

**TOPAZ FINANCIAL REVIEW  
PRESENTED TO BOARD OF DIRECTORS SEPTEMBER 14, 2009**

**RECAP OF FISCAL YEAR 2008/2009 [JANUARY 2009 THRU JUNE 2009]**

**OPERATIONS**

	COM	TOG	AJFD	CAJ	TQC	TOTAL
Budgeted Subscriber Units as of 12-17-2008	2,734	712	74	164	4	3,688
Actual Subscriber Units as of 7-1-2009	2,754	730	74	164	27	3,749
Difference	20	18	0	0	23	61
Percentage Increase	0.73%	2.53%	0.00%	0.00%	575.00%	1.65%

	COM	TOG	AJFD	CAJ	TQC	TOTAL	% of BUDGET	YTD VARIANCE	6 MONTH BUDGET	ANNUAL BUDGET
Budgeted Cost Per Radio For Initial 6 Months	\$502,230	\$130,794	\$13,596	\$30,126	\$732	\$677,478			\$677,478	\$1,354,956
						\$31				
Actual Cost Per Radio For Initial 6 Months	\$412,893	\$109,261	\$11,065	\$24,520	\$3,375	\$561,114	82.82%			
Difference	-\$89,337	-\$21,533	-\$2,531	-\$5,606	\$2,643	-\$116,364		-17.18%		
						\$25				

**RECAP OF FISCAL YEAR 2009/2010**

**OPERATIONS**

	COM	TOG	AJFD	CAJ	TQC	TOTAL
Budgeted Subscriber Units as of 3/10/2009	2,770	741	74	164	26	3,775

Budgeted Cost Per Radio	\$89,735	\$24,005	\$2,397	\$5,313	\$842	\$122,292				\$1,467,506
						\$32				

**CAPITAL**

Costs To Reconfigure and White Tanks	\$944,735	\$252,725	\$25,238	\$55,934	\$8,868	\$1,287,500
[Billing in January, February, March 2010]	\$314,912	\$84,242	\$8,413	\$18,645	\$2,956	\$429,167

**POTENTIAL CHANGE IN CASH FLOW PROJECTIONS FOR CAPITAL COSTS**

1. Costs To Reconfigure \$721,000

<u>Contract Terms</u>	Expected Execution	Amount	BOD Consideration
25% due on contract execution	Jul-09	\$170,000	Cost incurred, bill partners now rather than January-March 2010
60% due on shipment of equipment	Dec-09		No Cash Flow Change
	December 2009 to		
5% due on installation of equipment	January 2010		No Cash Flow Change
5% due on system acceptance	Feb-10		No Cash Flow Change
5% due on final acceptance	March-April 2010		No Cash Flow Change

2. White Tanks \$566,500

<u>Contract Terms</u>	Expected Execution	Amount	BOD Consideration
70% due on delivery	Sep-09	\$210,000	Cost incurred, bill partners now rather than January-March 2010
20% due on completion of acceptance test	March-April 2010		No Cash Flow Change
10% due on final acceptance	March-April 2010		No Cash Flow Change

3. Impact On Cash Flow To Partners

	COM	TOG	AJFD	CAJ	TQC	TOTAL
Budgeted Cash Flow From Above	\$944,735	\$252,725	\$25,238	\$55,934	\$8,868	\$1,287,500
Bill 25% Due On Contract Execution Now - Reconfiguration	\$124,742	\$33,370	\$3,332	\$7,385	\$1,171	\$170,000
Bill 70 % Due On Contract Delivery September-October 2009 for White Tanks	\$154,093	\$41,221	\$4,117	\$9,123	\$1,446	\$210,000
Revised Cash Flow	\$665,901	\$178,134	\$17,789	\$39,425	\$6,251	\$907,500
[Billing in January, February, March 2010]	\$221,967	\$59,378	\$5,930	\$13,142	\$2,084	\$302,500