

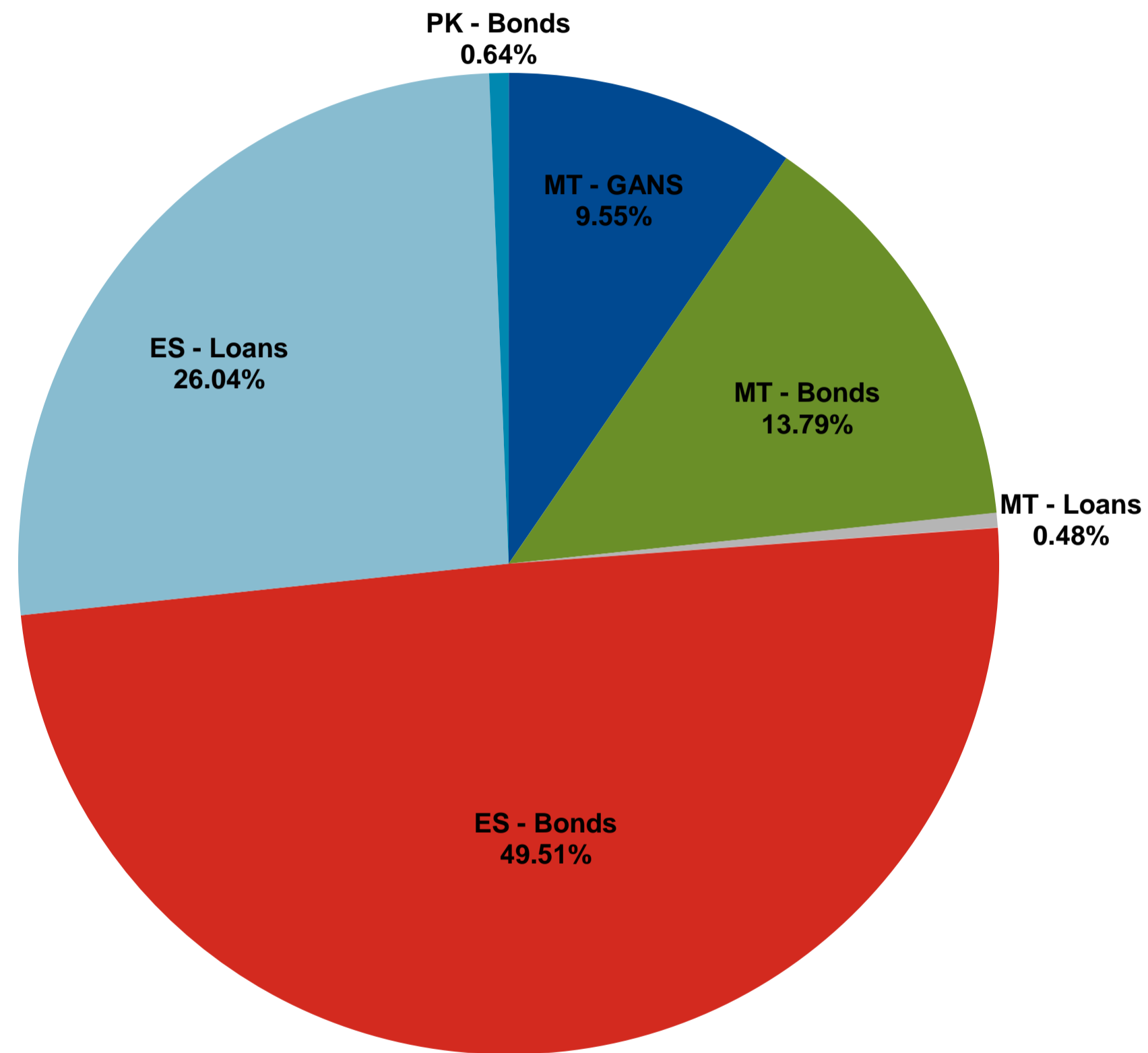
STATUS OF MUNICIPAL DEBT MARKETS

by Allen Hoppe

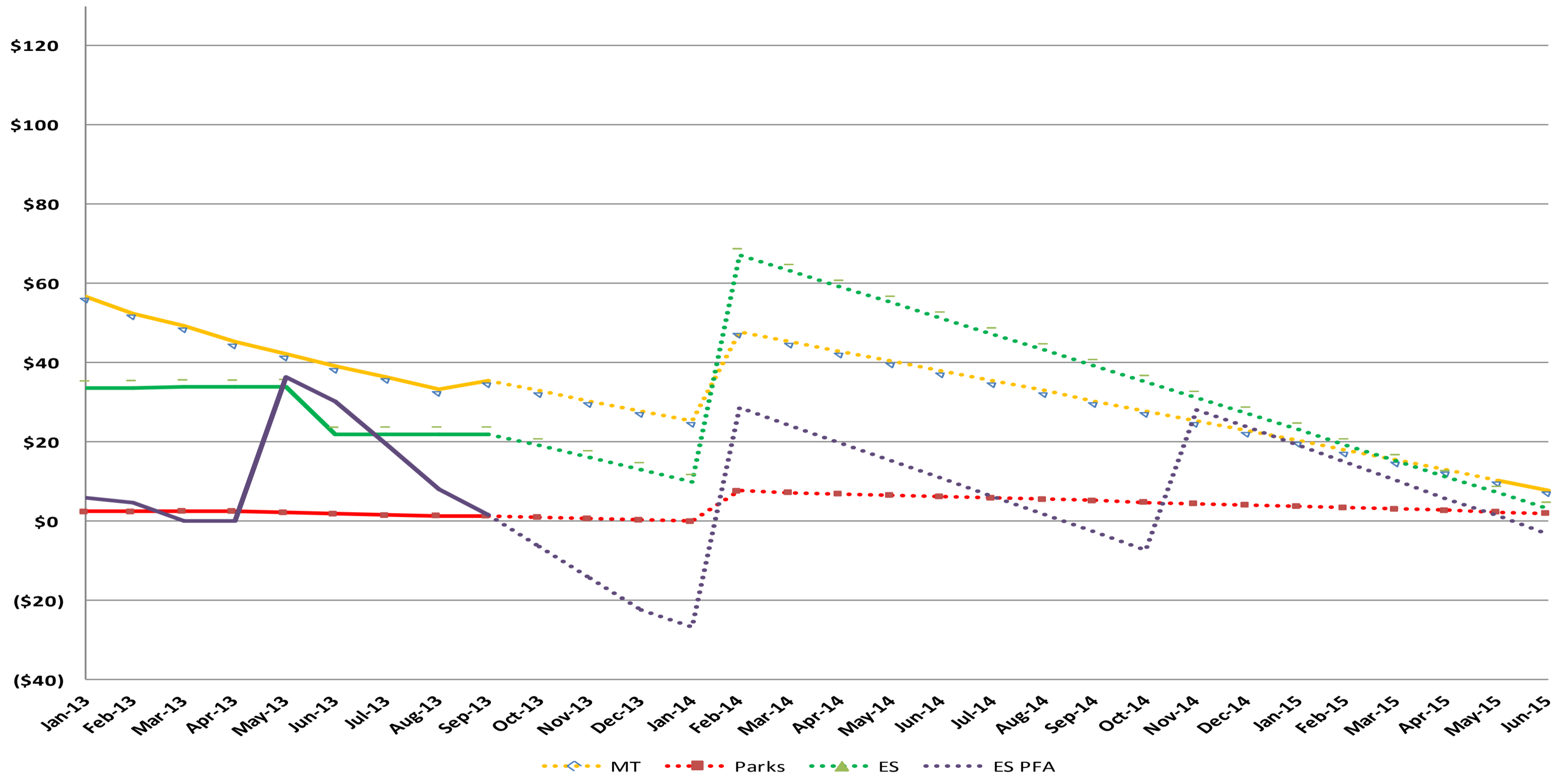
Management Committee, Nov. 13, 2013



Debt Balances at 12-31-2012 (\$1.7 B)



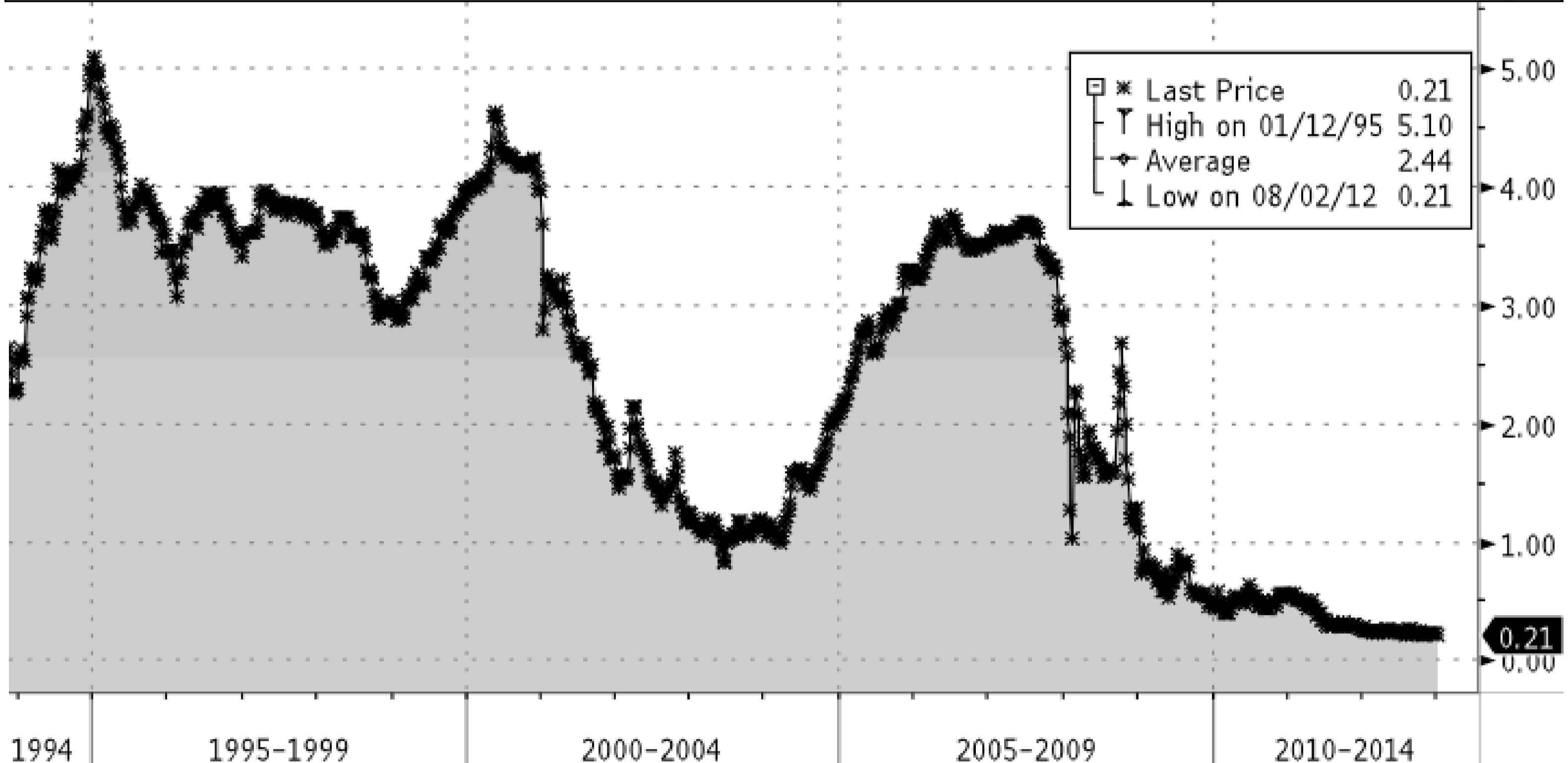
Capital Fund Balances (Millions)



Historic Short-Term AAA Muni Rates

BBWK1YRN 0.21 As of 01/10/13 %
 Bond Buyer US Weekly Yields 1 Year Note

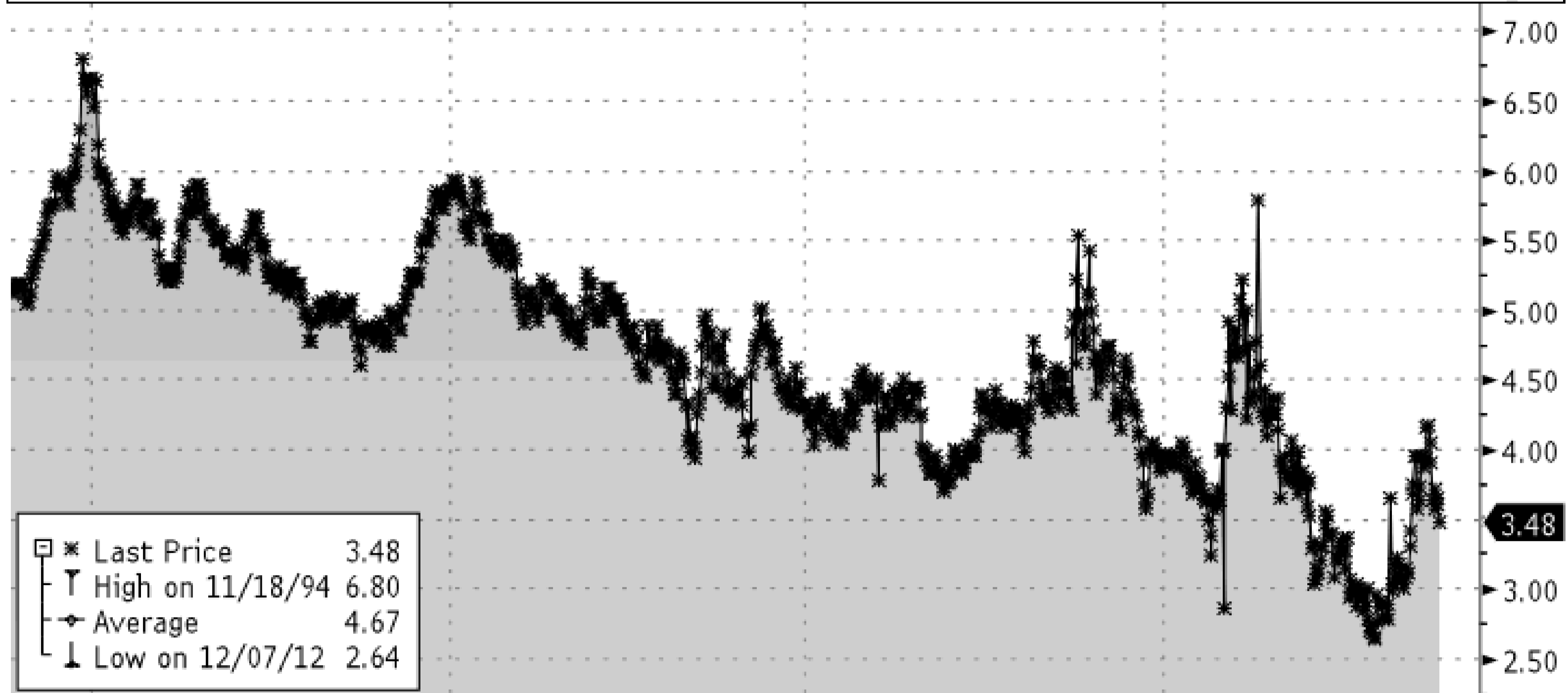
BBWK1YRN Index	95) Save As	96) Actions	97) Edit	98) Table	Line Chart	
11/18/1993 - 01/10/2013	Mid Yield		1) Compare	Mov. Avgs	No Lower Chart	USD
1D 3D 1M 6M YTD 1Y 5Y Max Weekly ▼					Security/Study	Event



Historic Long-Term AAA Muni Rates

MMBAAAA2 3.48 As Of 11/01/13 To Maturity
 Moody's Municipal Bond Yield Avg AAA 20 Year

MMBAAAA2 Index	95) Save As	96) Actions	97) Edit	98) Table	Line Chart
11/19/1993 - 11/01/2013	Mid Yield		1) Compare	Mov. Avgs	No Lower Chart
1D 3D 1M 6M YTD 1Y 5Y Max Weekly ▼				«	Security/Study
					Event

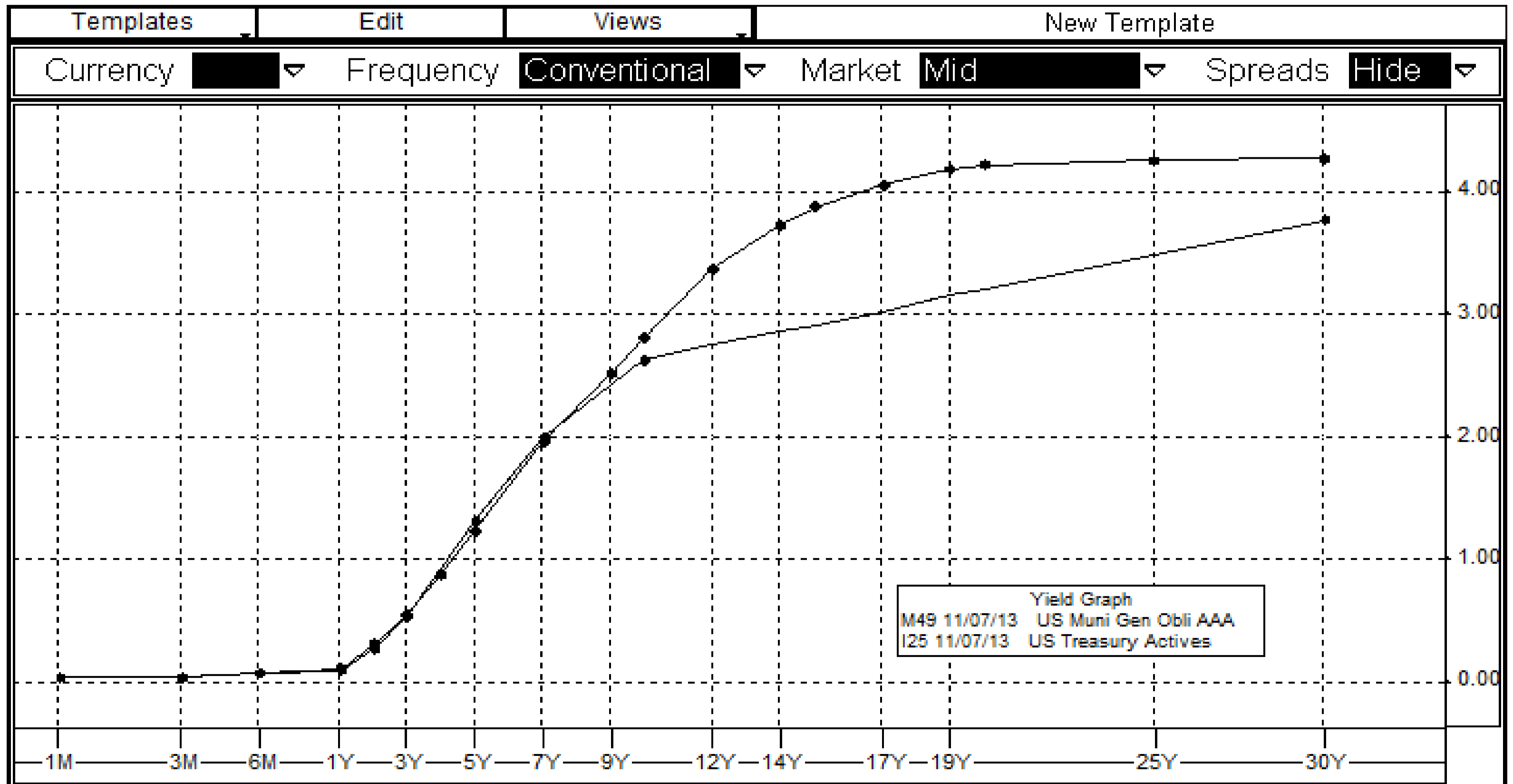


Current Tax Exempt_(top) Curves vs. UST_(bot)

YCRV

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Yield Graph



Yield Graph
M49 11/07/13 US Muni Gen Obli AAA
I25 11/07/13 US Treasury Actives

Concerns of Muni Market Place

- Federal Reserve Bank excess liquidity:
 - Keeps short-end rates low.
 - Apprehension about future rising interest rates.
 - Cash chasing equities rather than munis.
- Changes to tax code (likely not significant support).
- Federal Debacle, 2013 & 2014 (debt limit and budget) causes markets to freeze up.
- Sequestration causes uncertainty in muni markets.