

CITY OF MCKINNEY, TEXAS

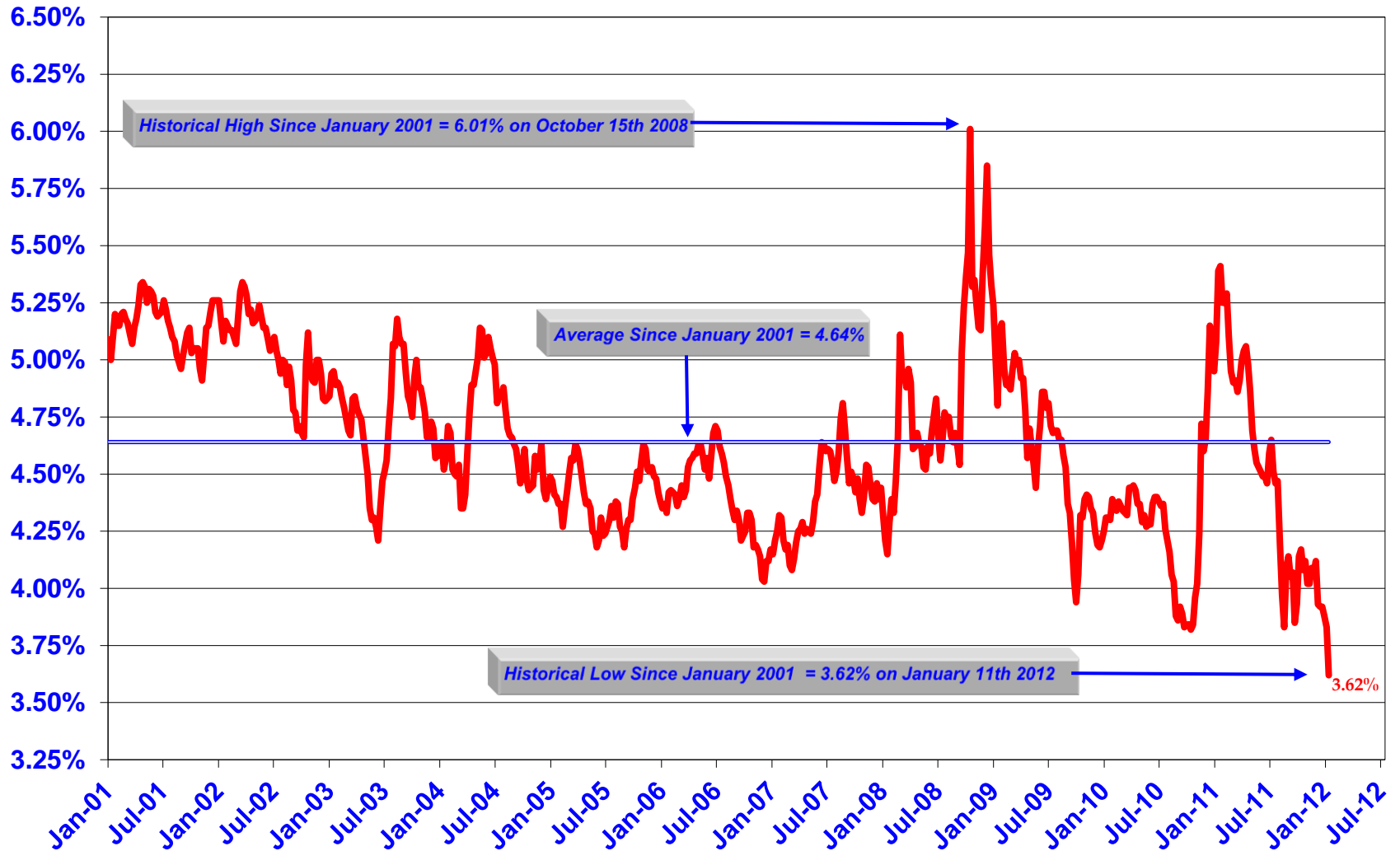
Bond Refunding Analysis

January 19, 2012

Bond Market Update

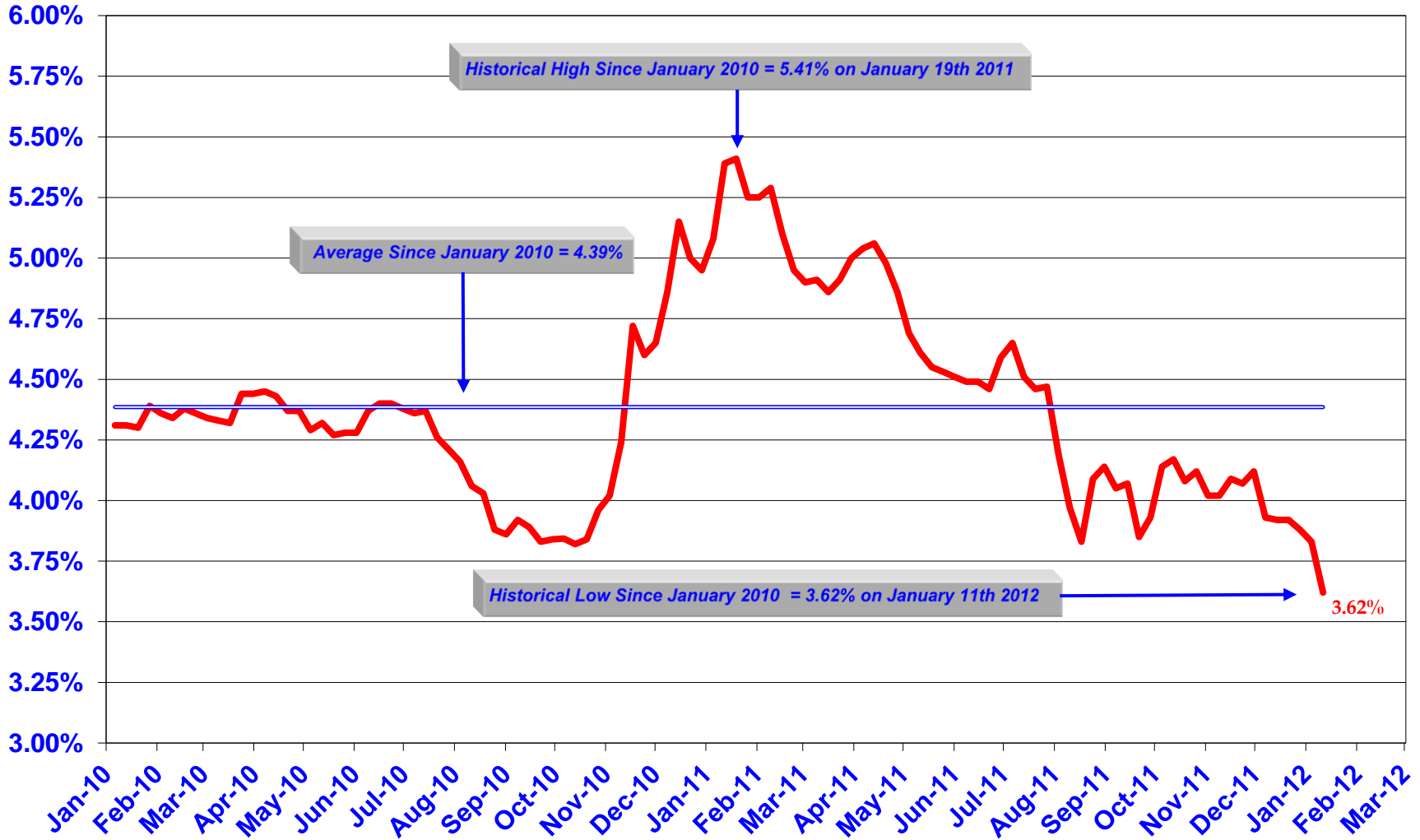
BOND BUYERS INDEX OF MUNICIPAL BONDS

January 2001 - January 2012



BOND BUYERS INDEX OF MUNICIPAL BONDS

January 2010 - January 2012

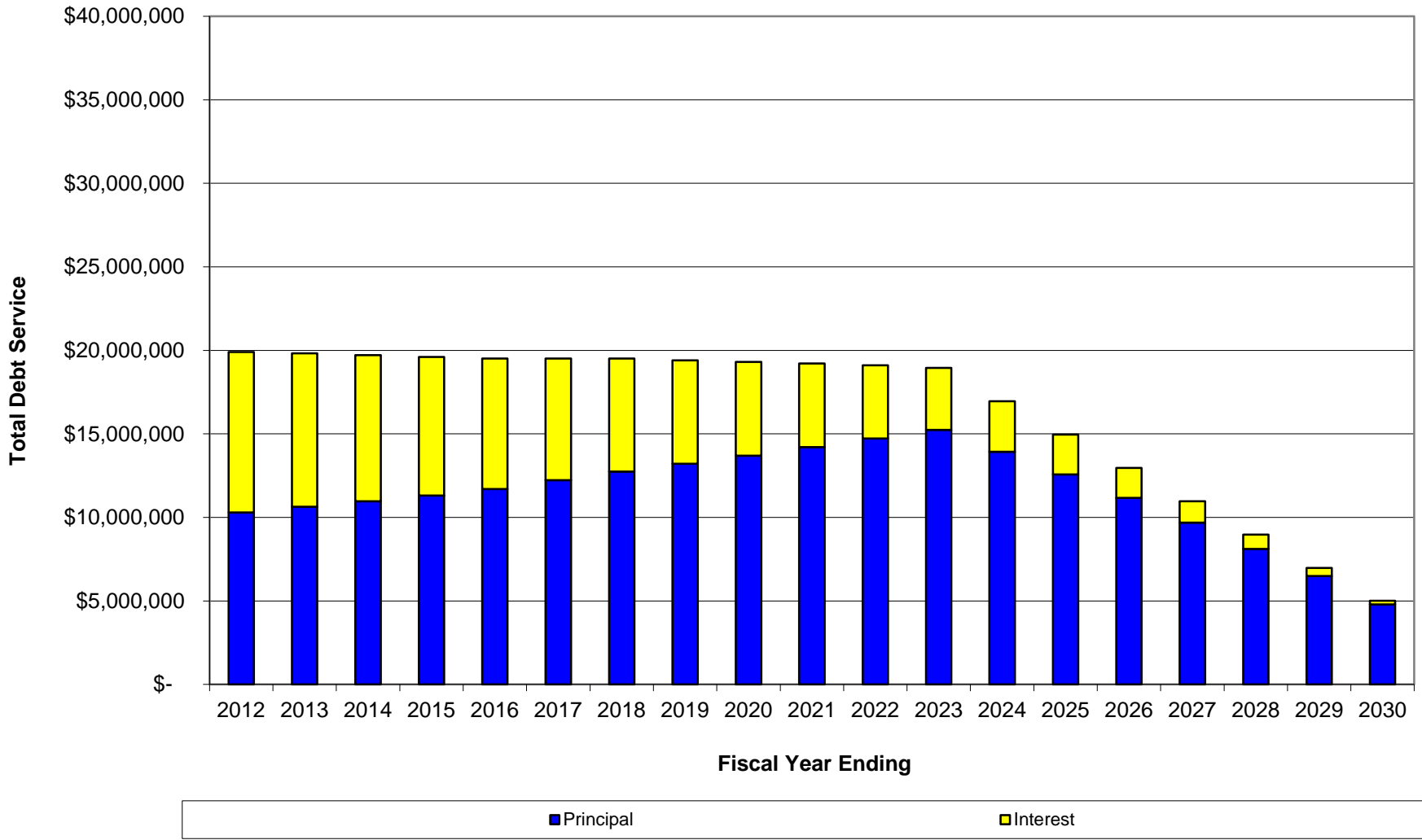


AA “MMD” Yield Curve

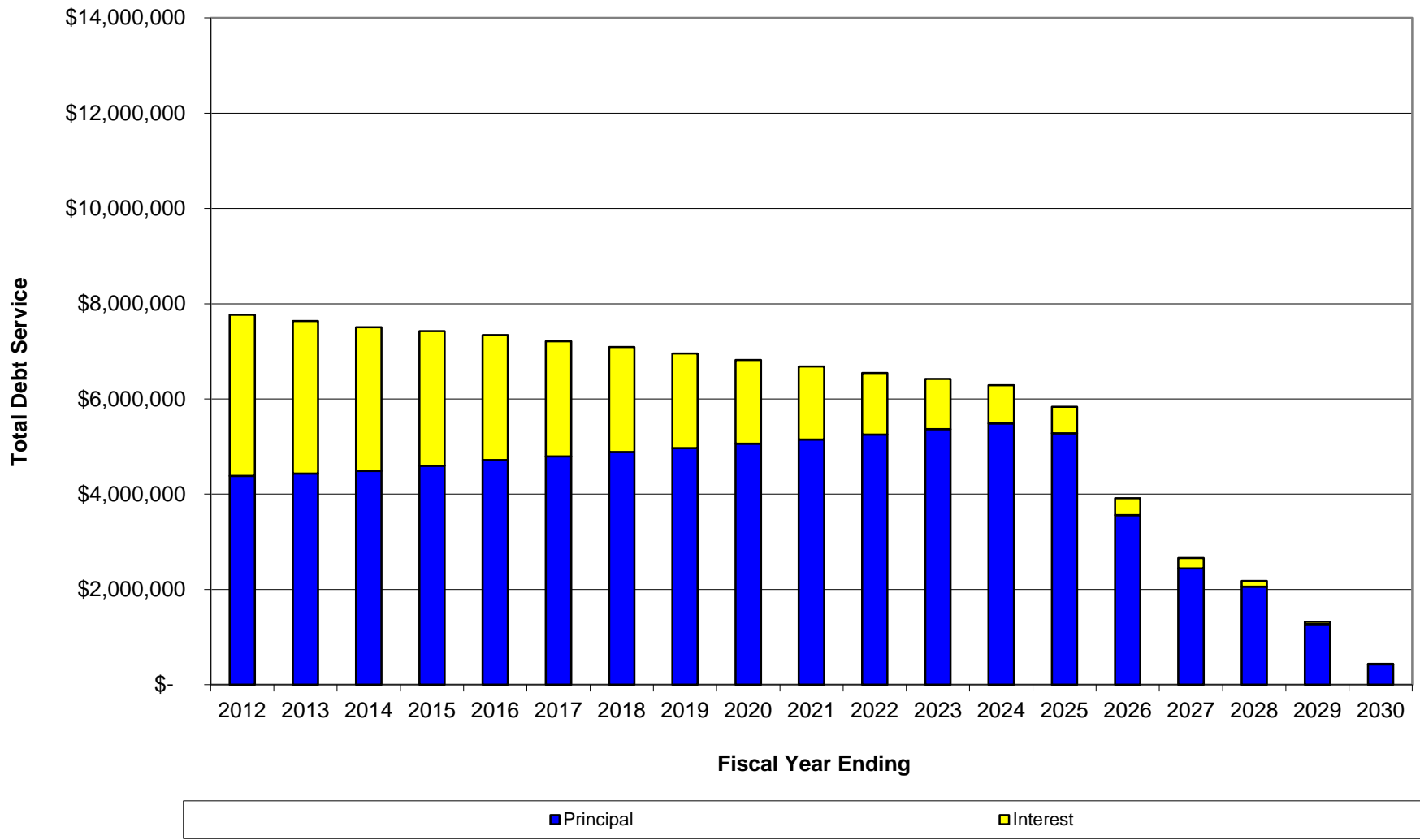
	<u>Oct. 2010</u>	<u>April 2011</u>	<u>Oct. 2011</u>	<u>Jan. 2012</u>
1-year	0.35%	0.37%	0.30%	0.39%
5-year	1.32%	1.67%	1.21%	1.08%
10-year	2.57%	3.08%	2.47%	2.31%
15-year	3.08%	3.85%	3.19%	3.04%
20-year	3.48%	4.36%	3.66%	3.55%
25-year	3.81%	4.75%	3.79%	3.81%

Outstanding Debt Service & Callable Bonds

CITY OF MCKINNEY, TEXAS
Outstanding General Obligation Debt Service
 January 18, 2012



CITY OF MCKINNEY, TEXAS
Outstanding Revenue Bond Debt Service
 January 18, 2012



Current & Approaching General Obligation Bond Optional Redemption Dates

	<u>Amount</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Callable Interest Rates</u>	<u>Negative Arbitrage</u>
Series 2001GO	\$ 560,000	2012-2013	Any Date	4.10% - 4.30%	No
Series 2001ACO	\$ 480,000	2012-2013	Any Date	4.20% - 4.30%	No
Series 2002GO	\$11,930,000	2012-2022	Aug. 15, 2012	3.75% - 4.75%	Yes
Series 2003CO	\$ 5,030,000	2012-2022	Aug. 15, 2012	3.85% - 4.65%	Yes
Series 2003GO	\$18,835,000	2012-2023	Aug. 15, 2013	4.125% - 5.50%	Yes
Series 2003ACO	\$ 3,215,000	2012-2023	Aug. 15, 2013	3.85% - 4.65%	Yes

Current & Approaching Revenue Bond Optional Redemption Dates

	<u>Amount</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Callable Interest Rates</u>	<u>Negative Arbitrage</u>
Series 2002REV	\$5,380,000	2013-2023	Sept. 15, 2012	4.30% - 5.00%	Yes
Series 2003REV	\$8,750,000	2012-2024	Sept. 15, 2013	4.65% - 5.00%	Yes

Bond Refunding Analysis

January 18, 2012

Refunding Analysis Summary

<u>Scenarios</u>	<u>Total Debt Service Savings</u>	<u>Average Annual Savings</u>	<u>PV Savings as a % of Refunded Bonds</u>
“Advance” Refunding of the Series 2002 GO Bonds and Series 2003 COs	\$2,200,000	\$215,848	12.00%
“Advance” Refunding of the Series 2002 Revenue Bonds	\$ 600,000	\$ 53,609	9.70%

Note: Reflects current market interest rates + 0.50%

Previous Bond Refunding Analyses

Previous Bond Refunding Analyses

<u>Date of Analysis</u>	<u>Potential Advance Refunding Savings</u>
October 4, 2011	\$1,806,054
September 1, 2011	\$1,866,100
July 7, 2011	\$1,253,638
June 9, 2011	\$1,257,488
April 8, 2011	\$ 486,365