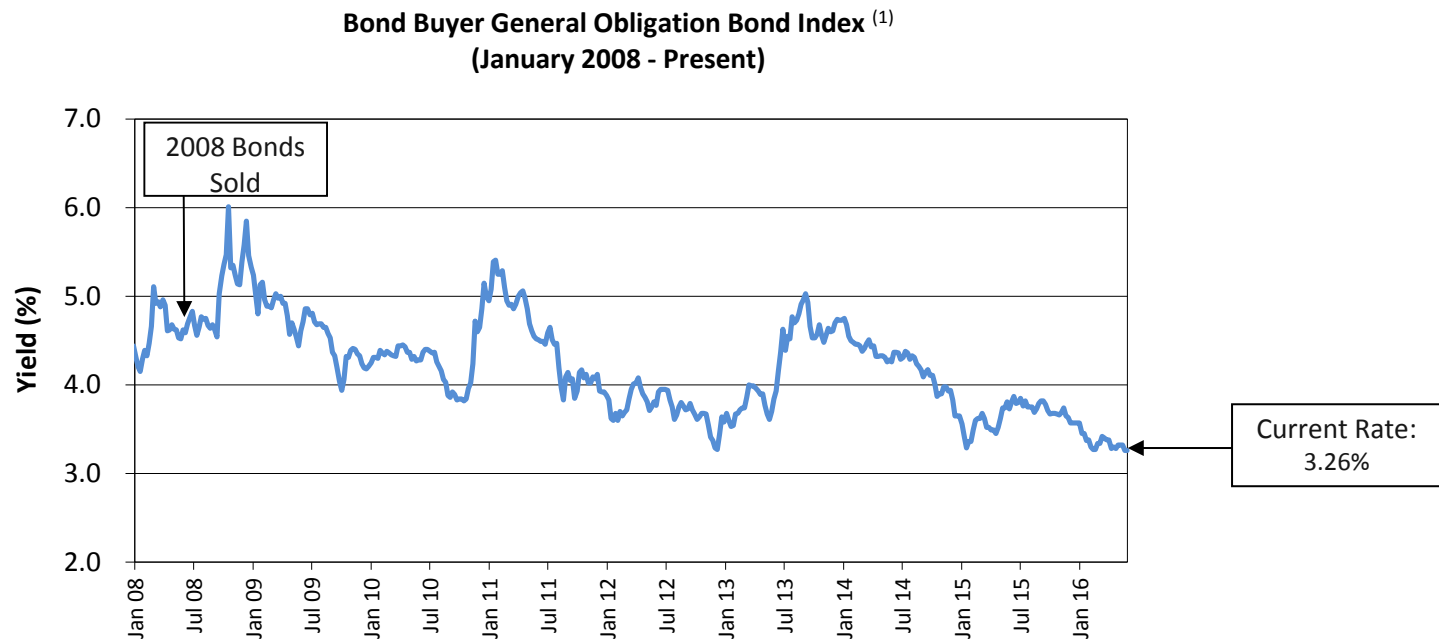


Interest Rates

Municipal bond interest rates have recently experienced significant volatility but remain near historic lows



(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated 'Aa2' by Moody's Investors Service and 'AA' by Standard and Poor's. Source: The Bond Buyer & Bloomberg.

Refinancing Summary ⁽¹⁾

Under current interest rates, advance refunding the 2008 Bonds on a tax-exempt basis produces savings above the 3% present value savings benchmark

Debt Service Comparison

Date	Current Payments ⁽²⁾	Estimated New Payments	Estimated Savings
10/1/2016	\$ 20,328	\$ 18,274	\$ 2,054
10/1/2017	40,655	16,300	24,355
10/1/2018	85,655	16,300	69,355
10/1/2019	98,855	26,300	72,555
10/1/2020	106,455	31,100	75,355
10/1/2021	123,655	50,800	72,855
10/1/2022	135,055	60,100	74,955
10/1/2023	150,750	74,200	76,550
10/1/2024	165,625	91,800	73,825
10/1/2025	179,644	103,600	76,044
10/1/2026	197,838	124,800	73,038
10/1/2027	-	-	-
10/1/2028	-	-	-
10/1/2029	-	-	-
10/1/2030	-	-	-
10/1/2031	4,175,000	3,995,000	180,000
10/1/2032	4,275,000	4,090,000	185,000
4/1/2033	4,360,000	4,175,000	185,000
Total	\$ 14,114,514	\$ 12,873,574	\$ 1,240,940

Estimated Refinancing Results

Debt Service Savings:	\$ 1,240,940
Present Value Savings:	\$ 887,186
Present Value Savings % (Original Par) ⁽³⁾ :	18.13%
Present Value Savings % (Accreted Value) ⁽³⁾ :	13.05%
Closing Date of Refunding Bonds:	July 20, 2016
Call Date of Refunded Bonds:	October 1, 2018 @ 100%
Escrow Yield:	0.89%
Refunding Bond Yield:	3.41%
Negative Arbitrage:	\$ (390,447)
Interest Rate of Prior Bonds:	4.91%
Interest Rate of Refunding Bonds:	3.62%
Principal of Refunded Bonds:	\$ 4,894,275
Principal & Accreted Value of Refunded Bonds:	\$ 6,798,619
Principal of Refunding Bonds:	\$ 7,501,976

- (1) Reflects interest rates provided by Stifel Nicolaus and Co., Inc. on May 27, 2016. Refinancing results are subject to market fluctuations until Refunding Bonds are sold.
- (2) Assumes refinancing of all outstanding callable maturities.
- (3) Present Value Savings is Debt Service Savings discounted at the Refunding Bond Yield.

Refinancing Summary

- ◆ The 2008 Bonds are callable on October 1, 2018. The Refunding Bond proceeds would be invested in an escrow account earning short term interest rates until the 2008 Bonds are called. The difference in the short term investment rates and the Refunding bond yield results in negative arbitrage.
- ◆ The 2008 Bonds were comprised of both current interest bonds (“CIBs”) and capital appreciation bonds (“CABs”). The Refunding Bonds to be issued would replace the existing CIBs with lower interest rate CIBs and the existing CABs with lower interest rate CABs resulting in no increase to existing tax rates.
- ◆ The estimated present value savings already reflects all costs of issuance and the negative arbitrage amount.