

Investment Update

Board Meeting
August 21, 2002

National Rural Utilities Cooperative Finance Corporation (NRUCFC) Capital Term Certificates

- \$6,095,980.00
- Interest rate : 3% -5%
- Interest is paid semi-annually
- Approximately \$293,000 annually

HEA Patronage Capital

- \$106,066.81
- Annual HEA patronage capital allocation based on our kWh purchases
- We receive a portion of the allocations in cash during HEA's capital credit distributions

Matanuska Telephone Association (MTA) Patronage Capital

- \$9,352.53
- Annual MTA patronage capital allocation based on the amount we've paid for telephone service
- We receive a portion of the allocations in cash during MTA's capital credit distributions

NRUCFC Patronage Equity (required under financing agreement)

- \$45,615.81
- \$1,000 (membership)
- Annual patronage allocation based on our borrowings with NRUCFC
- In the past we have received 30% equity and 70% cash annually

CoBank Patronage Equity (required under financing agreement)

- \$4,283,331.30
- Annual patronage allocation based on the average loan volume outstanding at the end of each year
- We receive 30% cash and 70% equity annually

2001 \$261,306.88

2000 \$403,642.29

1999 \$262,689.54

1998 \$177,517.20

1997 \$160,087.56

Other Miscellaneous Investments

- Overnight investment account with First National Bank
- \$28,080.18 with Paine Webber at 1.75% at July 31, 2002 (refinancing)
- \$5,456.34 with U.S. Trust at 1.35% (refinancing)
- \$6,525.94 miscellaneous loan with the Anchorage Community YMCA (fuel cell)