

Moultrie Independent Telephone Company
 Illinois Universal Service Funding Calculation
 Based upon ICC Form 23A Report Data for December 31, 2009

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment*</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 335,120	\$ 1,414,459	\$ 1,749,579
2	Materials and Supplies Inventory	Page 2, 13-Month Average	46,485		46,485
3	Customer Deposits	Form 23A, P 8, 4040	-	-	-
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,796,064
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 11, Total	2,201,248	(231,621)	1,969,627
8	Less: Depreciation Expense	Form 23A, P 11, 6560	157,196	120,475	277,671
9	Total WC Operating Expense	line 7 - line 8	2,044,052	(352,096)	1,691,956
10	WC OE Requirement	line 9 * 45 / 360			211,495
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			211,495
13	Total Rate Base	line 5 + line 12			2,007,559
14	Total Operating Revenues	Form 23A, P 9, Total	2,612,335	(153,089)	2,459,246
15	Less: Illinois Universal Service Fund	Page 3, Line 4	593,724	-	593,724
16	Net Operating Revenues	line 14 - line 15	2,018,611	(153,089)	1,865,522
17	Total Operating Expenses	Form 23A, P 11, Total	2,201,248	(231,621)	1,969,627
18	Other Operating Inc and Exp - Net	Form 23A, P 12, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 12, 7240	1,610	(3)	1,607
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	(184,247)	78,535	(105,712)
21	Income Tax Expense	line 34			(41,629)
22	Net Operating Income	line 20 - line 21			(64,083)
23	Return on Rate Base	line 22 / line 13			-3.19%
24	After-tax Cost of Capital				9.34%
25	Target Net Operating Income	line 24 * line 13			187,506
26	Adj to Achieve Target Return on RB	line 25 - line 22			251,589
27	Gross Revenue Conversion Factor	line 35			1.6496
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			415,021
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			(105,712)
31	Illinois Inc & Rep Tax Expense	line 30 * 9.5%			(10,043)
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			(95,669)
33	Federal Income Tax Expense	line 32 * 33.016%			(31,586)
34	Total Imputed Income Tax Expense	line 31 + line 33			(41,629)
35	Gross Revenue Conversion Factor	1 / ((1 - .0950) * (1 - .33016))			1.6496

* Provide detail on Page 4 for all adjustments.

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Material & Supplies Worksheet and Other Information

<u>Line #</u>		
1	December-08	\$52,812
2	January-09	\$52,812
3	February-09	\$52,812
4	March-09	\$52,812
5	April-09	\$52,812
6	May-09	\$52,812
7	June-09	\$52,812
8	July-09	\$39,104
9	August-09	\$39,104
10	September-09	\$39,104
11	October-09	\$39,104
12	November-09	\$39,104
13	December-09	\$39,104
14	13 Month Average	\$46,485

Sale/Lease Back Arrangement

- The company does not have any sale(s)/lease back arrangement.
 The company does have sale(s)/lease back arrangement.

Lease Agreement with Affiliates

- The company does not have any lease agreements with affiliates.
 The company does have lease agreements with affiliates.

Tax Status (1=Taxable, 2=Coop) 1

After Tax Return-Taxable 9.34%
After Tax Return-Coop 9.34%

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 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
1	Local Revenues	Form 23A, P 9, Total Local Network Service Revenues	\$ 90,558
2	State Subscriber Line Charges	Trial Balance 12/31/09	\$ 92,429
3	State Access Revenues	Trial Balance 12/31/09	\$ 696,693
4	State Universal Service Support	Trial Balance 12/31/09	\$ 593,724
5	State Special Access Revenues	Trial Balance 12/31/09	\$ 11,435
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 1,484,839
7	Federal Subscriber Lines Charges	Trial Balance 12/31/09	\$ 59,860
8	Federal Access Revenues	Trial Balance 12/31/09	\$ 878,951
9	Federal High Cost Loop Support	Trial Balance 12/31/09	\$ 141,156
10	Federal Special Access Revenues	Trial Balance 12/31/09	\$ 68,296
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 1,148,263
12	Misc Revenues	Trial Balance 12/31/09	\$ (20,767)
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	\$ 2,612,335

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Description of Adjustments

<u>Description of Adjustment</u>	<u>Debit</u>	<u>Credit</u>
<u>Rate Base Adjustments</u>		
Net Plant Investment Add-back	\$1,414,459	
<u>Revenue Adjustments</u>		
FED HCL USF change 2009 to 2011	\$117,336	
IITA Provided 2009 Access Revenue Adj.	\$35,753	
<u>Expense Adjustments</u>		
Net Affiliate Plant Lease Adjustment		\$230,124
Affiliate Depreciation Expense add-back	\$120,475	
Non-Regulated Op Exp Adjustment		\$1,497
Non-Regulated Oth. Op Tax Exp. Adj.		\$3

Note: Carry all adjustments forward to Page 1