

Illinois Universal Service Funding Calculation  
Summary of Calculated Funding Requirement

Line No.	Description	Subtotal from Page 2	Leaf River Telephone Company	Madison Telephone Company	Metamora Telephone Company	McDonough Telephone Coop	McNabb Telephone Company	Subtotal
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	Net Regulated Plant	\$81,159,328	\$2,713,515	\$11,739,953	\$5,404,676	\$12,269,894	\$499,397	\$113,786,763
2	Materials and Supplies Inventory	2,176,574	93,366	95,821	324,246	322,997	16,384	3,029,388
3	Customer Deposits	120,588	2,050	15,064	24,126	375	5,030	167,253
4	ADIT - Regulated Plant	<u>5,562,964</u>	-	-	<u>410,637</u>	-	<u>35,775</u>	<u>6,009,376</u>
5	Rate Base before Working Capital	77,652,350	2,736,437	11,820,690	5,294,159	12,592,516	474,976	110,639,522
6	Working Capital Requirement							
7	Total Operating Expenses	40,731,398	1,285,124	9,020,851	2,555,595	5,416,535	670,994	59,680,497
8	Less: Depreciation Expense	<u>9,872,485</u>	<u>338,757</u>	<u>1,783,077</u>	<u>790,104</u>	<u>1,493,331</u>	<u>107,361</u>	<u>14,385,115</u>
9	Total WC Operating Expense	<u>30,858,913</u>	<u>946,367</u>	<u>7,237,774</u>	<u>1,765,491</u>	<u>3,923,204</u>	<u>563,633</u>	<u>45,295,382</u>
10	WC OE Requirement	3,857,364	118,296	904,722	220,686	490,400	70,454	5,661,922
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-	-	-
12	Total Working Capital Requirement	<u>3,857,364</u>	<u>118,296</u>	<u>904,722</u>	<u>220,686</u>	<u>490,400</u>	<u>70,454</u>	<u>5,661,922</u>
13	Total Rate Base	<u>81,509,714</u>	<u>2,854,733</u>	<u>12,725,412</u>	<u>5,514,845</u>	<u>13,082,916</u>	<u>545,430</u>	<u>116,301,444</u>
14	Total Operating Revenues	48,179,565	1,602,711	876,802	2,946,612	6,676,787	598,463	68,880,940
15	Less: Illinois High Cost Fund	<u>3,794,607</u>	<u>264,360</u>	<u>783,924</u>	<u>354,556</u>	<u>926,664</u>	<u>62,940</u>	<u>6,187,051</u>
16	Net Operating Revenues	44,384,958	1,338,351	8,092,878	2,592,056	5,750,123	535,523	62,693,889
17	Total Operating Expenses	40,730,525	1,285,124	9,020,851	2,555,595	5,416,535	670,994	59,679,624
18	Other Operating Inc and Exp-Net	10,769	-	-	-	-	-	10,769
19	Other Operating Taxes	<u>269,125</u>	<u>18,633</u>	<u>31,271</u>	<u>51,664</u>	<u>19,445</u>	<u>10,571</u>	<u>400,709</u>
20	Net Op Inc before Income Taxes	3,374,539	34,594	(959,244)	(15,203)	314,143	(146,042)	2,602,787
21	Income Tax Expense	<u>1,225,119</u>	<u>13,931</u>	<u>(14,390)</u>	<u>(6,122)</u>	-	<u>(36,128)</u>	<u>1,168,998</u>
22	Net Operating Income	<u>2,149,420</u>	<u>20,663</u>	<u>(944,854)</u>	<u>(9,081)</u>	<u>314,143</u>	<u>(109,914)</u>	<u>1,433,789</u>
23	Return on Rate Base		72%	-7.42%	-0.16%	2.40%	-20.15%	
24	After tax cost of Capital		9.34%	9.34%	9.34%	9.34%	9.34%	
25	Target Net Operating Income		<u>266,632</u>	<u>1,188,553</u>	<u>515,087</u>	<u>1,221,944</u>	<u>50,943</u>	
26	Adj to Achieve Target Return on RB		245,969	2,133,407	524,168	907,801	160,857	
27	Gross Revenue Conversion Factor		<u>1.6742</u>	<u>1.0152</u>	<u>1.6742</u>	<u>1.0000</u>	<u>1.3287</u>	
28	ROR Deficiency	<b><u>7,087,715</u></b>	<b><u>411,801</u></b>	<b><u>2,165,835</u></b>	<b><u>877,562</u></b>	<b><u>907,801</u></b>	<b><u>213,731</u></b>	<b><u>11,495,231</u></b>
29	Calculation of Income Tax Expense							
30	Net Op Inc before Inc Taxes		34,594	(959,244)	(15,203)	314,143	(146,042)	
31	Illinois Income Tax Expense		<u>3,286</u>	<u>(14,390)</u>	<u>(1,444)</u>	-	<u>(13,874)</u>	
32	Net Op Inc before Fed Inc Tax		31,308	(944,854)	(13,759)	314,143	(132,168)	
33	Federal Income Tax Expense		<u>10,645</u>	-	<u>(4,678)</u>	-	<u>(22,254)</u>	
34	Total Imputed Income Tax Expense		<u>13,931</u>	<u>(14,390)</u>	<u>(6,122)</u>	-	<u>(36,128)</u>	
35	Gross Revenue Conversion Factor		<u>1.6742</u>	<u>1.0152</u>	<u>1.6742</u>	<u>1.0000</u>	<u>1.3287</u>	