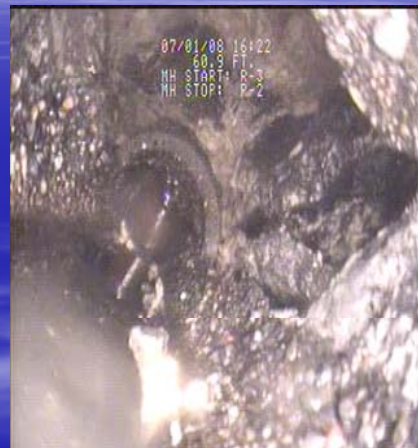


# HARD TIMES A' COMING:

HOW TO PREPARE FOR TROUBLED TIMES AHEAD

Bill Blitch SAMCO Capital Markets  
Juan G. Montano Severn Trent Services

## THE PIPE IS WHAT...?



## BY THE WAY WE ALSO NEED...

- A Generator

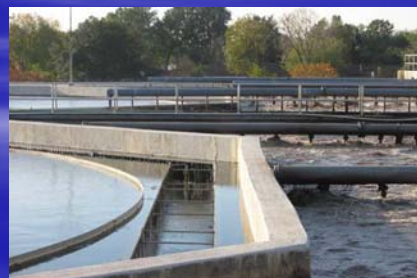


- A Belt Press



## A Couple More Things

- The well has some problems
- The wastewater plant needs to be expanded



## SO WHAT ARE WE GOING TO DO

- Do we really need all this?
- How are we going to pay for these?
- Where are we going to get the money?
- Do we need to raise water rates?
- What about the taxes?

**THERE IS A SOLUTION!!**

# YOUR FINANCIAL ADVISOR

## BUDGET

- Lower Customer Collections
- Lower Sales Taxes
- Garbage Issues
- Security Issues

## Ad Valorem Tax

- Homestead exemption
  - M&O Tax Rate
    - Delinquent Collection Policy

## Rate Order

- Review Adequacy of Rates.
  - Consider Lower Minimums.
    - Water Conservation Goals

## Fund Balances

- Effect of Collections on Debt Service
  - One Year Reserve

## Approach Bond Market

- Minimize Proceeds
  1. Apply Surplus
  2. Reduce Capitalized Interest
  3. Split Bond Issue
- Shorten Maturities

## Homestead Exemption Study 25% Homestead Properties

| No Exemption Granted |               | 20% Homestead exemption granted |                    |
|----------------------|---------------|---------------------------------|--------------------|
| 2008 Taxable value   | \$100,000,000 | 2008 Taxable Value              | \$100,000,000      |
| 2008 Tax Rate        | \$1,000       | Less: 20% of Homestead          | <u>(5,000,000)</u> |
|                      |               | Reduced 2008 Value              | \$95,000,000       |
| 2008 Tax Levy        | \$1,000,000   | Tax Rate to Produce 2008 Levy   | \$1.053            |
| <b>Homesteads</b>    |               |                                 |                    |
| Number               | 167           | Total Taxable Value (80%)       | \$20,000,000       |
| Tot. Taxable Value   | \$25,000,000  | Average H/S Value               | \$119,760          |
| Average Value        | \$149,701     | Average Tax Bill                | \$1,261            |
| Average Tax Bill     | \$1,497       | Effective Savings to Homestead  | \$236              |
|                      |               | Equivalent Tax Rate             | \$0.842            |
|                      |               | Percentage Savings              | <b>15.79%</b>      |

## Homestead Exemption Study 50% Homestead Properties

| No Homestead Exemption Granted |               | 20% Homestead Exemptions Granted |                     |
|--------------------------------|---------------|----------------------------------|---------------------|
| 2008 Taxable Value             | \$100,000,000 | 2008 Taxable Value               | \$100,000,000       |
| 2008 Tax Rate                  | \$1,000       | Less: 20% of Homestead           | <u>(10,000,000)</u> |
|                                |               | Reduced 2008 Value               | \$90,000,000        |
| 2008 Tax Levy                  | \$1,000,000   | Tax Rate Required                | \$1.111             |
| <b>Homesteads</b>              |               |                                  |                     |
| Number                         | 333           | Tot. Taxable Value (80%)         | \$40,000,000        |
| Tot. taxable Value             | \$50,000,000  | Average H/S Value                | \$120,120           |
| Average Value                  | \$150,150     | Average Tax Bill                 | \$1,335             |
| Average Tax Bill               | \$1,502       | Effective Savings to Homestead   | \$167               |
|                                |               | Equivalent Tax Rate              | \$0.889             |
|                                |               | Percentage Savings               | 11.11%              |

# Homestead Exemption Study

## 75% Homestead Properties

|                                       |               |   |                |
|---------------------------------------|---------------|---|----------------|
| <b>No Homestead Exemption Granted</b> |               | <b>20% Homestead Exemptions Granted</b> |                |
| 2008 Taxable Value                    | \$100,000,000 | 2008 Taxable Value                      | \$100,000,000  |
|                                       |               | Less: 20% of Homestead                  | (15,000,000)   |
| 2008 Tax Rate                         | <u>\$1.00</u> | Reduced 2008 Value                      | \$85,000,000   |
|                                       |               | Tax Rate Required                       | <u>\$1.176</u> |
| 2008 Tax Levy                         | \$1,000,000   | <b>Homesteads</b>                       |                |
|                                       |               | Tot. Taxable Value (80%)                |                |
| Homesteads                            |               | \$60,000,000                            |                |
| Number                                | 500           | Average H/S Value                       | \$120,000      |
| Tot. taxable Value                    | \$75,000,000  | Average Tax Bill                        | \$1,412        |
| Average Value                         | \$150,000     | Effective Savings to Homestead          | \$88           |
| Average Tax Bill                      | \$1,500       | Equivalent Tax Rate                     | \$0.941        |
|                                       |               | Percentage Savings                      | 5.88%          |

## Reduce Minimum Charge Add Brackets

| Water Use             |        | Avg    | Old Water Rates |       |           | New Water Rates |       |           | Increase |
|-----------------------|--------|--------|-----------------|-------|-----------|-----------------|-------|-----------|----------|
| From                  | To     | Users  | Users           | Rate  | Income    | Users           | Rate  | Income    | Billing  |
| 100                   | 3,000  | 96.50  |                 |       |           | 96.50           | 15.00 | 1,447.50  | (2.00)   |
| 3,100                 | 5,000  | 148.92 |                 |       |           | 148.92          | 1.50  | 2,680.56  | 1.00     |
| 5,100                 | 7,000  | 158.00 |                 |       |           | 158.00          | 1.50  | 3,318.00  | 4.00     |
| 7,100                 | 10,000 | 172.25 | 575.67          | 17.00 | 9,786.39  | 172.25          | 1.50  | 4,392.38  | 8.50     |
| 10,100                | 15,000 | 131.25 | 131.25          | 2.50  | 3,871.88  | 131.25          | 2.50  | 4,987.50  | 8.50     |
| 15,100                | 20,000 | 39.67  | 39.67           | 2.50  | 1,666.14  | 39.67           | 2.50  | 2,003.34  | 8.50     |
| 20,100                | 25,000 | 14.50  | 14.50           | 2.50  | 790.25    | 14.50           | 2.50  | 913.50    | 8.50     |
| 25,100                | 30,000 | 5.25   | 5.25            | 2.50  | 351.75    | 5.25            | 2.50  | 396.38    | 8.50     |
| 30,100                | 35,000 | 1.50   | 1.50            | 2.50  | 119.25    | 1.50            | 3.50  | 139.50    | 13.50    |
| 35,100                | 40,000 | 1.00   | 1.00            | 2.50  | 92.00     | 1.00            | 3.50  | 110.50    | 18.50    |
| 40,100                | 50,000 | 0.67   | 0.67            | 2.50  | 78.39     | 0.67            | 3.50  | 97.49     | 28.50    |
| 50,100                | 75,000 | 0.50   | 0.50            | 2.50  | 89.75     | 0.50            | 4.00  | 122.75    | 66.00    |
| <b>Monthly Income</b> |        | 770.01 |                 |       | \$16,846  |                 |       | \$20,609  |          |
| <b>Annual Income</b>  |        |        |                 |       | \$202,150 |                 |       | \$247,313 | \$45,163 |

## Increase Minimum Charge Only

| Water Use             |        | Avg    | Old Water Rates |       |           | New Water Rates |       |           | Increase |
|-----------------------|--------|--------|-----------------|-------|-----------|-----------------|-------|-----------|----------|
| From                  | To     | Users  | Users           | Rate  | Income    | Users           | Rate  | Income    | Billing  |
| 100                   | 3,000  | 96.50  |                 |       |           |                 |       |           |          |
| 3,100                 | 5,000  | 148.92 |                 |       |           |                 |       |           |          |
| 5,100                 | 7,000  | 158.00 |                 |       |           |                 |       |           |          |
| 7,100                 | 10,000 | 172.25 | 575.67          | 17.00 | 9,786.39  | 575.67          | 22.00 | 12,664.74 | 5.00     |
| 10,100                | 15,000 | 131.25 | 131.25          | 2.50  | 3,871.88  | 131.25          | 2.50  | 4,528.13  | 5.00     |
| 15,100                | 20,000 | 39.67  | 39.67           | 2.50  | 1,666.14  | 39.67           | 2.50  | 1,864.49  | 5.00     |
| 20,100                | 25,000 | 14.50  | 14.50           | 2.50  | 790.25    | 14.50           | 2.50  | 862.75    | 5.00     |
| 25,100                | 30,000 | 5.25   | 5.25            | 2.50  | 351.75    | 5.25            | 2.50  | 378.00    | 5.00     |
| 30,100                | 35,000 | 1.50   | 1.50            | 2.50  | 119.25    | 1.50            | 2.50  | 126.75    | 5.00     |
| 35,100                | 40,000 | 1.00   | 1.00            | 2.50  | 92.00     | 1.00            | 2.50  | 97.00     | 5.00     |
| 40,100                | 50,000 | 0.67   | 0.67            | 2.50  | 78.39     | 0.67            | 2.50  | 81.74     | 5.00     |
| 50,100                | 75,000 | 0.50   | 0.50            | 2.50  | 89.75     | 0.50            | 2.50  | 92.25     | 5.00     |
| <b>Monthly Income</b> |        | 770.01 |                 |       | \$16,846  |                 |       | \$20,696  |          |
| <b>Annual Income</b>  |        |        |                 |       | \$202,150 |                 |       | \$248,350 | \$46,201 |

## Increase Minimum Charge and All Brackets by \$1.00

| Water Use             |        | Avg    | Old Water Rates |       |           | New Water Rates |       |           | Increase |
|-----------------------|--------|--------|-----------------|-------|-----------|-----------------|-------|-----------|----------|
| From                  | To     | Users  | Users           | Rate  | Income    | Users           | Rate  | Income    | Billing  |
| 100                   | 3,000  | 96.50  |                 |       |           |                 |       |           |          |
| 3,100                 | 5,000  | 148.92 |                 |       |           |                 |       |           |          |
| 5,100                 | 7,000  | 158.00 |                 |       |           |                 |       |           |          |
| 7,100                 | 10,000 | 172.25 | 575.67          | 17.00 | 9,786.39  | 575.67          | 22.00 | 12,664.74 | 5.00     |
| 10,100                | 15,000 | 131.25 | 131.25          | 2.50  | 3,871.88  | 131.25          | 3.50  | 5,184.38  | 10.00    |
| 15,100                | 20,000 | 39.67  | 39.67           | 2.50  | 1,666.14  | 39.67           | 3.50  | 2,261.19  | 15.00    |
| 20,100                | 25,000 | 14.50  | 14.50           | 2.50  | 790.25    | 14.50           | 3.50  | 1,080.25  | 20.00    |
| 25,100                | 30,000 | 5.25   | 5.25            | 2.50  | 351.75    | 5.25            | 3.50  | 483.00    | 25.00    |
| 30,100                | 35,000 | 1.50   | 1.50            | 2.50  | 119.25    | 1.50            | 3.50  | 164.25    | 30.00    |
| 35,100                | 40,000 | 1.00   | 1.00            | 2.50  | 92.00     | 1.00            | 3.50  | 127.00    | 35.00    |
| 40,100                | 50,000 | 0.67   | 0.67            | 2.50  | 78.39     | 0.67            | 3.50  | 108.54    | 45.00    |
| 50,100                | 75,000 | 0.50   | 0.50            | 2.50  | 89.75     | 0.50            | 3.50  | 124.75    | 70.00    |
| <b>Monthly Income</b> |        | 770.01 |                 |       | \$16,846  |                 |       | \$22,198  |          |
| <b>Annual Income</b>  |        |        |                 |       | \$202,150 |                 |       | \$266,377 | \$64,228 |

# BOND ISSUE

| Bond Issue Size                     | Escrowed Interest         |                    |                    |
|-------------------------------------|---------------------------|--------------------|--------------------|
|                                     | None                      | 1 Year             | 2 Years            |
|                                     | <b>Construction Costs</b> | \$2,080,439        | \$2,080,439        |
| <b>Non-Construction Costs</b>       |                           |                    |                    |
| Bond Counsel                        | \$63,250                  | \$67,375           | \$72,000           |
| Financial Advisor                   | 40,775                    | 43,663             | 46,900             |
| Bond Discount (3.00%)               | 69,900                    | 74,850             | 80,400             |
| Escrowed Interest                   | 0                         | 149,700            | 321,600            |
| TCEQ Fee (0.25%)                    | 5,825                     | 6,238              | 6,700              |
| Attorney General (0.10%)            | 2,330                     | 2,495              | 2,680              |
| Bond Application Report             | 35,000                    | 35,000             | 35,000             |
| Costs of Issuance                   | 32,481                    | 35,241             | 34,281             |
| <b>Total Non-Construction Costs</b> | <b>\$249,561</b>          | <b>\$414,561</b>   | <b>\$599,561</b>   |
| <b>The Bonds</b>                    | <b>\$2,330,000</b>        | <b>\$2,495,000</b> | <b>\$2,680,000</b> |

# NO GROWTH No Escrowed Interest

| No Growth Pro-Forma |                    |               |              |                |                | No Escrowed Interest |               |                |                 |
|---------------------|--------------------|---------------|--------------|----------------|----------------|----------------------|---------------|----------------|-----------------|
| Year                | Assessed Valuation | Tax Year      | Debt Rate    | 95% Collex     | Interest At 1% | Total Debt Service   | Annual Change | Ending Balance | % Next Yr's D/S |
| 2008                | 65,000,000         | (2007)        |              |                |                |                      |               | \$178,743      | 50.68%          |
| <b>2009</b>         | <b>71,485,000</b>  | <b>(2008)</b> | <b>0.570</b> | <b>387,091</b> | <b>1,787</b>   | <b>352,700</b>       | <b>36,179</b> | <b>214,922</b> | <b>52.60%</b>   |
| 2010                | 71,485,000         | (2009)        | 0.600        | 407,465        | 2,149          | 408,578              | 1,036         | 215,958        | 53.05%          |
| 2011                | 71,485,000         | (2010)        | 0.600        | 407,465        | 2,160          | 407,090              | 2,534         | 218,492        | 53.29%          |
| 2012                | 71,485,000         | (2011)        | 0.600        | 407,465        | 2,185          | 410,010              | (361)         | 218,131        | 52.92%          |
| 2013                | 71,485,000         | (2012)        | 0.600        | 407,465        | 2,181          | 412,194              | (2,548)       | 215,583        | 52.73%          |
| 2014                | 71,485,000         | (2013)        | 0.600        | 407,465        | 2,156          | 408,810              | 810           | 216,394        | 52.78%          |
| 2015                | 71,485,000         | (2014)        | 0.600        | 407,465        | 2,164          | 409,973              | (344)         | 216,050        | 52.00%          |
| 2016                | 71,485,000         | (2015)        | 0.600        | 407,465        | 2,160          | 415,495              | (5,870)       | 210,180        | 50.62%          |
| 2017                | 71,485,000         | (2016)        | 0.600        | 407,465        | 2,102          | 415,246              | (5,680)       | 204,500        | 49.36%          |
| 2018                | 71,485,000         | (2017)        | 0.600        | 407,465        | 2,045          | 414,328              | (4,818)       | 199,682        | 47.82%          |
| 2019                | 71,485,000         | (2018)        | 0.600        | 407,465        | 1,997          | 417,573              | (8,111)       | 191,571        | 46.16%          |
| 2020                | 71,485,000         | (2019)        | 0.600        | 407,465        | 1,916          | 414,970              | (5,590)       | 185,981        | 44.65%          |
| 2021                | 71,485,000         | (2020)        | 0.600        | 407,465        | 1,860          | 416,551              | (7,227)       | 178,754        | 42.85%          |
| 2022                | 71,485,000         | (2021)        | 0.600        | 407,465        | 1,788          | 417,191              | (7,939)       | 170,815        | 42.02%          |
| 2023                | 71,485,000         | (2022)        | 0.600        | 407,465        | 1,708          | 406,550              | 2,623         | 173,437        | 42.36%          |
| 2024                | 71,485,000         | (2023)        | 0.600        | 407,465        | 1,734          | 409,450              | (251)         | 173,186        | 42.63%          |
| 2025                | 71,485,000         | (2024)        | 0.600        | 407,465        | 1,732          | 406,300              | 2,896         | 176,082        | 43.25%          |
| 2026                | 71,485,000         | (2025)        | 0.600        | 407,465        | 1,761          | 407,100              | 2,125         | 178,208        | 43.82%          |
| 2027                | 71,485,000         | (2026)        | 0.600        | 407,465        | 1,782          | 406,700              | 2,547         | 180,754        | 44.09%          |
| 2028                | 71,485,000         | (2027)        | 0.600        | 407,465        | 1,808          | 409,950              | (678)         | 180,076        | 44.26%          |
| 2029                | 71,485,000         | (2028)        | 0.600        | 407,465        | 1,801          | 406,850              | 2,415         | 182,492        |                 |

Notes: Ending Balance, 2008, represents Debt Service Funds at September 25, 2008.

## NO GROWTH One Year Escrowed Interest

| No Growth Pro-Forma |                    |               |              |                |                |                    | One Year's Escrowed Interest |                |                 |
|---------------------|--------------------|---------------|--------------|----------------|----------------|--------------------|------------------------------|----------------|-----------------|
| Year                | Assessed Valuation | Tax Year      | Debt Rate    | 95% Collex     | Interest At 1% | Total Debt Service | Annual Change                | Ending Balance | % Next Yr's D/S |
| 2008                | 65,000,000         | (2007)        |              |                |                |                    |                              | \$178,743      | 49.75%          |
| <b>2009</b>         | <b>71,485,000</b>  | <b>(2008)</b> | <b>0.570</b> | <b>387,091</b> | <b>151,487</b> | <b>359,300</b>     | <b>179,279</b>               | <b>358,022</b> | <b>85.55%</b>   |
| 2010                | 71,485,000         | (2009)        | 0.610        | 414,256        | 3,580          | 418,478            | (642)                        | 357,380        | 83.76%          |
| 2011                | 71,485,000         | (2010)        | 0.610        | 414,256        | 3,574          | 426,690            | (8,661)                      | 348,519        | 82.17%          |
| 2012                | 71,485,000         | (2011)        | 0.610        | 414,256        | 3,485          | 424,160            | (6,419)                      | 342,100        | 80.30%          |
| 2013                | 71,485,000         | (2012)        | 0.610        | 414,256        | 3,421          | 426,044            | (8,367)                      | 333,733        | 78.12%          |
| 2014                | 71,485,000         | (2013)        | 0.610        | 414,256        | 3,337          | 427,210            | (9,617)                      | 324,116        | 75.77%          |
| 2015                | 71,485,000         | (2014)        | 0.610        | 414,256        | 3,241          | 427,773            | (10,276)                     | 313,840        | 74.19%          |
| 2016                | 71,485,000         | (2015)        | 0.610        | 414,256        | 3,138          | 422,995            | (5,601)                      | 308,239        | 72.09%          |
| 2017                | 71,485,000         | (2016)        | 0.610        | 414,256        | 3,082          | 427,596            | (10,258)                     | 297,981        | 69.89%          |
| 2018                | 71,485,000         | (2017)        | 0.610        | 414,256        | 2,980          | 426,378            | (9,142)                      | 288,839        | 68.05%          |
| 2019                | 71,485,000         | (2018)        | 0.610        | 414,256        | 2,888          | 424,473            | (7,329)                      | 281,510        | 65.97%          |
| 2020                | 71,485,000         | (2019)        | 0.610        | 414,256        | 2,815          | 426,720            | (9,649)                      | 271,861        | 63.52%          |
| 2021                | 71,485,000         | (2020)        | 0.610        | 414,256        | 2,719          | 428,001            | (11,027)                     | 260,834        | 61.59%          |
| 2022                | 71,485,000         | (2021)        | 0.610        | 414,256        | 2,608          | 423,491            | (6,627)                      | 254,206        | 59.48%          |
| 2023                | 71,485,000         | (2022)        | 0.610        | 414,256        | 2,542          | 427,400            | (10,602)                     | 243,604        | 57.38%          |
| 2024                | 71,485,000         | (2023)        | 0.610        | 414,256        | 2,436          | 424,550            | (7,858)                      | 235,746        | 55.38%          |
| 2025                | 71,485,000         | (2024)        | 0.610        | 414,256        | 2,357          | 425,650            | (9,037)                      | 226,709        | 53.27%          |
| 2026                | 71,485,000         | (2025)        | 0.610        | 414,256        | 2,267          | 425,550            | (9,027)                      | 217,681        | 51.31%          |
| 2027                | 71,485,000         | (2026)        | 0.610        | 414,256        | 2,177          | 424,250            | (7,818)                      | 209,864        | 49.19%          |
| 2028                | 71,485,000         | (2027)        | 0.610        | 414,256        | 2,099          | 426,600            | (10,246)                     | 199,618        | 46.70%          |
| 2029                | 71,485,000         | (2028)        | 0.610        | 414,256        | 1,996          | 427,450            | (11,198)                     | 188,420        |                 |

Notes: **Ending Balance**, 2008, represents Debt Service Funds at September 25, 2008.  
**Interest at 1%**, 2009, includes one year's interest escrowed from bond proceeds.

## NO GROWTH Two Years Escrowed Interest

| No Growth Pro-Forma |                    |               |              |                |                |                    | Two Years' Escrowed Interest |                |                 |
|---------------------|--------------------|---------------|--------------|----------------|----------------|--------------------|------------------------------|----------------|-----------------|
| Year                | Assessed Valuation | Tax Year      | Debt Rate    | 95% Collex     | Interest At 1% | Total Debt Service | Annual Change                | Ending Balance | % Next Yr's D/S |
| 2008                | 65,000,000         | (2007)        |              |                |                |                    |                              | \$178,743      | 48.74%          |
| <b>2009</b>         | <b>71,485,000</b>  | <b>(2008)</b> | <b>0.570</b> | <b>387,091</b> | <b>323,387</b> | <b>366,700</b>     | <b>343,779</b>               | <b>522,522</b> | <b>121.64%</b>  |
| 2010                | 71,485,000         | (2009)        | 0.620        | 421,047        | 5,225          | 429,578            | (3,306)                      | 519,216        | 117.30%         |
| 2011                | 71,485,000         | (2010)        | 0.620        | 421,047        | 5,192          | 442,640            | (16,401)                     | 502,815        | 114.33%         |
| 2012                | 71,485,000         | (2011)        | 0.620        | 421,047        | 5,028          | 439,810            | (13,735)                     | 489,080        | 110.80%         |
| 2013                | 71,485,000         | (2012)        | 0.620        | 421,047        | 4,891          | 441,394            | (15,456)                     | 473,623        | 107.09%         |
| 2014                | 71,485,000         | (2013)        | 0.620        | 421,047        | 4,736          | 442,260            | (16,477)                     | 457,146        | 103.30%         |
| 2015                | 71,485,000         | (2014)        | 0.620        | 421,047        | 4,571          | 442,523            | (16,904)                     | 440,242        | 99.54%          |
| 2016                | 71,485,000         | (2015)        | 0.620        | 421,047        | 4,402          | 442,295            | (16,846)                     | 423,396        | 95.91%          |
| 2017                | 71,485,000         | (2016)        | 0.620        | 421,047        | 4,234          | 441,446            | (16,166)                     | 407,230        | 91.56%          |
| 2018                | 71,485,000         | (2017)        | 0.620        | 421,047        | 4,072          | 444,778            | (19,659)                     | 387,572        | 87.63%          |
| 2019                | 71,485,000         | (2018)        | 0.620        | 421,047        | 3,876          | 442,273            | (17,350)                     | 370,222        | 83.40%          |
| 2020                | 71,485,000         | (2019)        | 0.620        | 421,047        | 3,702          | 443,920            | (19,171)                     | 351,050        | 79.83%          |
| 2021                | 71,485,000         | (2020)        | 0.620        | 421,047        | 3,511          | 439,751            | (15,194)                     | 335,856        | 76.37%          |
| 2022                | 71,485,000         | (2021)        | 0.620        | 421,047        | 3,359          | 439,791            | (15,386)                     | 320,470        | 72.32%          |
| 2023                | 71,485,000         | (2022)        | 0.620        | 421,047        | 3,205          | 443,100            | (18,849)                     | 301,622        | 67.86%          |
| 2024                | 71,485,000         | (2023)        | 0.620        | 421,047        | 3,016          | 444,500            | (20,437)                     | 281,184        | 63.23%          |
| 2025                | 71,485,000         | (2024)        | 0.620        | 421,047        | 2,812          | 444,700            | (20,842)                     | 260,343        | 58.68%          |
| 2026                | 71,485,000         | (2025)        | 0.620        | 421,047        | 2,603          | 443,700            | (20,050)                     | 240,293        | 54.43%          |
| 2027                | 71,485,000         | (2026)        | 0.620        | 421,047        | 2,403          | 441,500            | (18,050)                     | 222,243        | 50.17%          |
| 2028                | 71,485,000         | (2027)        | 0.620        | 421,047        | 2,222          | 442,950            | (19,681)                     | 202,562        | 45.74%          |
| 2029                | 71,485,000         | (2028)        | 0.620        | 421,047        | 2,026          | 442,900            | (19,828)                     | 182,734        |                 |

Notes: **Ending Balance**, 2008, represents Debt Service Funds at September 25, 2008.  
**Interest at 1%**, 2009, includes 2 years' interest escrowed from bond proceeds.