

LITTLE ROCK WASTEWATER  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original and Final Budget	Actual	Variance Over (Under)
<b><u>OPERATING REVENUE</u></b>			
Sewer Charges	\$ 38,242,224	\$ 37,658,159	\$ (584,065)
Industry Surcharges	672,000	691,625	19,625
Connection Fees	-	-	-
Other	321,840	534,124	212,284
Total Operating Revenues	<u>39,236,064</u>	<u>38,883,908</u>	<u>(352,156)</u>
<b><u>OPERATING REVENUES EXCLUDING DEPRECIATION</u></b>			
Committee	73,500	70,469	(3,031)
Management	1,806,271	1,807,836	1,565
Finance and Administration	2,612,373	2,489,923	(122,450)
Engineering	2,096,745	1,740,750	(355,995)
Information Systems	1,957,087	1,933,162	(23,925)
Maintenance	10,037,963	9,549,956	(488,007)
Operations	4,807,884	4,552,796	(255,088)
Environmental Assessment	1,629,000	1,586,215	(42,785)
Total Operating Expenses, Excluding Depreciation	<u>25,020,823</u>	<u>23,731,107</u>	<u>(1,289,716)</u>
Operating Income Before Depreciation	<u>14,215,241</u>	<u>15,152,801</u>	<u>937,560</u>
<b><u>PROVISION FOR DEPRECIATION</u></b>			
Building and Improvement	769,205	783,292	14,087
Infrastructure-Collection & Treatment	4,046,765	3,924,366	(122,399)
Equipment	1,648,288	1,671,332	23,044
Total Provision for Depreciation	<u>6,464,258</u>	<u>6,378,990</u>	<u>(85,268)</u>
OPERATING INCOME (LOSS)	<u>7,750,983</u>	<u>8,773,811</u>	<u>1,022,828</u>
<b><u>NONOPERATING INCOME (EXPENSE)</u></b>			
Interest Income	4,060,697	5,421,585	1,360,888
Interest Expense	(9,547,458)	(9,340,837)	206,621
Amortization of Bond Issuance Costs	(194,601)	(206,391)	(11,790)
Gain (Loss) on Disposal of Capital Assets	3,600	(155,504)	(159,104)
Gain (Loss) on Investments	-	(382,174)	(382,174)
Other	2,400	18,148	15,748
Total Operating Revenues	<u>(5,675,362)</u>	<u>(4,645,173)</u>	<u>1,030,189</u>
OPERATING INCOME (LOSS)	<u>\$ 2,075,621</u>	<u>\$ 4,128,638</u>	<u>\$ 2,053,017</u>

See independent auditors' report on required supplementary information.

LITTLE ROCK WASTEWATER  
SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT  
EXCLUDING DEPRECIATION (SCHEDULE 1)  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
<u>Sewer Committee:</u>		
Committee Expense Reimbursement	\$ 46,306	\$ 32,466
Insurance	11,459	12,107
Other	12,705	17,829
Total	<u>70,470</u>	<u>62,402</u>
<u>Utility Management:</u>		
Salaries	939,549	852,618
Employee Benefits	346,052	439,131
Supplies	114,270	113,669
Contract Services	118,795	175,523
Vehicle Maintenance	19,213	17,308
Utilities	14,970	15,466
Insurance	7,783	8,237
Training and Administration	247,204	201,594
Total	<u>1,807,836</u>	<u>1,823,546</u>
<u>Finance:</u>		
Salaries	922,439	864,162
Employee Benefits	319,758	359,217
Supplies	62,993	52,018
Contract Services	819,550	876,119
Vehicle Maintenance	7,849	7,789
Utilities	11,447	12,147
Insurance	7,114	7,462
Delinquent Accounts	262,305	263,601
Training and Administration	76,467	56,548
Total	<u>2,489,922</u>	<u>2,499,063</u>
<u>Engineering:</u>		
Salaries	1,211,852	1,174,423
Employee Benefits	215,522	396,890
Supplies	64,303	54,294
Contract Services	131,020	143,875
Vehicle Maintenance	34,594	34,533
Utilities	19,431	25,534
Insurance	5,582	6,124
Training and Administration	58,443	63,157
Total	<u>1,740,747</u>	<u>1,898,830</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT  
EXCLUDING DEPRECIATION (SCHEDULE 1) (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
<u>Collection System and Facilities/</u>		
<u>Equipment Maintenance:</u>		
Salaries	\$ 5,117,454	\$ 4,958,199
Employee Benefits	1,800,972	2,398,937
Supplies	1,247,420	1,178,365
Contract Services	624,163	564,409
Vehicle Maintenance	450,026	243,497
Utilities	153,628	138,513
Insurance	82,485	92,075
Training and Administration	73,808	79,633
Total	9,549,956	9,653,628
 <u>Operations - Adams, Fourche, and</u>		
<u>Industrial Monitoring:</u>		
Salaries	1,574,259	1,527,052
Employee Benefits	571,819	729,479
Supplies	152,540	221,229
Contract Services	707,588	522,161
Vehicle Maintenance	20,396	18,740
Utilities	1,371,958	1,102,289
Insurance	38,044	38,188
Training and Administration	116,195	98,623
Total	4,552,799	4,257,761
 <u>Technical Services:</u>		
Salaries	796,927	709,210
Employee Benefits	317,117	399,561
Supplies	415,447	323,460
Contract Services	224,956	190,188
Vehicle Maintenance	23,905	13,555
Utilities	106,679	109,143
Insurance	1,561	1,975
Training and Administration	46,571	43,085
Total	1,933,163	1,790,177

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LITTLE ROCK WASTEWATER  
SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT  
EXCLUDING DEPRECIATION (SCHEDULE 1) (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
<u>Environmental Assessment</u>		
<u>Department (EAD):</u>		
Salaries	\$ 977,078	\$ 882,733
Employee Benefits	388,492	472,834
Supplies	139,842	124,570
Contract Services	36,021	40,095
Vehicle Maintenance	15,810	12,369
Utilities	4,957	6,445
Insurance	1,505	1,920
Training and Administration	22,511	13,190
Total	1,586,216	1,554,156
 Total Operating Expenses	 \$ 23,731,109	 \$ 23,539,563

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 1990)

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Principal Payable</u>		<u>Interest Payable</u>		<u>Total Annual Requirement</u>
		<u>4/15</u>	<u>10/15</u>	<u>4/15</u>	<u>10/15</u>	
2009	4%	\$ 205,803	\$ 209,919	\$ 50,087	\$ 45,971	\$ 511,780
2010	4%	214,117	218,400	41,773	37,490	511,780
2011	4%	222,769	227,223	33,122	28,666	511,780
2012	4%	231,768	236,403	24,123	19,486	511,780
2013	4%	241,131	245,954	14,759	9,937	511,781
2014	4%	250,872	-	5,017	-	255,889
		<u>\$ 1,366,460</u>	<u>\$ 1,137,899</u>	<u>\$ 168,881</u>	<u>\$ 141,550</u>	<u>\$ 2,814,790</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 1991)

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Principal Payable</u>		<u>Interest Payable</u>		<u>Total Annual Requirement</u>
		<u>4/15</u>	<u>10/15</u>	<u>4/15</u>	<u>10/15</u>	
2009	4%	\$ 176,403	\$ 179,931	\$ 42,932	\$ 39,404	\$ 438,670
2010	4%	183,529	187,200	35,805	32,135	438,669
2011	4%	190,944	194,763	28,391	24,572	438,670
2012	4%	198,658	202,631	20,676	16,703	438,668
2013	4%	206,684	210,817	12,651	8,517	438,669
2014	4%	215,033	-	4,301	-	219,334
		<u>\$ 1,171,251</u>	<u>\$ 975,342</u>	<u>\$ 144,756</u>	<u>\$ 121,331</u>	<u>\$ 2,412,680</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2007

Sewer Revenue Bonds (Series 1996)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2009	3.5%	\$ 145,765	\$ 148,316	\$ 64,068	\$ 61,518	\$ 419,667
2010	3.5%	150,911	153,552	58,922	56,281	419,666
2011	3.5%	156,239	158,974	53,594	50,860	419,667
2012	3.5%	161,756	164,585	48,078	45,247	419,666
2013	3.5%	167,466	170,397	42,367	39,436	419,666
2014	3.5%	173,379	176,413	36,454	33,420	419,666
2015	3.5%	179,500	182,641	30,333	27,192	419,666
2016	3.5%	185,837	189,089	23,995	20,743	419,664
2017	3.5%	192,399	195,766	17,434	14,067	419,666
2018	3.5%	199,192	202,678	10,641	7,155	419,666
2019	3.5%	206,200	-	3,609	-	209,809
		<u>\$ 1,918,644</u>	<u>\$ 1,742,411</u>	<u>\$ 389,495</u>	<u>\$ 355,919</u>	<u>\$ 4,406,469</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2007

Sewer Revenue Bonds (Series 1999)

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Principal Payable</u>		<u>Interest Payable</u>		<u>Total Annual Requirement</u>
		<u>4/15</u>	<u>10/15</u>	<u>4/15</u>	<u>10/15</u>	
2009	3.75%	\$ 255,079	\$ 259,862	\$ 174,031	\$ 169,248	\$ 858,220
2010	3.75%	264,735	269,698	164,375	159,412	858,220
2011	3.75%	274,755	279,907	154,355	149,203	858,220
2012	3.75%	285,155	290,502	143,955	138,608	858,220
2013	3.75%	295,949	301,498	133,161	127,612	858,220
2014	3.75%	307,151	312,910	121,959	116,200	858,220
2015	3.75%	318,777	324,754	110,333	104,356	858,220
2016	3.75%	330,843	337,046	98,267	92,064	858,220
2017	3.75%	343,366	349,804	85,744	79,306	858,220
2018	3.75%	356,363	363,045	72,747	66,065	858,220
2019	3.75%	369,852	376,787	59,258	52,323	858,220
2020	3.75%	383,851	391,048	45,259	38,062	858,220
2021	3.75%	398,381	405,850	30,729	23,260	858,220
2022	3.75%	413,460	421,194	15,650	7,898	858,202
		<u>\$ 4,597,717</u>	<u>\$ 4,683,905</u>	<u>\$ 1,409,823</u>	<u>\$ 1,323,617</u>	<u>\$ 12,015,062</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2001)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		<u>2/1</u>	<u>8/1</u>	<u>2/1</u>	<u>8/1</u>	
2009	4.000%	\$ 210,000	\$ 215,000	\$ 470,428	\$ 466,228	\$ 1,361,656
2010	4.050%	220,000	220,000	461,928	457,473	1,359,401
2011	4.150%	225,000	230,000	453,018	448,350	1,356,368
2012	4.250%	235,000	240,000	443,577	438,583	1,357,160
2013	4.350%	245,000	250,000	433,483	428,155	1,356,638
2014	5.125%	490,000	510,000	422,717	410,161	1,832,878
2015	5.125%	760,000	775,000	397,092	377,617	2,309,709
2016	4.650%	795,000	815,000	357,758	339,273	2,307,031
2017	4.750%	830,000	855,000	320,325	300,613	2,305,938
2018	4.800%	875,000	895,000	280,306	259,306	2,309,612
2019	4.850%	1,020,000	1,045,000	237,827	213,091	2,515,918
2020	5.000%	1,175,000	1,205,000	187,750	158,375	2,726,125
2021	5.000%	1,230,000	1,270,000	128,250	97,500	2,725,750
2022	5.000%	1,300,000	1,330,000	65,750	33,250	2,729,000
		<u>\$ 9,610,000</u>	<u>\$ 9,855,000</u>	<u>\$ 4,660,209</u>	<u>\$ 4,427,975</u>	<u>\$ 28,553,184</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2004A)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2009	3.25%	\$ 435,061	\$ 442,131	\$ 354,837	\$ 347,767	\$ 1,579,796
2010	3.25%	449,315	456,617	340,583	333,281	1,579,796
2011	3.25%	464,037	471,577	325,861	318,321	1,579,796
2012	3.25%	479,241	487,028	310,657	302,870	1,579,796
2013	3.25%	494,942	502,985	294,956	286,913	1,579,796
2014	3.25%	511,159	519,465	278,739	270,433	1,579,796
2015	3.25%	527,906	536,485	261,992	253,413	1,579,796
2016	3.25%	545,203	554,062	244,695	235,836	1,579,796
2017	3.25%	563,066	572,216	226,832	217,682	1,579,796
2018	3.25%	581,514	590,963	208,384	198,935	1,579,796
2019	3.25%	600,567	610,326	189,331	179,572	1,579,796
2020	3.25%	620,244	630,323	169,654	159,575	1,579,796
2021	3.25%	640,566	650,974	149,332	138,924	1,579,796
2022	3.25%	661,553	672,303	128,345	117,595	1,579,796
2023	3.25%	683,229	694,331	106,669	95,567	1,579,796
2024	3.25%	705,613	717,080	84,285	72,818	1,579,796
2025	3.25%	728,733	740,575	61,165	49,323	1,579,796
2026	3.25%	752,608	764,838	37,290	25,060	1,579,796
2027	3.25%	777,277	-	12,621	-	789,898
		<u>\$ 11,221,834</u>	<u>\$ 10,614,279</u>	<u>\$ 3,786,228</u>	<u>\$ 3,603,885</u>	<u>\$ 29,226,226</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2004B)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2009	3.25%	\$ 259,458	\$ 263,673	\$ 219,268	\$ 215,053	\$ 957,452
2010	3.25%	267,958	272,312	210,768	206,414	957,452
2011	3.25%	276,738	281,234	201,988	197,492	957,452
2012	3.25%	285,805	290,449	192,921	188,277	957,452
2013	3.25%	295,169	299,965	183,557	178,761	957,452
2014	3.25%	304,839	309,794	173,887	168,932	957,452
2015	3.25%	314,828	319,944	163,898	158,782	957,452
2016	3.25%	325,142	330,426	153,584	148,300	957,452
2017	3.25%	335,795	341,252	142,931	137,474	957,452
2018	3.25%	346,798	352,433	131,928	126,293	957,452
2019	3.25%	358,160	363,980	120,566	114,746	957,452
2020	3.25%	369,894	375,906	108,832	102,820	957,452
2021	3.25%	382,013	388,221	96,713	90,505	957,452
2022	3.25%	394,531	400,941	84,195	77,785	957,452
2023	3.25%	407,457	414,078	71,269	64,648	957,452
2024	3.25%	420,807	427,645	57,919	51,081	957,452
2025	3.25%	434,594	441,656	44,132	37,070	957,452
2026	3.25%	448,833	456,126	29,893	22,600	957,452
2027	3.25%	463,539	471,073	15,187	7,653	957,452
		<u>\$ 6,692,358</u>	<u>\$ 6,801,108</u>	<u>\$ 2,403,436</u>	<u>\$ 2,294,686</u>	<u>\$ 18,191,588</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2004C)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2009	3.25%	\$ 233,281	\$ 237,071	\$ 211,250	\$ 207,460	\$ 889,062
2010	3.25%	240,924	244,839	203,607	199,692	889,062
2011	3.25%	248,818	252,861	195,713	191,670	889,062
2012	3.25%	256,970	261,146	187,561	183,385	889,062
2013	3.25%	265,390	269,702	179,141	174,829	889,062
2014	3.25%	274,085	278,538	170,446	165,993	889,062
2015	3.25%	283,065	287,664	161,466	156,867	889,062
2016	3.25%	292,339	297,089	152,192	147,442	889,062
2017	3.25%	301,918	306,823	142,613	137,708	889,062
2018	3.25%	311,810	316,877	132,721	127,654	889,062
2019	3.25%	322,026	327,258	122,505	117,273	889,062
2020	3.25%	332,576	337,981	111,955	106,550	889,062
2021	3.25%	343,473	349,055	101,058	95,476	889,062
2022	3.25%	354,727	360,491	89,804	84,040	889,062
2023	3.25%	366,349	372,302	78,182	72,229	889,062
2024	3.25%	378,352	384,500	66,179	60,031	889,062
2025	3.25%	390,748	397,098	53,783	47,433	889,062
2026	3.25%	403,551	410,108	40,980	34,423	889,062
2027	3.25%	416,773	423,546	27,758	20,985	889,062
2028	3.25%	430,428	437,448	14,103	7,108	889,087
		<u>\$ 6,447,603</u>	<u>\$ 6,552,397</u>	<u>\$ 2,443,017</u>	<u>\$ 2,338,248</u>	<u>\$ 17,781,265</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2005)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		05/01	11/01	05/01	11/01	
2009	3.500%	\$ 380,000	-	\$ 186,709	\$ 180,059	\$ 746,768
2010	3.125%	390,000	-	180,059	173,965	744,024
2011	3.250%	405,000	-	173,965	167,384	746,349
2012	4.000%	415,000	-	167,384	159,084	741,468
2013	4.000%	435,000	-	159,084	150,384	744,468
2014	4.000%	450,000	-	150,384	141,384	741,768
2015	4.000%	470,000	-	141,384	131,984	743,368
2016	0.050%	490,000	-	131,984	119,734	741,718
2017	4.000%	510,000	-	119,734	109,534	739,268
2018	4.100%	535,000	-	109,534	98,566	743,100
2019	5.000%	555,000	-	98,566	84,691	738,257
2020	4.200%	585,000	-	84,691	72,406	742,097
2021	4.375%	605,000	-	72,406	59,172	736,578
2022	4.375%	635,000	-	59,172	45,281	739,453
2023	4.375%	660,000	-	45,281	30,844	736,125
2024	4.375%	690,000	-	30,844	15,750	736,594
2025	4.375%	720,000	-	15,750	-	735,750
		<u>\$ 8,930,000</u>	<u>\$ -</u>	<u>\$ 1,926,931</u>	<u>\$ 1,740,222</u>	<u>\$ 12,597,153</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2007A)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		6/01	12/01	6/01	12/01	
2009	4.00%	\$ 1,095,000		\$ 1,430,797	\$ 1,408,897	\$ 3,934,694
2010	4.00%	1,135,000		1,408,897	1,386,197	3,930,094
2011	3.63%	1,185,000		1,386,197	1,364,719	3,935,916
2012	4.00%	1,225,000		1,364,719	1,340,219	3,929,938
2013	4.00%	1,275,000		1,340,219	1,314,719	3,929,938
2014	4.50%	1,325,000		1,314,719	1,284,906	3,924,625
2015	4.54%	1,385,000		1,284,906	1,253,744	3,923,650
2016	4.50%	1,445,000		1,253,744	1,221,231	3,919,975
2017	5.00%	1,515,000		1,221,231	1,183,356	3,919,587
2018	4.00%	1,590,000		1,183,356	1,151,556	3,924,912
2019	4.38%	1,650,000		1,151,556	1,115,462	3,917,018
2020	4.50%	1,725,000		1,115,462	1,076,650	3,917,112
2021	4.50%	1,800,000		1,076,650	1,036,150	3,912,800
2022	4.50%	1,880,000		1,036,150	993,850	3,910,000
2023	4.75%	1,965,000		993,850	947,181	3,906,031
2024	4.75%	2,060,000		947,181	898,256	3,905,437
2025	4.75%	2,160,000		898,256	846,956	3,905,212
2026	4.75%	2,260,000		846,956	793,281	3,900,237
2027	4.75%	2,370,000		793,281	736,994	3,900,275
2028	5.00%	2,480,000		736,994	674,994	3,891,988
2029	5.00%	2,605,000		674,994	609,869	3,889,863
2030	5.00%	2,735,000		609,869	541,494	3,886,363
2031	4.375%	2,870,000		541,494	469,744	3,881,238
2032	4.375%	3,015,000		469,744	403,791	3,888,535
2033	4.75%	3,145,000		403,791	334,994	3,883,785
2034	4.75%	3,285,000		334,994	256,975	3,876,969
2035	4.75%	3,440,000		256,975	175,275	3,872,250
2036	4.75%	3,605,000		175,275	89,656	3,869,931
2037	4.75%	3,775,000	-	89,656	-	3,864,656
		<u>\$62,000,000</u>	<u>\$ -</u>	<u>\$26,341,913</u>	<u>\$24,911,116</u>	<u>\$ 113,253,029</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2007B)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2010	2.75%	\$ 340,548	\$ 345,231	\$ 247,500	\$ 242,817	\$ 1,176,096
2011	2.75%	349,978	354,790	238,070	233,258	1,176,096
2012	2.75%	359,668	364,613	228,380	223,435	1,176,096
2013	2.75%	369,627	374,709	218,421	213,339	1,176,096
2014	2.75%	379,862	385,084	208,186	202,964	1,176,096
2015	2.75%	390,380	395,747	197,668	192,301	1,176,096
2016	2.75%	401,189	406,705	186,859	181,343	1,176,096
2017	2.75%	412,298	417,966	175,750	170,082	1,176,096
2018	2.75%	423,713	429,540	164,335	158,508	1,176,096
2019	2.75%	435,445	441,433	152,603	146,615	1,176,096
2020	2.75%	447,503	453,656	140,545	134,392	1,176,096
2021	2.75%	459,893	466,217	128,155	121,831	1,176,096
2022	2.75%	472,628	479,126	115,420	108,922	1,176,096
2023	2.75%	485,715	492,393	102,333	95,655	1,176,096
2024	2.75%	499,163	506,027	88,885	82,021	1,176,096
2025	2.75%	512,984	520,038	75,064	68,010	1,176,096
2026	2.75%	527,188	534,437	60,860	53,611	1,176,096
2027	2.75%	541,786	549,235	46,262	38,813	1,176,096
2028	2.75%	556,788	564,444	31,260	23,604	1,176,096
2029	2.75%	572,205	580,048	15,843	7,975	1,176,071
		<u>\$ 8,938,561</u>	<u>\$ 9,061,439</u>	<u>\$ 2,822,399</u>	<u>\$ 2,699,496</u>	<u>\$23,521,895</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2007C)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/15	10/15	4/15	10/15	
2009		\$ -	\$ -	\$ 1,739,384	\$ 1,739,384	\$ 3,478,768
2010				1,739,384	1,739,384	3,478,768
2011				1,739,384	1,739,384	3,478,768
2012				1,739,384	1,739,384	3,478,768
2013				1,739,384	1,739,384	3,478,768
2014				1,739,384	1,739,384	3,478,768
2015				1,739,384	1,739,384	3,478,768
2016				1,739,384	1,739,384	3,478,768
2017				1,739,384	1,739,384	3,478,768
2018				1,739,385	1,739,385	3,478,770
2019				1,739,385	1,739,385	3,478,770
2020				1,739,385	1,739,385	3,478,770
2021				1,739,385	1,739,385	3,478,770
2022				1,739,385	1,739,385	3,478,770
2023				1,739,385	1,739,385	3,478,770
2024	4.250%		440,000	1,739,385	1,739,385	3,918,770
2025	4.375%		460,000	1,730,034	1,730,034	3,920,068
2026	5.000%		1,185,000	1,719,972	1,719,972	4,624,944
2027	4.375%		1,995,000	1,690,347	1,690,347	5,375,694
2028	4.750%		3,755,000	1,646,706	1,646,706	7,048,412
2029	4.750%		4,780,000	1,557,525	1,557,525	7,895,050
2030	5.000%		6,130,000	1,444,000	1,444,000	9,018,000
2031	5.000%		6,445,000	1,290,750	1,290,750	9,026,500
2032	5.000%		6,760,000	1,129,625	1,129,625	9,019,250
2033	4.500%		7,100,000	960,625	960,625	9,021,250
2034	5.000%		7,425,000	800,875	800,875	9,026,750
2035	5.000%		7,805,000	615,250	615,250	9,035,500
2036	5.000%		8,195,000	420,125	420,125	9,035,250
2037	5.000%		8,610,000	215,250	215,250	9,040,500
		<u>\$ -</u>	<u>\$ 71,085,000</u>	<u>\$ 43,051,235</u>	<u>\$ 43,051,235</u>	<u>\$ 157,187,470</u>

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
SCHEDULE OF BONDED INDEBTEDNESS (SCHEDULE 2) (CONTINUED)  
DECEMBER 31, 2008

Sewer Revenue Bonds (Series 2008)

Year of Maturity	Interest Rate	Principal Payable		Interest Payable		Total Annual Requirement
		4/01	10/01	4/01	10/01	
2009	\$	-	\$ 240,000	\$ 280,388	\$ 420,581	\$ 940,969
2010			265,000	416,381	416,381	1,097,762
2011			275,000	411,744	411,744	1,098,488
2012			285,000	406,588	406,588	1,098,176
2013			295,000	400,888	400,888	1,096,776
2014			305,000	394,988	394,988	1,094,976
2015			320,000	388,888	388,888	1,097,776
2016			330,000	382,488	382,488	1,094,976
2017			345,000	375,475	375,475	1,095,950
2018			360,000	367,928	367,928	1,095,856
2019			375,000	359,828	359,828	1,094,656
2020			395,000	350,922	350,922	1,096,844
2021			415,000	341,047	341,047	1,097,094
2022			435,000	330,672	330,672	1,096,344
2023			460,000	319,525	319,525	1,099,050
2024			485,000	307,450	307,450	1,099,900
2025			510,000	294,719	294,719	1,099,438
2026			540,000	281,013	281,013	1,102,026
2027			570,000	266,163	266,163	1,102,326
2028			600,000	250,488	250,488	1,100,976
2029			630,000	233,988	233,988	1,097,976
2030			665,000	216,663	216,663	1,098,326
2031			705,000	198,375	198,375	1,101,750
2032			745,000	178,106	178,106	1,101,212
2033			785,000	156,688	156,688	1,098,376
2034			830,000	134,119	134,119	1,098,238
2035			880,000	110,256	110,256	1,100,512
2036			930,000	84,956	84,956	1,099,912
2037			985,000	58,219	58,219	1,101,438
2038			1,040,000	29,900	29,900	1,099,800
	\$	-	\$ 16,000,000	\$ 8,328,853	\$ 8,469,046	\$ 32,797,899

See independent auditors' report on supplementary schedules.

LITTLE ROCK WASTEWATER  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Award Amount</u>
<u>Environmental Protection Agency</u>			
Passed Through the Arkansas Natural Resources Commission - State Revolving Fund Program:			
Sewer Bonds (1990 Series)	66.458	N/A	\$ 7,000,000
Sewer Bonds (1991 Series)	66.458	N/A	6,000,000
Sewer Bonds (1996 Series)	66.458	N/A	6,000,000
Sewer Bonds (1999 Series)	66.458	N/A	12,000,000
Sewer Bonds (2004A Series)	66.458	N/A	23,100,000
Sewer Bonds (2004B Series)	66.458	N/A	14,000,000
Sewer Bonds (2004C Series)	66.458	N/A	13,000,000
Sewer Bonds (2007B Series)	66.458	N/A	<u>18,000,000</u>
Totals			<u>\$ 99,100,000</u>

See independent auditors' report on supplementary schedules and accompanying notes to Schedule of Expenditures of Federal Awards.

<u>Bonds Payable December 31, 2007</u>	<u>Cash Received in 2008</u>	<u>Principal Repayments in 2008</u>	<u>Bonds Payable December 31, 2008</u>	<u>Total Expenditures in 2008</u>
\$ 2,903,938	\$ -	\$ 399,579	\$ 2,504,359	\$ -
2,489,090	-	342,497	2,146,593	-
3,945,105	-	284,050	3,661,055	-
9,777,783	-	496,161	9,281,622	-
22,685,477	-	849,364	21,836,113	-
11,908,792	2,091,208	506,534	13,493,466	2,091,208
8,118,984	3,943,191	-	12,062,175	3,943,191
<u>459,256</u>	<u>5,533,838</u>	<u>-</u>	<u>5,993,094</u>	<u>5,533,838</u>
<u>\$ 62,288,425</u>	<u>\$ 11,568,237</u>	<u>\$ 2,878,185</u>	<u>\$ 70,978,477</u>	<u>\$ 11,568,237</u>

LITTLE ROCK WASTEWATER  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1: GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of the federal financial assistance program of the Little Rock Wastewater (LRW), a component unit of the City of Little Rock, Arkansas. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the basis of accounting described in Note 1 to the LRW's financial statements.

NOTE 3: PURPOSE OF FUNDS RECEIVED

Funds received under the LRW's participation in the State Revolving Fund Program are used in construction related activities involving publicly-owned treatment works and/or developing a nonpoint source pollution control program.

NOTE 4: RELATIONSHIP TO FINANCIAL STATEMENTS

Principal repayments in 2008 are included in the statements of cash flows in the LRW's financial statements. Bonds payable of \$70,978,477 at December 31, 2008 are included in Note 7 to the Utility's financial statements. Total expenditures in 2008 are included in acquisition and construction of capital assets in the statements of cash flows in LRW's financials statements.