

SOURCES AND USES OF FUNDS

League City, Texas  
General Obligation Refunding Bonds, Series 2016A  
FSC Desk 'AA' Rated, Non-BQ Scale  
As of 7.18.2016

\*\*\*Preliminary; For Discussion Purposes Only\*\*\*

Dated Date 10/18/2016  
Delivery Date 10/18/2016

Sources:

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Bond Proceeds:	
Par Amount	13,655,000.00
Net Premium	<u>1,323,574.85</u>
	14,978,574.85
Other Sources of Funds:	
Debt Service Fund Transfer	20,005.28
Debt Service Reserve Fund Transfer	<u>895,661.84</u>
	915,667.12
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	15,894,241.97

Uses:

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Refunding Escrow Deposits:	
Cash Deposit	849,418.75
SLGS Purchases	<u>14,852,773.00</u>
	15,702,191.75
Delivery Date Expenses:	
Cost of Issuance	95,585.00
Underwriter's Discount	<u>95,585.00</u>
	191,170.00
Other Uses of Funds:	
Rounding Amount	880.22
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	15,894,241.97

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SUMMARY OF REFUNDING RESULTS

League City, Texas  
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Dated Date	10/18/2016
Delivery Date	10/18/2016
Arbitrage yield	2.281063%
Escrow yield	0.747738%
Value of Negative Arbitrage	451,779.00
Bond Par Amount	13,655,000.00
True Interest Cost	2.725720%
Net Interest Cost	2.884470%
All-In TIC	2.797528%
Average Coupon	3.684397%
Average Life	11.242
Weighted Average Maturity	11.273
Par amount of refunded bonds	14,460,000.00
Average coupon of refunded bonds	4.849878%
Average life of refunded bonds	11.374
Remaining weighted average maturity of refunded bonds	11.332
PV of prior debt to 10/18/2016 @ 2.797528%	17,312,722.84
Net PV Savings	1,609,650.87
Percentage savings of refunded bonds	11.131749%

SAVINGS

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General Obligation Refunding Bonds, Series 2016A  
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Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 10/18/2016 @ 2.7975277%
09/30/2017	935,550.00	20,005.28	915,544.72	745,160.63	170,384.09	163,529.43
09/30/2018	2,336,150.00		2,336,150.00	2,131,975.00	204,175.00	191,784.48
09/30/2019	881,350.00		881,350.00	677,725.00	203,625.00	185,830.17
09/30/2020	2,653,500.00		2,653,500.00	2,451,850.00	201,650.00	182,933.08
09/30/2021	492,450.00		492,450.00	345,475.00	146,975.00	129,436.00
09/30/2022	492,450.00		492,450.00	345,475.00	146,975.00	125,889.58
09/30/2023	492,450.00		492,450.00	345,475.00	146,975.00	122,440.32
09/30/2024	492,450.00		492,450.00	345,475.00	146,975.00	119,085.57
09/30/2025	492,450.00		492,450.00	345,475.00	146,975.00	115,822.73
09/30/2026	492,450.00		492,450.00	345,475.00	146,975.00	112,649.30
09/30/2027	492,450.00		492,450.00	345,475.00	146,975.00	109,562.81
09/30/2028	1,020,975.00		1,020,975.00	820,775.00	200,200.00	145,436.36
09/30/2029	997,687.50		997,687.50	796,475.00	201,212.50	142,192.15
09/30/2030	974,062.50		974,062.50	772,375.00	201,687.50	138,646.28
09/30/2031	2,391,750.00		2,391,750.00	2,189,075.00	202,675.00	135,619.20
09/30/2032	2,349,250.00		2,349,250.00	2,145,775.00	203,475.00	132,538.63
09/30/2033	2,303,750.00		2,303,750.00	2,101,075.00	202,675.00	128,515.46
09/30/2034	2,260,125.00		2,260,125.00	2,060,437.50	199,687.50	123,401.15
	22,551,300.00	20,005.28	22,531,294.72	19,311,023.13	3,220,271.59	2,505,312.71

Savings Summary

Dated Date	10/18/2016
Delivery Date	10/18/2016
PV of savings from cash flow	2,505,312.71
Less: Prior funds on hand	-895,661.84
Net PV Savings	<u>1,609,650.87</u>

BOND SUMMARY STATISTICS

League City, Texas  
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Dated Date	10/18/2016
Delivery Date	10/18/2016
First Coupon	02/15/2017
Last Maturity	02/15/2034
Arbitrage Yield	2.281063%
True Interest Cost (TIC)	2.725720%
Net Interest Cost (NIC)	2.884470%
All-In TIC	2.797528%
Average Coupon	3.684397%
Average Life (years)	11.242
Duration of Issue (years)	9.110
Par Amount	13,655,000.00
Bond Proceeds	14,978,574.85
Total Interest	5,656,023.13
Net Interest	4,428,033.28
Total Debt Service	19,311,023.13
Maximum Annual Debt Service	2,451,850.00
Average Annual Debt Service	1,114,633.37
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	108.992969

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	13,655,000.00	109.693	3.684%	11.242	10,423.90
	13,655,000.00			11.242	10,423.90

	TIC	All-In TIC	Arbitrage Yield
Par Value	13,655,000.00	13,655,000.00	13,655,000.00
+ Accrued Interest			
+ Premium (Discount)	1,323,574.85	1,323,574.85	1,323,574.85
- Underwriter's Discount	-95,585.00	-95,585.00	
- Cost of Issuance Expense		-95,585.00	
- Other Amounts			
Target Value	14,882,989.85	14,787,404.85	14,978,574.85
Target Date	10/18/2016	10/18/2016	10/18/2016
Yield	2.725720%	2.797528%	2.281063%

SUMMARY OF BONDS REFUNDED

League City, Texas  
General Obligation Refunding Bonds, Series 2016A  
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\*\*\*Preliminary; For Discussion Purposes Only\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Waterworks and Sewer System Combined Utility tax & Revenue Refunding Bonds, Series 2006 (So Shore), 2006SO:					
BOND	09/01/2017	4.000%	270,000.00	10/18/2016	100.000
	09/01/2018	4.000%	280,000.00	10/18/2016	100.000
	09/01/2019	4.000%	<u>295,000.00</u>	10/18/2016	100.000
			845,000.00		
Waterworks & Sewer System Revenue Bonds, Series 2008, 2008W:					
BOND	02/15/2018	4.000%	1,430,000.00	02/15/2017	100.000
Combination Tax & Revenue Certificates of Obligation, Series 2009, 2009:					
BOND	02/15/2020	3.500%	540,000.00	02/15/2019	100.000
	02/15/2028	4.250%	540,000.00	02/15/2019	100.000
	02/15/2029	4.375%	540,000.00	02/15/2019	100.000
	02/15/2030	4.375%	<u>540,000.00</u>	02/15/2019	100.000
			2,160,000.00		
Waterworks & Sewer System Revenue Bonds, Series 2009, 2009WS:					
BOND	02/15/2020	4.000%	1,580,000.00	02/15/2019	100.000
	02/15/2031	5.000%	2,020,000.00	02/15/2019	100.000
TERM34	02/15/2032	5.000%	2,080,000.00	02/15/2019	100.000
	02/15/2033	5.000%	2,140,000.00	02/15/2019	100.000
	02/15/2034	5.000%	<u>2,205,000.00</u>	02/15/2019	100.000
			10,025,000.00		
			14,460,000.00		

**BOND PRICING**

League City, Texas  
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Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	02/15/2017	325,000	2.000%	0.660%	100.433				1,407.25
	02/15/2018	1,650,000	3.000%	0.750%	102.960				48,840.00
	02/15/2019	225,000	4.000%	0.840%	107.259				16,332.75
	02/15/2020	2,055,000	5.000%	0.960%	113.188				271,013.40
	02/15/2028	485,000	4.000%	2.040%	116.564 C	2.327%	02/15/2026	100.000	80,335.40
	02/15/2029	480,000	4.000%	2.190%	115.189 C	2.555%	02/15/2026	100.000	72,907.20
	02/15/2030	475,000	4.000%	2.260%	114.553 C	2.693%	02/15/2026	100.000	69,126.75
	02/15/2031	1,940,000	4.000%	2.310%	114.102 C	2.798%	02/15/2026	100.000	273,578.80
	02/15/2032	1,975,000	4.000%	2.360%	113.652 C	2.891%	02/15/2026	100.000	269,627.00
	02/15/2033	2,010,000	4.000%	2.410%	113.205 C	2.973%	02/15/2026	100.000	265,420.50
	02/15/2034	2,035,000	2.500%	2.660%	97.788				-45,014.20
		13,655,000							1,323,574.85

Dated Date	10/18/2016	
Delivery Date	10/18/2016	
First Coupon	02/15/2017	
Par Amount	13,655,000.00	
Premium	1,323,574.85	
Production	14,978,574.85	109.692969%
Underwriter's Discount	-95,585.00	-0.700000%
Purchase Price	14,882,989.85	108.992969%
Accrued Interest		
Net Proceeds	14,882,989.85	

**BOND DEBT SERVICE**

League City, Texas  
General Obligation Refunding Bonds, Series 2016A  
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As of 7.18.2016  
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Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2017	325,000	2.000%	166,798.13	491,798.13	
08/15/2017			253,362.50	253,362.50	
09/30/2017					745,160.63
02/15/2018	1,650,000	3.000%	253,362.50	1,903,362.50	
08/15/2018			228,612.50	228,612.50	
09/30/2018					2,131,975.00
02/15/2019	225,000	4.000%	228,612.50	453,612.50	
08/15/2019			224,112.50	224,112.50	
09/30/2019					677,725.00
02/15/2020	2,055,000	5.000%	224,112.50	2,279,112.50	
08/15/2020			172,737.50	172,737.50	
09/30/2020					2,451,850.00
02/15/2021			172,737.50	172,737.50	
08/15/2021			172,737.50	172,737.50	
09/30/2021					345,475.00
02/15/2022			172,737.50	172,737.50	
08/15/2022			172,737.50	172,737.50	
09/30/2022					345,475.00
02/15/2023			172,737.50	172,737.50	
08/15/2023			172,737.50	172,737.50	
09/30/2023					345,475.00
02/15/2024			172,737.50	172,737.50	
08/15/2024			172,737.50	172,737.50	
09/30/2024					345,475.00
02/15/2025			172,737.50	172,737.50	
08/15/2025			172,737.50	172,737.50	
09/30/2025					345,475.00
02/15/2026			172,737.50	172,737.50	
08/15/2026			172,737.50	172,737.50	
09/30/2026					345,475.00
02/15/2027			172,737.50	172,737.50	
08/15/2027			172,737.50	172,737.50	
09/30/2027					345,475.00
02/15/2028	485,000	4.000%	172,737.50	657,737.50	
08/15/2028			163,037.50	163,037.50	
09/30/2028					820,775.00
02/15/2029	480,000	4.000%	163,037.50	643,037.50	
08/15/2029			153,437.50	153,437.50	
09/30/2029					796,475.00
02/15/2030	475,000	4.000%	153,437.50	628,437.50	
08/15/2030			143,937.50	143,937.50	
09/30/2030					772,375.00
02/15/2031	1,940,000	4.000%	143,937.50	2,083,937.50	
08/15/2031			105,137.50	105,137.50	
09/30/2031					2,189,075.00
02/15/2032	1,975,000	4.000%	105,137.50	2,080,137.50	
08/15/2032			65,637.50	65,637.50	
09/30/2032					2,145,775.00
02/15/2033	2,010,000	4.000%	65,637.50	2,075,637.50	
08/15/2033			25,437.50	25,437.50	
09/30/2033					2,101,075.00
02/15/2034	2,035,000	2.500%	25,437.50	2,060,437.50	
09/30/2034					2,060,437.50
	13,655,000		5,656,023.13	19,311,023.13	19,311,023.13

ESCROW REQUIREMENTS

League City, Texas  
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Period Ending	Interest	Principal Redeemed	Total
10/18/2016	4,412.78	845,000.00	849,412.78
02/15/2017	315,875.00	1,430,000.00	1,745,875.00
08/15/2017	287,275.00		287,275.00
02/15/2018	287,275.00		287,275.00
08/15/2018	287,275.00		287,275.00
02/15/2019	287,275.00	12,185,000.00	12,472,275.00
	1,469,387.78	14,460,000.00	15,929,387.78