

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
<u>Net Cost of Financing</u>	<u>\$ 16</u>	<u>\$ 57</u>	<u>\$ 19</u>	<u>\$ 92</u>
<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
<u>Net Cost of Financing</u>	<u>\$ 14</u>	<u>\$ 40</u>	<u>\$ (3)</u>	<u>\$ 50</u>
<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
<u>Net Cost of Financing</u>	<u>\$ 38</u>	<u>\$ 95</u>	<u>\$ 86</u>	<u>\$ 219</u>