

## Capital Project Financing

### Summary of Transaction

**Borrower:** The Durant City Utilities Authority

**Style of Issue:** Utility System and Sales Tax Revenue Note, Series 2007

**Issue Amount:** \$5,610,000

**Purchaser:** **To be determined**

**Interest Rate:** **To be determined**

	Estimated Costs
<b>Project Description:</b>	
(i) Design and Construction	
Fire Station	\$ 1,000,000
Water/Sewer Projects	2,200,000
Streets	2,000,000
Law Center	300,000
	\$ 5,500,000
(II) Pay costs of issuance	<u>110,000</u>
Total	\$ 5,610,000

**Estimated Average Payments:** Semi-Annual **To be determined**  
Annual **To be determined**

**Tax Treatment:** Federal and State Tax Exempt

**Type of Issue:** Private Placement - Limited transferability and assignment (Regulation D)

**Estimated Date of Issue:** 8/28/2007

**Interest Paid:** Semi-Annual, commencing March 1, 2008

**Principal Paid:** Semi-Annual, commencing March 1, 2008

**Final Maturity:** 9/1/2027

**Security:** The Note will be secured by water and sanitary sewer revenues and three percent (3%) of the City's existing three and three-quarter percent (3 3/4%) Sales Tax revenues pursuant to a Sales Tax Agreement between the City of Durant and the Authority

**Trustee Bank:** First United Bank & Trust  
Durant, OK

**Financial Advisor:** Municipal Finance Services, Inc.  
Edmond, OK

**Bond Counsel:** The Public Finance Law Group PLLC  
Oklahoma City, OK

**Local Counsel:** Pat Phelps, Esq.  
Durant, OK

**Bid Packages submitted to Banks:** 7/27/2007

**Projected Bids Due and Final Governing Body Approval Date:** 8/14/2007

**Projected Closing Date:** 8/28/2007

SOURCES AND USES OF FUNDS

**The Durant City Utilities Authority  
Utility Sys & Sales Tax Revenue Note, Series 2007**

Dated Date 08/28/2007  
Delivery Date 08/28/2007

Sources:

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Bond Proceeds:	
Par Amount	5,610,000.00
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	5,610,000.00

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Uses:

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Project Fund Deposits:	
Various Projects	5,500,000.00
Delivery Date Expenses:	
Cost of Issuance	110,000.00
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	5,610,000.00

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## BOND SUMMARY STATISTICS

**The Durant City Utilities Authority**  
**Utility Sys & Sales Tax Revenue Note, Series 2007**

Dated Date	08/28/2007
Delivery Date	08/28/2007
Last Maturity	09/01/2027
Arbitrage Yield	4.499952%
True Interest Cost (TIC)	4.499952%
Net Interest Cost (NIC)	4.500000%
All-In TIC	4.730845%
Average Coupon	4.500000%
Average Life (years)	11.749
Duration of Issue (years)	8.811
Par Amount	5,610,000.00
Bond Proceeds	5,610,000.00
Total Interest	2,966,028.75
Net Interest	2,966,028.75
Total Debt Service	8,576,028.75
Maximum Annual Debt Service	431,250.00
Average Annual Debt Service	428,622.84
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,610,000.00	5,610,000.00	5,610,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(110,000.00)	
- Other Amounts			
Target Value	5,610,000.00	5,500,000.00	5,610,000.00
Target Date	08/28/2007	08/28/2007	08/28/2007
Yield	4.499952%	4.730845%	4.499952%

## DETAILED BOND DEBT SERVICE

**The Durant City Utilities Authority**  
**Utility Sys & Sales Tax Revenue Note, Series 2007**

Dated Date           08/28/2007  
Delivery Date       08/28/2007

Serial Bond (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
08/28/2007						5,610,000.00	5,610,000.00
03/01/2008	80,000.00	4.500%	128,328.75	208,328.75		5,530,000.00	5,530,000.00
06/30/2008					208,328.75	5,530,000.00	5,530,000.00
09/01/2008	90,000.00	4.500%	124,425.00	214,425.00		5,440,000.00	5,440,000.00
03/01/2009	90,000.00	4.500%	122,400.00	212,400.00		5,350,000.00	5,350,000.00
06/30/2009					426,825.00	5,350,000.00	5,350,000.00
09/01/2009	95,000.00	4.500%	120,375.00	215,375.00		5,255,000.00	5,255,000.00
03/01/2010	95,000.00	4.500%	118,237.50	213,237.50		5,160,000.00	5,160,000.00
06/30/2010					428,612.50	5,160,000.00	5,160,000.00
09/01/2010	100,000.00	4.500%	116,100.00	216,100.00		5,060,000.00	5,060,000.00
03/01/2011	100,000.00	4.500%	113,850.00	213,850.00		4,960,000.00	4,960,000.00
06/30/2011					429,950.00	4,960,000.00	4,960,000.00
09/01/2011	105,000.00	4.500%	111,600.00	216,600.00		4,855,000.00	4,855,000.00
03/01/2012	105,000.00	4.500%	109,237.50	214,237.50		4,750,000.00	4,750,000.00
06/30/2012					430,837.50	4,750,000.00	4,750,000.00
09/01/2012	105,000.00	4.500%	106,875.00	211,875.00		4,645,000.00	4,645,000.00
03/01/2013	110,000.00	4.500%	104,512.50	214,512.50		4,535,000.00	4,535,000.00
06/30/2013					426,387.50	4,535,000.00	4,535,000.00
09/01/2013	110,000.00	4.500%	102,037.50	212,037.50		4,425,000.00	4,425,000.00
03/01/2014	115,000.00	4.500%	99,562.50	214,562.50		4,310,000.00	4,310,000.00
06/30/2014					426,600.00	4,310,000.00	4,310,000.00
09/01/2014	120,000.00	4.500%	96,975.00	216,975.00		4,190,000.00	4,190,000.00
03/01/2015	120,000.00	4.500%	94,275.00	214,275.00		4,070,000.00	4,070,000.00
06/30/2015					431,250.00	4,070,000.00	4,070,000.00
09/01/2015	125,000.00	4.500%	91,575.00	216,575.00		3,945,000.00	3,945,000.00
03/01/2016	125,000.00	4.500%	88,762.50	213,762.50		3,820,000.00	3,820,000.00
06/30/2016					430,337.50	3,820,000.00	3,820,000.00
09/01/2016	130,000.00	4.500%	85,950.00	215,950.00		3,690,000.00	3,690,000.00
03/01/2017	130,000.00	4.500%	83,025.00	213,025.00		3,560,000.00	3,560,000.00
06/30/2017					428,975.00	3,560,000.00	3,560,000.00
09/01/2017	135,000.00	4.500%	80,100.00	215,100.00		3,425,000.00	3,425,000.00
03/01/2018	135,000.00	4.500%	77,062.50	212,062.50		3,290,000.00	3,290,000.00

DETAILED BOND DEBT SERVICE

The Durant City Utilities Authority  
Utility Sys & Sales Tax Revenue Note, Series 2007

Serial Bond (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
06/30/2018					427,162.50	3,290,000.00	3,290,000.00
09/01/2018	140,000.00	4.500%	74,025.00	214,025.00		3,150,000.00	3,150,000.00
03/01/2019	145,000.00	4.500%	70,875.00	215,875.00		3,005,000.00	3,005,000.00
06/30/2019					429,900.00	3,005,000.00	3,005,000.00
09/01/2019	145,000.00	4.500%	67,612.50	212,612.50		2,860,000.00	2,860,000.00
03/01/2020	150,000.00	4.500%	64,350.00	214,350.00		2,710,000.00	2,710,000.00
06/30/2020					426,962.50	2,710,000.00	2,710,000.00
09/01/2020	155,000.00	4.500%	60,975.00	215,975.00		2,555,000.00	2,555,000.00
03/01/2021	155,000.00	4.500%	57,487.50	212,487.50		2,400,000.00	2,400,000.00
06/30/2021					428,462.50	2,400,000.00	2,400,000.00
09/01/2021	160,000.00	4.500%	54,000.00	214,000.00		2,240,000.00	2,240,000.00
03/01/2022	165,000.00	4.500%	50,400.00	215,400.00		2,075,000.00	2,075,000.00
06/30/2022					429,400.00	2,075,000.00	2,075,000.00
09/01/2022	170,000.00	4.500%	46,687.50	216,687.50		1,905,000.00	1,905,000.00
03/01/2023	170,000.00	4.500%	42,862.50	212,862.50		1,735,000.00	1,735,000.00
06/30/2023					429,550.00	1,735,000.00	1,735,000.00
09/01/2023	175,000.00	4.500%	39,037.50	214,037.50		1,560,000.00	1,560,000.00
03/01/2024	180,000.00	4.500%	35,100.00	215,100.00		1,380,000.00	1,380,000.00
06/30/2024					429,137.50	1,380,000.00	1,380,000.00
09/01/2024	185,000.00	4.500%	31,050.00	216,050.00		1,195,000.00	1,195,000.00
03/01/2025	185,000.00	4.500%	26,887.50	211,887.50		1,010,000.00	1,010,000.00
06/30/2025					427,937.50	1,010,000.00	1,010,000.00
09/01/2025	190,000.00	4.500%	22,725.00	212,725.00		820,000.00	820,000.00
03/01/2026	200,000.00	4.500%	18,450.00	218,450.00		620,000.00	620,000.00
06/30/2026					431,175.00	620,000.00	620,000.00
09/01/2026	200,000.00	4.500%	13,950.00	213,950.00		420,000.00	420,000.00
03/01/2027	205,000.00	4.500%	9,450.00	214,450.00		215,000.00	215,000.00
06/30/2027					428,400.00	215,000.00	215,000.00
09/01/2027	215,000.00	4.500%	4,837.50	219,837.50			
06/30/2028					219,837.50		
	5,610,000.00		2,966,028.75	8,576,028.75	8,576,028.75		

# Durant City Utilities Authority

Aggregate Debt Analysis

<i>Existing Oklahoma Water Resources Board Debt</i>											
Fiscal Year	2001 Note - Amended Water/Sewer OWRB FAP Int Rate - 4.08%	2003A Note WWTP- 1st OWRB SRF Loan Int Rate - 0.5%	2004A Note WWTP - 2nd OWRB SRF Loan Int Rate - 0.5%	2003B Note - Amended WWTP- 1st OWRB FAP Int Rate - 4.08%	2004B Note - Amended WWTP - 2nd OWRB FAP Int Rate - 4.08%	2004 Note WTP (Interim Loan) OWRB SRF Loan Int Rate - 3.5%	2004 Note WTP (Perm. Loan) OWRB SRF Int Rate - 3.5%	2006 Utility Sys & Sales Tax Revenue Note Int Rate - 4.095%	Total Existing Debt Service Payments	2007 Utility Sys & Sales Tax Revenue Note Est. Int Rate - 4.5%	Total Debt Service Payments
2007/08	140,125	245,248	134,129	567,871	306,331	338,004	217,150	159,708	2,108,566	208,329	2,316,895
2008/09	140,354	244,049	133,473	569,054	307,027	-	557,947	160,102	2,112,007	426,825	2,538,832
2009/10	139,717	242,893	132,841	566,358	305,539	-	557,947	160,499	2,105,794	428,613	2,534,407
2010/11	139,534	241,737	132,209	565,472	305,020	-	557,947	160,894	2,102,813	429,950	2,532,763
2011/12	139,662	240,611	131,593	566,210	305,466	-	557,947	161,471	2,102,961	430,838	2,533,798
2012/13	139,601	239,425	130,944	565,778	305,181	-	557,947	162,021	2,100,897	426,388	2,527,284
2013/14	139,187	238,269	130,312	564,321	304,443	-	557,947	162,435	2,096,914	426,600	2,523,514
2014/15	139,201	237,113	129,680	564,551	304,603	-	557,947	163,003	2,096,099	431,250	2,527,349
2015/16	139,044	235,974	129,057	563,683	304,071	-	557,947	163,512	2,093,288	430,338	2,523,626
2016/17	139,192	234,801	128,415	564,422	304,496	-	557,947	164,254	2,093,527	428,975	2,522,502
2017/18	138,354	233,645	127,783	561,195	302,791	-	557,947	165,004	2,086,719	427,163	2,513,881
2018/19	138,719	232,488	127,150	562,368	303,339	-	557,947	-	1,922,013	429,900	2,351,913
2019/20	138,666	231,337	126,521	562,255	303,296	-	557,947	-	1,920,023	426,963	2,346,985
2020/21	138,307	230,176	125,886	560,895	302,579	-	557,947	-	1,915,790	428,463	2,344,253
2021/22	-	-	-	-	-	-	-	-	-	429,400	429,400
2022/23	-	-	-	-	-	-	-	-	-	429,550	429,550
2023/24	-	-	-	-	-	-	-	-	-	429,138	429,138
2024/25	-	-	-	-	-	-	-	-	-	427,938	427,938
2025/26	-	-	-	-	-	-	-	-	-	431,175	431,175
2026/27	-	-	-	-	-	-	-	-	-	428,400	428,400
2027/28	-	-	-	-	-	-	-	-	-	<u>219,838</u>	219,838
	1,949,664	3,327,768	1,819,992	7,904,433	4,264,181	338,004	7,470,467	1,782,902	28,857,411	8,576,029	

City of Durant

Historical/Projected General Fund Performance

	Fiscal Year Ending June 30						
	2003	2004	2005	2006	2007*	2008**	2009**
<b>Revenues</b>							
Taxes	5,293,165	5,781,203	5,661,584	6,198,745	6,983,958	7,285,000	7,285,000
Intergovernmental	288,672	246,363	666,385	507,711	203,855	186,975	186,975
Charges for Services	130,283	53,925	58,354	75,825	133,628	361,000	361,000
Fines and Forfeitures	173,743	236,895	291,208	225,066	318,562	410,000	410,000
Licenses and Permits	118,433	73,216	75,451	87,520	148,692	163,000	163,000
Investment Income	11,611	5,653	4,402	14,421	47,741	21,000	21,000
Miscellaneous	<u>216,394</u>	<u>150,459</u>	<u>149,978</u>	<u>274,173</u>	<u>317,150</u>	<u>85,953</u>	<u>85,953</u>
<b>Total Operating Revenues</b>	<b>6,232,301</b>	<b>6,547,714</b>	<b>6,907,362</b>	<b>7,383,461</b>	<b>8,153,586</b>	<b>8,512,928</b>	<b>8,512,928</b>
<b>Expenditures</b>							
Current Expenditures							
General Government	1,580,753	1,220,922	1,324,383	1,318,613	1,966,988	2,533,208	2,533,208
Public Safety	3,335,876	3,848,962	4,273,084	4,448,203	4,823,755	5,328,724	5,328,724
Public Works - Streets	1,035,412	1,019,037	1,105,220	1,017,025	715,190	782,811	782,811
Culture and Recreation	581,443	729,393	838,075	885,227	1,172,462	1,503,696	1,503,696
Debt Service and Capital Outlay	<u>-</u>	<u>61,500</u>	<u>7,117</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<b>6,533,484</b>	<b>6,879,814</b>	<b>7,547,879</b>	<b>7,675,168</b>	<b>8,678,394</b>	<b>10,148,439</b>	<b>10,148,439</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(301,183)</b>	<b>(332,100)</b>	<b>(640,517)</b>	<b>(291,707)</b>	<b>(524,808)</b>	<b>(1,635,511)</b>	<b>(1,635,511)</b>
<b>Other Financing Sources (Uses):</b>							
Operating Transfers In							
DCUA (2% Sales Tax Portion not needed)	4,080,247	4,613,853	4,607,239	4,991,316	5,412,966	5,683,615	5,967,795
DCUA Operating Transfer	1,184,772	609,817	548,301	1,192,491	1,279,587	1,664,177	1,664,177
Capital Asset Transfer from DCUA	-	-	-	-	-	-	-
Other Funds	64,000	66,560	170,000	55,000	35,000	148,091	148,091
Operating Transfers Out							
DCUA (2% Sales Tax Portion)	(4,080,247)	(4,613,853)	(4,607,239)	(4,991,316)	(5,412,966)	(5,683,615)	(5,967,795)
Durant Industrial Authority	-	(281,007)	(29,000)	-	(132,991)	-	-
Insurance fund	(110,000)	(90,000)	(150,000)	(175,000)	(150,000)	(150,000)	(150,000)
Other Funds	(351,553)	(110,000)	(174,487)	(187,000)	(628,014)	(70,000)	(70,000)
<b>Total Other Financing Sources (Uses)</b>	<b><u>787,219</u></b>	<b><u>195,370</u></b>	<b><u>364,814</u></b>	<b><u>885,491</u></b>	<b><u>403,582</u></b>	<b><u>1,592,268</u></b>	<b><u>1,592,268</u></b>
<b>Revenues and Other Sources Over (Under) Expenditure sand Other Uses</b>	<b>486,036</b>	<b>(136,730)</b>	<b>(275,703)</b>	<b>593,784</b>	<b>(121,226)</b>	<b>(43,243)</b>	<b>(43,243)</b>
<b>Fund Balance - Beginning of Year</b>	<b>923,098</b>	<b>1,409,134</b>	<b>1,224,343</b>	<b>948,640</b>	<b>1,542,424</b>	<b>1,421,199</b>	<b>1,377,956</b>
Prior Period Adjustments/Restated Fund Bal	-	(48,061)	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>1,409,134</b>	<b>1,224,343</b>	<b>948,640</b>	<b>1,542,424</b>	<b>1,421,199</b>	<b>1,377,956</b>	<b>1,334,713</b>

\* Unaudited

\*\* Budgeted/Estimated

**Durant City Utilities Authority**

**Historical/Projected Enterprise Fund Performance**

	Fiscal Year Ending June 30						
	2003	2004	2005	2006	2007*	2008**	2009**
<b>Operating Revenues</b>							
Water Charges	1,694,799	1,671,080	1,936,768	2,489,282	2,807,325	2,984,940	2,984,940
Water Rate Increase	-	-	-	-	-	104,473	212,602
Sewer Charges	879,136	861,361	1,057,336	1,229,872	1,429,072	1,486,364	1,486,364
Sewer Rate Increase	-	-	-	-	-	52,023	105,866
Sanitation Charges	2,342,525	2,365,644	2,541,663	3,021,069	3,238,124	3,401,010	3,401,010
Sanitation Rate Increase	-	-	-	-	-	119,035	242,237
Late Payment Penalties	-	77,938	86,463	102,818	112,316	110,000	110,000
Other Services	246,195	180,051	195,322	263,788	257,378	270,351	270,351
Miscellaneous	4,125	89,749	62,762	136,946	77,099	80,000	80,000
<b>Total Operating Revenues</b>	<b>5,166,780</b>	<b>5,245,823</b>	<b>5,880,314</b>	<b>7,243,775</b>	<b>7,921,314</b>	<b>8,608,196</b>	<b>8,893,371</b>
<b>Operating Expenses</b>							
Public Works	158,607	138,926	158,121	158,975	169,378	174,784	174,784
Maintenance & Operations	693,568	746,064	724,538	741,313	750,008	880,810	880,810
Filter Plant	506,903	514,481	586,753	695,422	749,422	880,492	880,492
Pollution Control	461,335	528,787	592,051	643,001	626,219	709,688	709,688
Wastewater Pretreatment Program	53,521	52,921	-	-	-	-	-
Sanitation - Collection	701,631	714,939	813,927	813,638	971,842	1,016,127	1,016,127
Sanitation - Disposal	715,175	680,628	756,114	729,299	802,489	767,941	767,941
Lake Durant	34,130	34,467	33,433	31,397	35,701	40,800	40,800
Land Application	-	-	-	-	-	-	-
Utility Authority	62,052	46,862	28,377	52,312	122,335	98,031	98,031
Bad Debt Write-Offs	41,236	-	-	-	15,662	10,000	10,000
<b>Total Operating Expenses</b>	<b>3,428,158</b>	<b>3,458,075</b>	<b>3,693,314</b>	<b>3,865,357</b>	<b>4,243,055</b>	<b>4,578,673</b>	<b>4,578,673</b>
<b>Net Operating Revenues<sup>#</sup></b>	<b>1,738,622</b>	<b>1,787,748</b>	<b>2,187,000</b>	<b>3,378,418</b>	<b>3,678,259</b>	<b>4,029,523</b>	<b>4,314,698</b>
<b>Non-Operating Revenues (Expenses)</b>							
Sales Tax (3%)	6,120,371	6,920,780	6,910,858	7,486,974	8,119,450	8,525,422	8,951,693
Miscellaneous	132,359	2,631	2,630	-	-	-	-
Interest Income	14,757	21,220	25,885	10,421	23,624	18,600	18,600
<b>Net Revenues Available for Debt Service</b>	<b>8,006,109</b>	<b>8,732,379</b>	<b>9,126,373</b>	<b>10,875,814</b>	<b>11,821,332</b>	<b>12,573,545</b>	<b>13,284,991</b>
<b>Revenue Bonds, Series 1991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amended Series 2001 FAP Note to OWRB	(95,818)	(88,514)	(95,471)	(99,974)	(140,251)	(140,125)	(140,354)
2001A CWSRF Interim Const Bond Loan	(90,786)	(66,114)	-	-	-	-	-
2001B Interim Construction CWSRF Note	(136,178)	(99,170)	-	-	-	-	-
Amended 2003B Note to OWRB (CWSRF 1st Conv.)	(2,472)	(359,197)	(392,577)	(407,691)	(568,490)	(567,871)	(569,054)
2003A CWSRF Note (CWSRF 1st Conversion)	-	(249,370)	(248,674)	(247,518)	(246,362)	(245,248)	(244,049)
2004 DWSRF Loan	-	-	(73,330)	(544,890)	(604,487)	(555,154)	(557,947)
Amended 2004B Note to OWRB (CWSRF 2nd Conv.)	-	-	(199,999)	(218,828)	(306,696)	(306,331)	(307,027)
2004A CWSRF Note (CWSRF 2nd Conversion)	-	-	(135,084)	(135,370)	(134,738)	(134,129)	(133,473)
2006 Sales Tax & Utility Revenue Note	-	-	-	-	(119,322)	(159,708)	(160,102)
2007 Sales Tax & Utility Revenue Note	-	-	-	-	-	(208,329)	(426,825)
<b>Total Debt Service</b>	<b>(325,254)</b>	<b>(862,364)</b>	<b>(1,145,135)</b>	<b>(1,654,271)</b>	<b>(2,120,346)</b>	<b>(2,316,895)</b>	<b>(2,538,832)</b>
<b>Net Income Before Transfers &amp; Other</b>							
Non-Operating Revenues (Expenses)	7,680,855	7,870,015	7,981,238	9,221,543	9,700,987	10,256,650	10,746,159
Capital Contributions	-	8,578,400	8,317,432	-	-	-	-
Transfers In (Other than Sales Tax)	500,202	192,253	268,928	153,279	-	-	-
<b>Transfers Out</b>							
General Fund (2% Sales Tax Portion)	(4,080,247)	(4,613,853)	(4,607,239)	(4,991,316)	(5,412,966)	(5,683,615)	(5,967,795)
General Fund - Operating Transfer	(1,184,772)	(609,817)	(548,301)	(1,192,491)	(1,279,587)	(1,664,177)	(1,664,177)
General Fund - Capital Assets	-	-	(1,712,616)	-	-	-	-
Spec Rev Fund (1% Sales Tax Portion) - excess after debt prmts	(1,714,870)	(1,444,563)	(1,158,484)	(841,387)	(586,137)	(524,912)	(445,066)
Risk Management Fund	-	-	(25,000)	(55,000)	-	-	-
Insurance Fund	(80,100)	(80,000)	(150,000)	(175,000)	(150,000)	(150,000)	(150,000)
CDBG Fund	-	(98,760)	(7,200)	(7,200)	-	(325,000)	(325,000)
Airport Authority	-	-	-	(50,000)	(40,000)	-	-
Durant Industrial Authority	(425,000)	(531,060)	(509,673)	(580,557)	(620,637)	(677,354)	(677,354)
Capital Improvement Fund	-	(4,507,998)	(6,265,801)	(645,734)	(1,931,333)	(1,376,824)	(1,376,824)
<b>Net Income (Loss) After Transfers</b>	<b>696,068</b>	<b>4,754,617</b>	<b>1,583,284</b>	<b>836,137</b>	<b>(319,674)</b>	<b>(145,232)</b>	<b>139,943</b>

\* Unaudited

\*\* Budgeted/Estimated

# Net Operating Revenues excludes depreciation, other non-cash items and capital improvements

**Durant City Utilities Authority**

**Historical/Projected Enterprise Fund Performance - Pledged Net Revenues Only**

	Fiscal Year Ending June 30						
	2003	2004	2005	2006	2007*	2008**	2009**
<b>Operating Revenues</b>							
Water Charges	1,694,799	1,671,080	1,936,768	2,489,282	2,807,325	2,984,940	2,984,940
Water Rate Increase	-	-	-	-	-	104,473	212,602
Sewer Charges	879,136	861,361	1,057,336	1,229,872	1,429,072	1,486,364	1,486,364
Sewer Rate Increase	-	-	-	-	-	52,023	105,866
Late Payment Penalties	-	77,938	86,463	102,818	112,316	110,000	110,000
Other Services	246,195	180,051	118,332	180,771	165,161	175,000	175,000
Miscellaneous	4,125	89,749	62,762	136,946	77,099	80,000	80,000
<b>Total Operating Revenues<sup>®</sup></b>	<b>2,824,255</b>	<b>2,880,179</b>	<b>3,261,661</b>	<b>4,139,689</b>	<b>4,590,973</b>	<b>4,992,800</b>	<b>5,154,773</b>
<b>Operating Expenses</b>							
Public Works	158,607	138,926	158,121	158,975	169,378	174,784	174,784
Maintenance & Operations	693,568	746,064	724,538	741,313	750,008	880,810	880,810
Filter Plant	506,903	514,481	586,753	695,422	749,422	880,492	880,492
Pollution Control	461,335	528,787	592,051	643,001	626,219	709,688	709,688
Wastewater Pretreatment Program	53,521	52,921	-	-	-	-	-
Lake Durant	34,130	34,467	33,433	31,397	35,701	40,800	40,800
Land Application	-	-	-	-	-	-	-
Utility Authority	62,052	46,862	28,377	52,312	122,335	98,031	98,031
Bad Debt Write-Offs	41,236	-	-	-	15,662	10,000	10,000
<b>Total Operating Expenses<sup>®</sup></b>	<b>2,011,352</b>	<b>2,062,508</b>	<b>2,123,273</b>	<b>2,322,420</b>	<b>2,468,725</b>	<b>2,794,605</b>	<b>2,794,605</b>
<b>Net Operating Revenues<sup>#</sup></b>	<b>812,903</b>	<b>817,671</b>	<b>1,138,388</b>	<b>1,817,269</b>	<b>2,122,249</b>	<b>2,198,195</b>	<b>2,360,168</b>
<b>Non-Operating Revenues (Expenses)</b>							
Sales Tax (3%)	6,120,371	6,920,780	6,910,858	7,486,974	8,119,450	8,525,422	8,951,693
Miscellaneous	132,359	2,631	2,630	-	-	-	-
Interest Income	14,757	21,220	25,885	10,421	23,624	18,600	18,600
<b>Net Revenues Available for Debt Service</b>	<b>7,080,390</b>	<b>7,762,302</b>	<b>8,077,761</b>	<b>9,314,664</b>	<b>10,265,322</b>	<b>10,742,217</b>	<b>11,330,461</b>
Revenue Bonds, Series 1991	-	-	-	-	-	-	-
Amended Series 2001 FAP Note to OWRB	(95,818)	(88,514)	(95,471)	(99,974)	(140,251)	(140,125)	(140,354)
2001A CWSRF Interim Const Bond Loan	(90,786)	(66,114)	-	-	-	-	-
2001B Interim Construction CWSRF Note	(136,178)	(99,170)	-	-	-	-	-
Amended 2003B Note to OWRB (CWSRF 1st Conv.)	(2,472)	(359,197)	(392,577)	(407,691)	(568,490)	(567,871)	(569,054)
2003A CWSRF Note (CWSRF 1st Conversion)	-	(249,370)	(248,674)	(247,518)	(246,362)	(245,248)	(244,049)
2004 DWSRF Loan	-	-	(73,330)	(544,890)	(604,487)	(555,154)	(557,947)
Amended 2004B Note to OWRB (CWSRF 2nd Conv.)	-	-	(199,999)	(218,828)	(306,696)	(306,331)	(307,027)
2004A CWSRF Note (CWSRF 2nd Conversion)	-	-	(135,084)	(135,370)	(134,738)	(134,129)	(133,473)
2006 Sales Tax & Utility Revenue Note	-	-	-	-	(119,322)	(159,708)	(160,102)
2007 Sales Tax & Utility Revenue Note	-	-	-	-	-	(208,329)	(426,825)
<b>Total Debt Service</b>	<b>(325,254)</b>	<b>(862,364)</b>	<b>(1,145,135)</b>	<b>(1,654,271)</b>	<b>(2,120,346)</b>	<b>(2,316,895)</b>	<b>(2,538,832)</b>
<b>Net Income Before Transfers &amp; Other</b>							
Non-Operating Revenues (Expenses)	6,755,136	6,899,938	6,932,626	7,660,394	8,144,976	8,425,321	8,791,629
Capital Contributions	-	8,578,400	8,317,432	-	-	-	-
Transfers In (Other than Sales Tax)	500,202	192,253	268,928	153,279	-	-	-
<b>Transfers Out</b>							
General Fund (2% Sales Tax Portion)	(4,080,247)	(4,613,853)	(4,607,239)	(4,991,316)	(5,412,966)	(5,683,615)	(5,967,795)
General Fund - Operating Transfer	(259,053)	(609,817)	(548,301)	-	(1,279,587)	(1,209,673)	(1,086,471)
General Fund - Capital Assets	-	-	(1,712,616)	-	-	-	-
Spec Rev Fund (1% Sales Tax Portion) - excess after debt pmts	(1,714,870)	(1,444,563)	(1,158,484)	(841,387)	(586,137)	(524,912)	(445,066)
Risk Management Fund	-	-	(25,000)	(55,000)	-	-	-
Insurance Fund	(80,100)	(80,000)	(150,000)	(175,000)	(150,000)	(150,000)	(150,000)
CDBG Fund	-	(98,760)	(7,200)	(7,200)	-	(325,000)	(325,000)
Airport Authority	-	-	-	(50,000)	(40,000)	-	-
Durant Industrial Authority	(425,000)	(531,060)	(509,673)	(580,557)	(620,637)	(677,354)	(677,354)
Capital Improvement Fund	-	(3,537,921)	(5,217,189)	(277,075)	(375,323)	-	-
<b>Net Income (Loss) After Transfers</b>	<b>696,068</b>	<b>4,754,617</b>	<b>1,583,284</b>	<b>836,137</b>	<b>(319,674)</b>	<b>(145,232)</b>	<b>139,943</b>
<b>Debt Service Coverage (x)</b>	<b>21.77</b>	<b>9.00</b>	<b>7.05</b>	<b>5.63</b>	<b>4.84</b>	<b>4.64</b>	<b>4.46</b>

<sup>®</sup> Excludes Sanitation

\* Unaudited

\*\* Budgeted/Estimated

# Net Operating Revenues excludes depreciation, other non-cash items and capital improvements