

**Molalla Communications Company
Financials**

Consolidated Balance Sheet 2007

ASSETS	For Year Ending December 31, 2007
Cash and cash Equivalents	\$ 8,819,378
Telecommunications Accounts Receivable	477,028
Other Accounts Receivable	480,001
Inventory	283,814
Prepaid Expenses and Deposits	218,404
Total Current Assets	<u>10,278,625</u>
Non-current Assets	5,283,362
Property, Plant and Equipment	33,281,352
Accumulated Depreciation	(16,791,227)
Total Assets	<u><u>\$ 32,052,112</u></u>

LIABILITIES & EQUITY

Accounts Payable	\$ 763,396
Patronage Capital Payable	610,930
Current Maturities of Long-Term Debt	730,000
Advance Billing	306,103
Accrued Expenses	301,123
Total Current Liabilities	<u>2,711,552</u>
Long-term Debt	6,056,041
Education & Economic Development Fund	150,000
Equity	23,134,519
Total Liabilities and Equity	<u><u>\$ 32,052,112</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS SUMMARY

	For Year Ending December 31, 2007
Operating Revenues	
Local Network Services	\$ 4,937,250
Network Access Services	\$ 3,806,573
Billing and Collection	\$ 37,983
Miscellaneous	\$ 238,485
Total Operating Revenues	\$ 9,020,291
OPERATING EXPENSES	
Plant Specific Operations	\$ 1,807,984
Plant Non-Specific Operations	\$ 604,103
Depreciation and Amortization	\$ 1,951,751
Customer Operations	\$ 1,317,567
Corporate Operations	\$ 1,597,222
Property and Other Taxes	\$ 359,759
Total Operating Expenses	\$ 7,638,386
Operating Margin	<u>\$ 1,381,904</u>
Interest Expense	<u>\$ (405,451)</u>
Net Margin from Continuing Business	\$ 976,454
Net Gain from Rural Telephone Bank	\$ 1,563
Net Margin Allocated	<u><u>\$ 978,017</u></u>