increasing 9.32% since 2000. In recent years, the City has become increasingly industrial and commercially oriented with principal manufacturers producing special scientific laboratory equipment, clothing, and livestock and poultry feeds.

COUNTY CHARACTERISTICS: Caldwell County is a south central Texas county created and organized in 1848 from Bastrop and Gonzales Counties. The county is bordered by the San Marcos River and traversed by Interstate Highway 10, U.S. Highway 183, and State Highways 21, 80 and 304.

COUNTY SEAT: Lockhart

2010 census: 38,066 increasing 18.2% since 2000
2000 census: 32,194 increasing 22.0% since 1990
1990 census: 26,392

ECONOMIC BASE

Mineral: sand, oil, gravel and gas.

Industry: petroleum, manufacturing and government.

Agricultural: hay, eggs, broilers and beef cattle.

OIL AND GAS - 2018

The oil production for this county accounts for 0.10% of the total state production. The county ranks 59 out of all the counties in Texas for oil production.

OIL PRODUCTION (Texas Railroad Commission)

Table with 4 columns: Year, Description, Volume, % Change From Previous Year. Rows for 2015-2018 Oil production.

CASINGHEAD (Texas Railroad Commission)

Table with 4 columns: Year, Description, Volume, % Change From Previous Year. Rows for 2015-2018 Casinghead production.

GAS WELL PRODUCTION (Texas Railroad Commission)

Table with 4 columns: Year, Description, Volume, % Change From Previous Year. Rows for 2015-2018 Gas Well production.

PARKS (Texas Parks & Wildlife)

Table with 3 columns: Year, Description, Volume. Rows for 2015-2018 Lockhart State Park visitors.

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Table with 5 columns: Year, Retail Sales, Effective Buying Income (EBI), County Median Household Income. Rows for 2018, 2017, 2016.

Table with 4 columns: Metric, 2018, 2017, 2016. Rows for State Median Household Income, % of Households with EBI below \$25K, % of Households with EBI above \$25K.

EMPLOYMENT DATA (Texas Workforce Commission)

Table with 7 columns: Year, Employed, Earnings. Rows for 2018, 2017, 2016. Sub-rows for 1st Q, 2nd Q, 3rd Q, 4th Q.

TOP TAXPAYERS

Table with 3 columns: Principal Taxpayers, 2018 A.V., % of A.V. Lists top 9 taxpayers including Wal-Mart, Economy Realty, LCRA, etc.

FINANCE CONNECTED OFFICIALS

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Chief Appraiser  
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Caldwell County Appraisal District  
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shannar@caldwellcad.org

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FINANCIAL STATEMENT

FOR OTHER BONDS FOR THIS ISSUER, SEE SEPARATE MUNICIPAL REPORTS

FINANCIAL STATEMENT (As of August 31, 2019)

Table with 2 columns: Description and Amount. Includes Special Obligation Debt Senior Lien (\$3,680,000) and Special Fund Balances I&S (\$184,401).

DETAILS OF OUTSTANDING DEBT

Details of Senior Lien Debt (Outstanding 8/31/2019)

Treated Water Delivery Sys Contract Rev Ref Bds Ser 2014

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount: \$4,950,000.00
Dated Date: 01/15/2014
Sale Date: 01/15/2014
Delivery Date: 02/26/2014
Sale Type: Private Placement
Record Date: MSRB
Bond Form: FR
Denomination: \$4,950,000
Interest pays: Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2014

Paying Agent: Regions Bank, Birmingham, AL
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Purchaser: Regions Capital Advantage, Inc.

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
(Guadalupe-Blanco River Auth (Luling Water Treatment Plant Division) - Treated Water Delivery System Contract Rev Bds Ser 2004 (City of Lockhart))

Table with 4 columns: Refunded Amount, Mat Date, Sched Call, Price. Lists various bond refunding amounts and dates.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond maturity details and total amount of \$3,680,000.00.

Call Option: Bonds maturing on 02/15/2025 to 02/15/2030 callable in whole or in part on any date beginning 02/15/2024 @ par.

Grand Total =====> \$3,680,000.00

Bond Debt Service

Table with 4 columns: Period Ending, Principal, Interest, Debt Service. Shows bond debt service schedule from 08/31/20 to 08/31/30.

Debt Amortization Rates

Table with 3 columns: Period Ending, Principal, % of Principal Retired. Shows debt amortization rates from 08/31/2020 to 08/31/2030.

PERTINENT PROVISIONS

PERTINENT PROVISIONS OF LOCKHART TREATED WATER DELIVERY SYSTEM REVENUE CONTRACT BOND INDENTURE

Nature of Pledge: The bonds are special obligations of the Guadalupe-Blanco River Authority (GBRA) secured by and payable solely from an irrevocable first lien on and pledge of the Net Revenues derived by GBRA from the City of Lockhart, Texas pursuant to a Water Supply Agreement between Guadalupe-Blanco River Authority, City of Lockhart, Texas and City of Luling, Texas (Agreement) dated December 11, 2002, as amended effective September 23, 2013.

The GBRA, Lockhart, and Luling executed the Agreement with respect to the financing, design, permitting, construction, operation, and maintenance of facilities that will enable GBRA to pump treated water from the Luling Water Treatment Plant to Lockhart's ground storage reservoir (Treated Water Delivery System). GBRA will supply water under the Agreement at the diversion rate specified by Lockhart from time to time; provided, however, GBRA shall not be obligated to provide instantaneous deliveries to Lockhart at the Delivery Point at any time at a total rate in excess of 694 gallons per minute. GBRA has agreed to use reasonable diligence to deliver to Lockhart up to 365.0 million gallons of water per year (one million gpd) for a period of 25 years. The Treated Water Delivery System began operation in 2005.

Payments made by the City under the Agreement are derived from the City's combined Utility System (consisting of its electric, water and sewer systems) and, pursuant to the provisions of Section 791.026(c), Texas Government Code, as amended, are considered to be an operation and maintenance expenditure of its water and sewer system (which is payable prior to the payment of any debt obligations secured with revenues of the City's Utility System).

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INTEREST AND SINKING FUND: Immediately after the delivery of any series of Parity Obligations, all moneys representing accrued interest, and all capitalized interest shall be deposited into the interest and Sinking Fund. In addition, there shall be Net Revenues transferred from the Revenue Fund and deposited into the Interest and Sinking Fund the following:

(a) On or before the 25th day of each month, commencing with the month immediately following the issuance of any series of Bonds, there shall be deposited into the I&S Fund in equal installments an amount as will be sufficient to pay the interest scheduled to come due on all outstanding Bonds on the next interest payment date.

(b) On or before the 25th day of each month, commencing with the twelfth (12th) month preceding the first principal payment date for a series of Bonds, or commencing with the month immediately following the issuance of any series of Bonds if delivery of such series of Bonds is made less than twelve months preceding the first principal payment date for such series of Bonds, there shall be deposited into the I&S Fund in equal installments an amount as will be sufficient to pay the principal scheduled to come due on all outstanding Bonds on the next principal payment date.

(c) On or before any optional redemption date set by GBRA for any Parity Obligations, there shall be deposited into the Interest and Sinking Fund an amount as will be sufficient to pay the principal of, premium, if any, and interest on the Parity Obligations scheduled to be redeemed on such optional redemption date.

RESERVE FUND: No account is being established in the Reserve Fund for the benefit of the Holders of the Series 2014 Bonds.

ADDITIONAL BONDS: The Authority shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue bonds, notes or other obligations, in accordance with law, in any amounts, for the purpose of constructing extensions and improvements to, and acquiring equipment for the treated water delivery system, or for the purpose of refunding any parity obligations and/or the interest thereon. Such additional bonds, if and when authorized, issued, and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with parity obligations, from a first lien on and pledge of the net revenues.

RATE COVENANT: The Authority agrees to fix, revise, maintain, charge and collect for services rendered by the Treated Water Delivery System (including to the City of Lockhart pursuant to the Agreement) rates and charges which will produce Gross Revenues of the Treated Water Delivery System at least sufficient (i) to pay all operation and maintenance expenses (together with revenues received from other users of the Treated Water Delivery System), (ii) to produce net revenues sufficient to pay the debt service requirements on the parity obligations plus coverage factor equal to or greater than 10% of such debt service payment, and (iii) to make all deposits now or hereafter required to be made into the funds created, established, or maintained by the Resolution. If the Treated Water Delivery System should become legally liable for any other obligations or indebtedness, the Authority shall fix, maintain, charge and collect additional rates and charges for services rendered by the Treated Water Delivery System sufficient to establish and maintain funds for the payment thereof.

OPERATING STATEMENT

GBRA LULING WATER TREATMENT PLANT DIVISION 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.

Table with 5 columns: Revenues, 08-31-2019, 08-31-2018, 08-31-2017, 08-31-2016. Rows include Water Sales, Other, and totals.

Table with 5 columns: Category, 2019, 2018, 2017, 2016. Rows include Total Revenues, Expenses, Available For Debt Service, Senior Lien Annual Reqmts, and Coverage.

MATERIAL EVENTS AND OTHER FILINGS

This section contains excerpt(s) from or a summary of filings made by or on behalf of the issuer. The information below is an extract or summary only. The complete filing should be viewed on the Texas MAC website (www.mactexas.com) or the Electronic Municipal Market Access (EMMA) System of the Municipal Securities Rulemaking Board (https://emma.msrb.org/). See TMR disclaimer at the bottom of this page.

08/31/2018 - Comprehensive Annual Financial Report

HURRICANE HARVEY UPDATE: "From an operational perspective, in many respects Fiscal Year 2018 was reasonably routine in serving customers and stakeholders with high quality services. However, the remnants of Hurricane Harvey, which reached the Texas coastline days before the start of Fiscal Year 2018, affected the Port Lavaca and Coletto Creek operations as wind and storm damage was sustained. Operations were restored as quickly as possible. GBRA is continuing to provide documentation and other information to finalize related insurance claims."

ECONOMIC BACKGROUND

GUADALUPE-BLANCO RIVER AUTHORITY The Authority is comprised of a ten county area including Kendall, Comal, Hays, Guadalupe, Caldwell, Gonzales, DeWitt, Victoria, Calhoun, and Refugio Counties.

Created in 1935 by an Act of the Legislature, the GBRA is a political subdivision of the State of Texas charged with the responsibility for the development and protection of the surface water resources of the Guadalupe River and its tributaries.

The Authority is governed by a board of nine directors appointed by the Governor of the State for overlapping six year terms.

The Master Plan of Development, prepared in 1942 and revised in 1961, envisions extensive development of the watershed. Canyon Reservoir on the Guadalupe River has 386,210 acre feet of conservation storage and Coletto Creek Reservoir on Coletto Creek has 35,084 acre feet of storage.

To meet its responsibilities, the Authority has grown to include the following Divisions:

- The General Division
The Hydroelectric Division
Guadalupe Valley Hydroelectric Division
Canyon Hydroelectric Division
Water Treatment Division
Lockhart Water Treatment Plant Division
Luling Water Treatment Plant Division
San Marcos Water Treatment Plant Division
Port Lavaca Water Treatment Plant Division
Calhoun County Rural Water Supply System
Western Canyon Water T.P.
Wastewater Treatment
Rural Utilities Division
Buda Wastewater Treatment Plant
Crestview Wastewater Treatment Plant
Lockhart Wastewater Reclamation Disposal Division
Water Resource Management
Water Resource Division

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Coleto Creek Division

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**TAB E**  
**RATING REPORT**

# RatingsDirect®

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## Summary:

# Lockhart, Texas; General Obligation

### Primary Credit Analyst:

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### Secondary Contact:

Alexander P Rawlings, Dallas (1) 214-765-5862; alexander.rawlings@standardandpoors.com

## Table Of Contents

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Rationale

Outlook

Related Criteria And Research

## Summary:

# Lockhart, Texas; General Obligation

Credit Profile		
US\$6.44 mil GO rfdg bnds ser 2016		
<i>Long Term Rating</i>	AA-/Stable	New
Lockhart GO (ASSURED GTY)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded
Lockhart GO (BAM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

## Rationale

Standard & Poor's Ratings Services raised its long-term rating on Lockhart, Texas' general obligation (GO) bonds to 'AA-' from 'A+'. The outlook is stable.

The upgrade reflects our opinion of the city's improving economic profile coupled with maintenance of very strong reserve levels.

At the same time, Standard & Poor's assigned its 'AA-' rating to the city's series 2016 GO refunding bonds. The outlook is stable.

The 2016 bonds constitute direct obligations of the city, payable from a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within Lockhart. The maximum allowable rate in Texas is \$2.50 per \$100 of assessed value for all purposes, with the portion dedicated to debt service limited to \$1.50. The city's levy is well below the maximum, at 73 cents, 13.6 cents of which is dedicated to debt service. Given that Lockhart is well below its maximum taxing authority, we rate the bonds based on the city's general obligation. We understand that proceeds from the sale of the bonds will be used to refund a portion of Lockhart's debt outstanding for debt service savings.

In addition, we rate Lockhart's existing GO debt that is secured by the levy and collection of the city's direct and continuing ad valorem tax, and a limited pledge of surplus revenues of the city's water and wastewater system. We rate these certificates based on the strength of Lockhart's general obligation.

The rating reflects our opinion of the city's:

- Weak economy, with market value per capita of \$36,788 and projected per capita effective buying income at 72.3%, but that is benefitting from access to a broad and diverse metropolitan statistical area (MSA);
- Adequate management, with "standard" financial policies and practices under our financial management assessment (FMA) methodology;
- Strong budgetary performance, with an operating surplus in the general fund but a slight operating deficit at the

total governmental fund level in fiscal 2015;

- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 34% of operating expenditures;
- Very strong liquidity, with total government available cash at 146.1% total governmental fund expenditures and 14.2x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability position, with debt service carrying charges at 10.3% of expenditures and net direct debt that is 81.5% of total governmental fund revenue; and
- Strong institutional framework score.

### **Weak economy**

We consider Lockhart's economy weak. The city, with an estimated population of 13,785, is located in Caldwell County in the Austin-Round Rock, Texas MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 72.3% of the national level and per capita market value of \$36,788. Overall, the city's market value grew by 3.0% over the past year to \$507.1 million in 2016. The county unemployment rate was 5.1% in 2014.

Lockhart serves as Caldwell County's seat and is 30 miles south of Austin. Many residents are employed in the nearby Austin area whose employment base includes such sectors as information technology, state government, and higher education. City officials report that residential growth is booming, particularly due to the addition of Texas State Highway 130, which runs through the city, providing residents more direct access throughout the MSA and to surrounding areas.

### **Adequate management**

We view the city's management as adequate, with "standard" financial policies and practices under our FMA methodology, indicating the finance department maintains adequate policies in some but not all key areas.

In terms of revenue and expenditure assumptions, management prepares its budgets based on a trend analysis. Officials monitor the budget regularly and can make amendments as needed, but only provide the governing body semi-annual budget-to-actual reports. In addition, management adheres to state investment guidelines and provides quarterly performance and holding reports to city council. There is an informal reserve policy to maintain at least 25% of operating expenditures in its general fund for cash flow purposes. Management lacks policies in some key areas, including long-term financial planning, long-term capital planning, and debt management policy.

### **Strong budgetary performance**

Lockhart's budgetary performance is strong in our opinion. The city had surplus operating results in the general fund of 3.5% of expenditures, but a slight deficit result across all governmental funds of 1.0% in fiscal 2015, based on a draft audit. General fund operating results of the city have been stable over the last three years, with a result of 4.8% in 2014 and a result of 3.2% in 2013.

We recognize Lockhart has supported the general fund through yearly transfers from utilities; these transfers have provided the general fund with operational surpluses. In our calculations we have included these recurring transfers as revenues. The fiscal 2016 budget is balanced, and city officials report that revenues are performing ahead of budget for the year so far, as demonstrated by sales tax growth. As a result, we anticipate that Lockhart will continue to demonstrate strong budgetary performance. The city's general fund revenue sources are stable. Including routine transfers into the general fund from the proprietary funds, property taxes make up about 31% of general fund revenues

followed by the utility funds at 24%, and sales tax trailing with 18%. In recent years, as a result of the growing economy, we believe management has reduced its reliance on routine transfers to support general operations.

### **Very strong budgetary flexibility**

Lockhart's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 34% of operating expenditures, or \$3.2 million.

The city has posted general fund surpluses for three consecutive years, which has resulted in Lockhart being able to maintain reserves ranging from 25%-34% of general expenditures. Management indicated that it has no plans at present to reduce reserve levels over the next two years. Therefore, we believe it is likely that Lockhart's budgetary flexibility will remain very strong, and in line with management's informal goal to maintain available general fund reserve levels above 25% of expenditures.

### **Very strong liquidity**

In our opinion, Lockhart's liquidity is very strong, with total government available cash at 146.1% of total governmental fund expenditures and 14.2x governmental debt service in 2015. In our view, the city has strong access to external liquidity if necessary.

We base our view of this access to external liquidity on Lockhart's access to the market over the past decade. The city has primarily issued GO-backed bonds over the past 10 years. Lockhart has historically had what we consider to be very strong cash balances and, therefore, we do not believe its cash position will worsen over the next two years especially given that there are no significant plans to reduce reserve levels. Currently, the majority of the city's investments are in state investment pools, which we do not consider to be aggressive.

### **Weak debt and contingent liability profile**

In our view, Lockhart's debt and contingent liability profile is weak. Total governmental fund debt service is 10.3% of total governmental fund expenditures, and net direct debt is 81.5% of total governmental fund revenue.

Debt supported through the city's enterprise fund has been adjusted in our calculations. About 50% of the debt will be retired within the next two years; overall net debt is 6.7% of market value. We understand that there are no additional plans to issue additional debt within the next two years.

Lockhart's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 6.1% of total governmental fund expenditures in 2015. The city made its full annual required pension contribution in 2015.

The city participates in the Texas Municipal Retirement System (TMRS), which is administered by the State of Texas. The city's required pension contribution is its actuarially determined contribution, which is calculated at the state level, based on an actuary study. Using updated reporting standards in accordance with Governmental Accounting Standards Board Statement No. 68, the city's net pension liability was \$2.8 million at Sept. 30, 2015. The TMRS plan maintained a funded level of 89.5%, using the plan's fiduciary net position as a percent of the total pension liability. For additional details on GASB 67 and 68, see our report "Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria," published Sept. 2, 2015, on RatingsDirect.

### **Strong institutional framework**

The institutional framework score for Texas municipalities is strong.

### **Outlook**

The stable outlook reflects our opinion that we will not change the rating over the two-year outlook horizon. The outlook further reflects our view that Lockhart will maintain its very strong budgetary flexibility in accordance with its informal reserve policy, and that the city will continue to receive support for general fund operations from its enterprise funds. In addition, the outlook reflects our opinion that, while the low market value reflects a limited tax base, the economy will continue to grow over the next two years given Lockhart's proximity to the Austin MSA.

### **Upside scenario**

A higher rating is possible if economic indicators, including both wealth and income, were to significantly improve to levels we considered more comparable to similarly rated peers, and the city's debt profile were to moderate.

### **Downside scenario**

We could lower the rating if Lockhart's budgetary flexibility and budgetary performance were to weaken.

## **Related Criteria And Research**

### **Related Criteria**

- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: Limited-Tax GO Debt, Jan. 10, 2002
- USPF Criteria: Methodology: Rating Approach To Obligations With Multiple Revenue Streams, Nov. 29, 2011

### **Related Research**

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- Institutional Framework Overview: Texas Local Governments

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 Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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