

**Molalla Communications Company  
Financials**

**Balance Sheet 2008**

| ASSETS                                 | For Year Ending<br>December 31, 2008 |
|--|--------------------------------------|
| Cash and cash Equivalents              | \$ 3,629,997                         |
| Telecommunications Accounts Receivable | 471,507                              |
| Other Accounts Receivable              | 473,371                              |
| Inventory                              | 326,585                              |
| Prepaid Expenses and Deposits          | <u>312,446</u>                       |
| Total Current Assets                   | 5,213,905                            |
| Non-current Assets                     | 5,514,933                            |
| Property, Plant and Equipment          | 38,866,444                           |
| Accumulated Depreciation               | (18,472,553)                         |
| Total Assets                           | <u><u>\$ 31,122,729</u></u>          |

LIABILITIES & EQUITY

|                                       |                             |
|---------------------------------------|-----------------------------|
| Accounts Payable                      | \$ 1,016,962                |
| Patronage Capital Payable             | 1,089,438                   |
| Current Maturities of Long-Term Debt  | 831,000                     |
| Advance Billing                       | 314,500                     |
| Accrued Expenses                      | <u>391,984</u>              |
| Total Current Liabilities             | 3,643,885                   |
| Long-term Debt                        | 5,191,509                   |
| Deferred Income Taxes                 |                             |
| Education & Economic Development Fund | 150,000                     |
| Equity                                | 22,137,335                  |
| Total Liabilities and Equity          | <u><u>\$ 31,122,729</u></u> |

**STATEMENT OF OPERATIONS SUMMARY**

| OPERATING REVENUES            | For Year Ending<br>December 31, 2008 |
|-------------------------------|--------------------------------------|
| Local Network Services        | \$ 4,776,137                         |
| Network Access Services       | \$ 3,906,128                         |
| Billing and Collection        | \$ 35,701                            |
| Miscellaneous                 | <u>\$ 286,801</u>                    |
| Total Operating Revenues      | \$ 9,004,767                         |
| <br>                          |                                      |
| OPERATING EXPENSES            |                                      |
| Plant Specific Operations     | \$ 1,819,547                         |
| Plant Non-Specific Operations | \$ 652,394                           |
| Depreciation and Amortization | \$ 2,032,011                         |
| Customer Operations           | \$ 1,301,733                         |
| Corporate Operations          | \$ 1,502,987                         |
| Property and Other Taxes      | <u>\$ 304,022</u>                    |
| Total Operating Expenses      | \$ 7,612,693                         |
| <br>                          |                                      |
| Operating Margin              | <u>\$ 1,392,074</u>                  |
| Other Income                  | \$ (164)                             |
| Interest Expense              | <u>\$ (400,200)</u>                  |
| Net Margin Allocated          | <u><u>\$ 991,710</u></u>             |