

Analysis of Cost of Financing

DRAFT

(in 000's)	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>3-Yr Total</u>
<i>\$3.5M loan scenario</i>				
Interest Paid on Loan Balance	\$ 31	\$ 166	\$ 131	\$ 328
Less: Interest Earned in Demand Deposit Acct	\$ 15	\$ 109	\$ 112	\$ 236
Net Cost of Financing	\$ 16	\$ 57	\$ 19	\$ 92
<i>\$2.5M loan scenario</i>				
Interest Paid on Loan Balance	\$ 22	\$ 111	\$ 73	\$ 206
Less: Interest Earned in Demand Deposit Acct	\$ 8	\$ 71	\$ 77	\$ 156
Net Cost of Financing	\$ 14	\$ 40	\$ (3)	\$ 50
<i>Line of Credit scenario</i>				
Interest Paid on Line of Credit Balance	\$ 39	\$ 97	\$ 88	\$ 223
Less: Interest Earned in Demand Deposit Acct	\$ 1	\$ 2	\$ 2	\$ 5
Net Cost of Financing	\$ 38	\$ 95	\$ 86	\$ 219