ANNUAL REPORT

of the

MUNICIPAL DISTRICT HEATING DIVISION

of the

CITY OF JAMESTOWN
NEW YORK

FOR THE YEAR ENDED
December 31, 1988

MUNICIPAL DISTRICT HEATING DIVISION

BALANCE SHEET AS OF DECEMBER 31, 1988 - 1987

ASSETS

	1988	1987
Fixed Assets:		
Plant in Service	$4,698,932.34	$4,645,672.04
Current Assets:		
Cash - Capital Account	4.07	50.39
Cash - Operating Account	22,179.22	5,059.30
Temporary Cash Investments	212,900.00	224,500.00
Accounts Receivable - General Customers	73,844.22	59,881.36
Receivables from Municipality	25,083.64	30,416.19
Interest Receivable	634.44	453.98
Other Assets:		
Unamortized Bond Issue Cost	21,659.70	18,419.17
TOTAL ASSETS	$5,055,237.63	$4,984,452.43

LIABILITIES

	1988	1987
Long Term Debt:		
Bonds	$4,148,200.00	$4,336,600.00
Current and Accrued Liabilities:		
Accounts Payable	2,127.38	982.54
Payables to Municipality	21,796.21	36,193.34
Loan Payable to Electric Div.	802,000.00	500,000.00
Interest Accrued on Bonds	40,383.46	40,885.66
Interest Accrued on Loans	62,097.99	24,069.20
Reserves:		
Reserve for Depreciation of District Heating System	520,584.13	311,863.66
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	(541,951.54)	(266,141.97)
TOTAL LIABILITIES AND RETAINED NET INCOME	$5,055,237.63	$4,984,452.43

MUNICIPAL DISTRICT HEATING DIVISION

OPERATING STATEMENT

For The Years Ended December 31, 1988 - 1987

	1988	1987
OPERATING INCOME:		
Operating Revenues		
Sales of Hot Water Heat	$447,661.04	$488,077.79
Interest on Funds used in Operations	1,068.95	1,083.46
Total Operating Revenues	$448,729.99	$489,161.25
OPERATING EXPENSES:		
Heat Purchased from Electric Division	$106,886.69	$131,799.03
Misc. Station Expense - Electricity	1,988.00	2,380.00
Rep. & Maint.-Distrib. Piping System	9,815.45	16,180.05
General Office Supplies and Expense	58,550.91	22,422.09
Total Operating Expenses	$177,241.05	$172,781.17
NET DISTRICT HEATING OPERATING INCOME	$271,488.94	$316,380.08
OTHER INCOME:		
Interest on Capital Fund Investment	$ 15,691.17	$ 19,241.70
Interest on Operating Fund Investment	1,010.71	4,796.64
Total Other Income	$ 16,701.88	$ 24,038.34
GROSS INCOME	$288,190.82	$340,418.42
INCOME DEDUCTIONS:		
Interest Accrued on Bonds	317,677.81	331,877.44
Interest Accrued on Loan	38,028.79	24,069.20
Depreciation Expense	185,808.24	154,277.16
Amortization Expense	1,208.94	1,005.00
Total Income Deductions	$542,723.78	$511,228.80
NET INCOME (Loss)	($254,532.96)	($170,810.38)

MUNICIPAL DISTRICT HEATING SYSTEM

COMPARATIVE STATEMENT

Year	Total District Heating Operating Revenues	Net Permanent Improvements and Extensions	Heat Produced MBTU	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1984	$ 11,101.73	$ 740,392.46	--	$ 24,423.82	$ 3,994.32
1985	157,227.66	2,898,184.44	23,215.23	286,236.84	6,721.51
1986	391,874.55	883,659.93	57,579.67	596,696.91	(107,755.76)
1987	489,161.25	123,435.21	75,421.63	684,009.97	(266,141.97)
1988	448,729.99	53,260.30	75,894.43	719,964.83	(541,951.54)

BONDED INDEBTEDNESS

General City Bonds Issued for Purposes of the District Heating System

December 31, 1988

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	Outstanding End of Year	Interest Accrued in Year
July 15, 1986	2006	7.5%	$4,522,000	$ 373,800	$4,148,200	$317,678

LOAN FROM ELECTRIC DIVISION

as of 12/88		6.0%	$ 802,000	$0	$ 802,000	$ 38,029