

SOURCES AND USES OF FUNDS

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

*****Preliminary - For Discussion Purposes Only*****

Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Dated Date 07/01/2016
Delivery Date 07/21/2016

Sources:

Bond Proceeds:

Par Amount	6,425,000.00
Accrued Interest	13,783.33
Premium	591,904.60
	7,030,687.93

Other Sources of Funds:

DSF Contribution	125,000.00
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7,155,687.93

Uses:

Refunding Escrow Deposits:

Cash Deposit	1.34
SLGS Purchases	6,871,007.00
	6,871,008.34

Other Fund Deposits:

Accrued Interest	13,783.33
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Delivery Date Expenses:

Cost of Issuance	166,275.00
Underwriter's Discount	64,250.00
Insurance (40 bps)	39,775.20
	270,300.20

Other Uses of Funds:

Additional Proceeds	596.06
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7,155,687.93

SUMMARY OF REFUNDING RESULTS

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

*****Preliminary - For Discussion Purposes Only*****

Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Dated Date	07/01/2016
Delivery Date	07/21/2016
Arbitrage yield	2.682131%
Escrow yield	0.904280%
Value of Negative Arbitrage	249,950.53
Bond Par Amount	6,425,000.00
True Interest Cost	3.243326%
Net Interest Cost	3.357223%
All-In TIC	3.473581%
Average Coupon	3.949455%
Average Life	13.812
Weighted Average Maturity	13.788
Par amount of refunded bonds	6,195,000.00
Average coupon of refunded bonds	5.073171%
Average life of refunded bonds	14.277
Remaining weighted average maturity of refunded bonds	14.278
PV of prior debt to 07/21/2016 @ 3.473581%	7,403,239.95
Net PV Savings	531,635.55
Percentage savings of refunded bonds	8.581688%

SAVINGS

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

*****Preliminary - For Discussion Purposes Only*****

Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Date	Prior Cash Flow	Refunding Cash Flow	Savings	Annual Savings	Present Value to 07/21/2016 @ 3.4735806%
07/21/2016	-125,000.00	-13,783.33	-111,216.67		-111,216.67
09/01/2016	155,998.13	41,350.00	114,648.13		114,210.28
03/01/2017	155,998.13	124,050.00	31,948.13		31,282.80
06/30/2017				35,379.59	
09/01/2017	155,998.13	154,050.00	1,948.13		1,874.99
03/01/2018	155,998.13	123,750.00	32,248.13		30,507.64
06/30/2018				34,196.26	
09/01/2018	155,998.13	153,750.00	2,248.13		2,090.49
03/01/2019	155,998.13	123,450.00	32,548.13		29,749.12
06/30/2019				34,796.26	
09/01/2019	155,998.13	153,450.00	2,548.13		2,289.24
03/01/2020	155,998.13	123,150.00	32,848.13		29,006.99
06/30/2020				35,396.26	
09/01/2020	220,998.13	218,150.00	2,848.13		2,472.14
03/01/2021	154,373.13	122,200.00	32,173.13		27,449.17
06/30/2021				35,021.26	
09/01/2021	224,373.13	222,200.00	2,173.13		1,822.40
03/01/2022	152,623.13	120,700.00	31,923.13		26,313.91
06/30/2022				34,096.26	
09/01/2022	332,623.13	325,700.00	6,923.13		5,609.24
03/01/2023	148,604.38	117,625.00	30,979.38		24,671.55
06/30/2023				37,902.51	
09/01/2023	338,604.38	332,625.00	5,979.38		4,680.60
03/01/2024	144,285.63	114,400.00	29,885.63		22,994.83
06/30/2024				35,865.01	
09/01/2024	344,285.63	339,400.00	4,885.63		3,694.96
03/01/2025	139,600.63	109,900.00	29,700.63		22,078.89
06/30/2025				34,586.26	
09/01/2025	349,600.63	344,900.00	4,700.63		3,434.71
03/01/2026	134,599.38	105,200.00	29,399.38		21,115.13
06/30/2026				34,100.01	
09/01/2026	359,599.38	355,200.00	4,399.38		3,105.77
03/01/2027	129,070.00	100,200.00	28,870.00		20,033.02
06/30/2027				33,269.38	
09/01/2027	549,070.00	540,200.00	8,870.00		6,049.86
03/01/2028	118,578.75	91,400.00	27,178.75		18,221.03
06/30/2028				36,048.75	
09/01/2028	568,578.75	556,400.00	12,178.75		8,025.43
03/01/2029	107,160.00	82,100.00	25,060.00		16,231.87
06/30/2029				37,238.75	
09/01/2029	577,160.00	562,100.00	15,060.00		9,588.14
03/01/2030	95,231.88	72,500.00	22,731.88		14,225.47
06/30/2030				37,791.88	
09/01/2030	590,231.88	572,500.00	17,731.88		10,907.07
03/01/2031	82,615.00	62,500.00	20,115.00		12,161.73
06/30/2031				37,846.88	
09/01/2031	607,615.00	587,500.00	20,115.00		11,954.11
03/01/2032	69,115.00	52,000.00	17,115.00		9,997.61
06/30/2032				37,230.00	
09/01/2032	619,115.00	597,000.00	22,115.00		12,697.79
03/01/2033	54,975.00	41,100.00	13,875.00		7,830.62
06/30/2033				35,990.00	
09/01/2033	639,975.00	616,100.00	23,875.00		13,244.28
03/01/2034	39,930.00	29,600.00	10,330.00		5,632.58
06/30/2034				34,205.00	
09/01/2034	654,930.00	624,600.00	30,330.00		16,255.54
03/01/2035	24,105.00	17,700.00	6,405.00		3,374.19
06/30/2035				36,735.00	
09/01/2035	674,105.00	642,700.00	31,405.00		16,261.92

SAVINGS

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

*****Preliminary - For Discussion Purposes Only*****

Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Date	Prior Cash Flow	Refunding Cash Flow	Savings	Annual Savings	Present Value to 07/21/2016 @ 3.4735806%
03/01/2036	7,375.00	5,200.00	2,175.00		1,107.02
06/30/2036				33,580.00	
09/01/2036	302,375.00	265,200.00	37,175.00		18,598.07
06/30/2037				37,175.00	
	10,678,466.99	9,930,016.67	748,450.32	748,450.32	531,635.55

Savings Summary

Dated Date	07/01/2016
Delivery Date	07/21/2016
PV of savings from cash flow	531,635.55
Net PV Savings	531,635.55

BOND PRICING

GALVESTON COUNTY MUD NO. 46
Unlimited Tax Refunding Bonds, Series 2016
*****Preliminary - For Discussion Purposes Only*****
Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)
As of April 26, 2016

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)
Bond Component:											
	09/01/2017	30,000.00	2.000%	1.100%	100.990						297.00
	09/01/2018	30,000.00	2.000%	1.400%	101.243						372.90
	09/01/2019	30,000.00	2.000%	1.600%	101.208						362.40
	09/01/2020	95,000.00	2.000%	1.500%	101.985						1,885.75
	09/01/2021	100,000.00	3.000%	1.600%	106.843						6,843.00
	09/01/2022	205,000.00	3.000%	1.700%	107.514						15,403.70
	09/01/2023	215,000.00	3.000%	1.800%	107.975						17,146.25
	09/01/2024	225,000.00	4.000%	2.000%	114.904						33,534.00
	09/01/2025	235,000.00	4.000%	2.100%	114.100 C	2.277%	09/01/2024	100.000	09/01/2024	100.000	33,135.00
	09/01/2026	250,000.00	4.000%	2.250%	112.906 C	2.544%	09/01/2024	100.000	09/01/2024	100.000	32,265.00
	09/01/2027	440,000.00	4.000%	2.400%	111.727 C	2.767%	09/01/2024	100.000	09/01/2024	100.000	51,598.80
	09/01/2028	465,000.00	4.000%	2.450%	111.337 C	2.884%	09/01/2024	100.000	09/01/2024	100.000	52,717.05
	09/01/2029	480,000.00	4.000%	2.600%	110.176 C	3.052%	09/01/2024	100.000	09/01/2024	100.000	48,844.80
	09/01/2030	500,000.00	4.000%	2.700%	109.410 C	3.168%	09/01/2024	100.000	09/01/2024	100.000	47,050.00
	09/01/2031	525,000.00	4.000%	2.750%	109.030 C	3.239%	09/01/2024	100.000	09/01/2024	100.000	47,407.50
	09/01/2032	545,000.00	4.000%	2.800%	108.650 C	3.303%	09/01/2024	100.000	09/01/2024	100.000	47,142.50
	09/01/2033	575,000.00	4.000%	2.850%	108.273 C	3.360%	09/01/2024	100.000	09/01/2024	100.000	47,569.75
	09/01/2034	595,000.00	4.000%	2.900%	107.897 C	3.412%	09/01/2024	100.000	09/01/2024	100.000	46,987.15
	09/01/2035	625,000.00	4.000%	3.000%	107.149 C	3.484%	09/01/2024	100.000	09/01/2024	100.000	44,681.25
	09/01/2036	260,000.00	4.000%	3.100%	106.408 C	3.551%	09/01/2024	100.000	09/01/2024	100.000	16,660.80
		6,425,000.00									591,904.60

Dated Date	07/01/2016	
Delivery Date	07/21/2016	
First Coupon	09/01/2016	
Par Amount	6,425,000.00	
Premium	591,904.60	
Production	7,016,904.60	109.212523%
Underwriter's Discount	-64,250.00	-1.000000%
Purchase Price	6,952,654.60	108.212523%
Accrued Interest	13,783.33	
Net Proceeds	6,966,437.93	

SUMMARY OF BONDS REFUNDED

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

Preliminary - For Discussion Purposes Only

Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
UNLIMITED TAX BONDS, SERIES 2010, 2010:					
2021TERM	09/01/2020	5.000%	65,000.00	09/01/2017	100.000
	09/01/2021	5.000%	70,000.00	09/01/2017	100.000
2023TERM	09/01/2022	5.000%	70,000.00	09/01/2017	100.000
	09/01/2023	5.000%	75,000.00	09/01/2017	100.000
2025TERM	09/01/2024	5.150%	80,000.00	09/01/2017	100.000
	09/01/2025	5.150%	85,000.00	09/01/2017	100.000
2027TERM	09/01/2026	5.350%	90,000.00	09/01/2017	100.000
	09/01/2027	5.350%	95,000.00	09/01/2017	100.000
2029TERM	09/01/2028	5.500%	105,000.00	09/01/2017	100.000
	09/01/2029	5.500%	110,000.00	09/01/2017	100.000
2035TERM	09/01/2030	5.600%	115,000.00	09/01/2017	100.000
	09/01/2031	5.600%	125,000.00	09/01/2017	100.000
	09/01/2032	5.600%	130,000.00	09/01/2017	100.000
	09/01/2033	5.600%	140,000.00	09/01/2017	100.000
	09/01/2034	5.600%	150,000.00	09/01/2017	100.000
	09/01/2035	5.600%	160,000.00	09/01/2017	100.000
			1,665,000.00		
Unlimited Tax Bonds, Series 2010A, 2010A:					
SER	09/01/2022	4.125%	110,000.00	09/01/2018	100.000
	09/01/2023	4.250%	115,000.00	09/01/2018	100.000
	09/01/2024	4.375%	120,000.00	09/01/2018	100.000
	09/01/2025	4.500%	125,000.00	09/01/2018	100.000
	09/01/2026	4.625%	135,000.00	09/01/2018	100.000
	09/01/2027	4.750%	140,000.00	09/01/2018	100.000
	09/01/2028	4.875%	150,000.00	09/01/2018	100.000
2030TERM	09/01/2029	4.875%	155,000.00	09/01/2018	100.000
	09/01/2030	4.875%	165,000.00	09/01/2018	100.000
	09/01/2031	5.000%	170,000.00	09/01/2018	100.000
2035TERM	09/01/2032	5.000%	180,000.00	09/01/2018	100.000
	09/01/2033	5.000%	190,000.00	09/01/2018	100.000
	09/01/2034	5.000%	200,000.00	09/01/2018	100.000
	09/01/2035	5.000%	210,000.00	09/01/2018	100.000
			2,165,000.00		
Unlimited Tax Bonds, Series 2011, 2011:					
2036TERM	09/01/2027	5.000%	185,000.00	09/01/2019	100.000
	09/01/2028	5.000%	195,000.00	09/01/2019	100.000
	09/01/2029	5.000%	205,000.00	09/01/2019	100.000
	09/01/2030	5.000%	215,000.00	09/01/2019	100.000
	09/01/2031	5.000%	230,000.00	09/01/2019	100.000
	09/01/2032	5.000%	240,000.00	09/01/2019	100.000
	09/01/2033	5.000%	255,000.00	09/01/2019	100.000
	09/01/2034	5.000%	265,000.00	09/01/2019	100.000
	09/01/2035	5.000%	280,000.00	09/01/2019	100.000
	09/01/2036	5.000%	295,000.00	09/01/2019	100.000
			2,365,000.00		
			6,195,000.00		

COST OF ISSUANCE

**GALVESTON COUNTY MUD NO. 46
Unlimited Tax Refunding Bonds, Series 2016**

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**Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)
As of April 26, 2016**

Cost of Issuance	\$/1000	Amount
Bond Counsel	10.00000	64,250.00
Financial Advisor	10.00000	64,250.00
Moody's Rating Fee	2.10117	13,500.00
Printing Expenses	0.56031	3,600.00
Annual Paying Agent Fee	0.11673	750.00
Redemption Notices	0.23346	1,500.00
Escrow Agent Fee	0.46693	3,000.00
Verification Agent	0.62257	4,000.00
AG Fee	1.00000	6,425.00
Consultant Expense	0.46693	3,000.00
Miscellaneous	0.31128	2,000.00
	25.87938	166,275.00

ESCROW STATISTICS

GALVESTON COUNTY MUD NO. 46

Unlimited Tax Refunding Bonds, Series 2016

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As of April 26, 2016

Escrow	Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
DSF	125,000.00	0.111	1.39	0.176102%	0.176102%	124,654.88	345.11	0.01
BP	6,746,008.34	2.136	1,440.81	0.904280%	0.904279%	6,496,402.81	249,605.42	0.11
	6,871,008.34		1,442.20			6,621,057.69	249,950.53	0.12

Delivery date 07/21/2016
Arbitrage yield 2.682131%

BOND SUMMARY STATISTICS

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Based on FSW NBQ AA Insured (BAM/AG) Scale (Moody's: 'A3' Underlying)

As of April 26, 2016

Dated Date	07/01/2016
Delivery Date	07/21/2016
First Coupon	09/01/2016
Last Maturity	09/01/2036
Arbitrage Yield	2.682131%
True Interest Cost (TIC)	3.243326%
Net Interest Cost (NIC)	3.357223%
All-In TIC	3.473581%
Average Coupon	3.949455%
Average Life (years)	13.812
Duration of Issue (years)	10.764
Par Amount	6,425,000.00
Bond Proceeds	7,030,687.93
Total Interest	3,518,800.00
Net Interest	2,991,145.40
Bond Years from Dated Date	89,095,833.33
Bond Years from Delivery Date	88,738,888.89
Total Debt Service	9,943,800.00
Maximum Annual Debt Service	647,900.00
Average Annual Debt Service	493,757.73
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	108.212523

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Bond Component	6,425,000.00	109.213	3.949%	13.812	05/13/2030	4,748.90
	6,425,000.00			13.812		4,748.90

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,425,000.00	6,425,000.00	6,425,000.00
+ Accrued Interest	13,783.33	13,783.33	13,783.33
+ Premium (Discount)	591,904.60	591,904.60	591,904.60
- Underwriter's Discount	-64,250.00	-64,250.00	
- Cost of Issuance Expense		-166,275.00	
- Other Amounts	-39,775.20	-39,775.20	-39,775.20
Target Value	6,926,662.73	6,760,387.73	6,990,912.73
Target Date	07/21/2016	07/21/2016	07/21/2016
Yield	3.243326%	3.473581%	2.682131%