



**McDonald County Telephone Co.**  
**Balance Sheet**  
**As of December 31, 2007**

APPENDIX C

	<u>December 31, 2007</u>	<u>Loan Adjustment</u>	<u>ProForma 2008</u>
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1130 · Cash & Cash Equiv	323,743.76	-43,200.00 (c.)	280,543.76
Total Checking/Savings	323,743.76		280,543.76
Other Current Assets			
1180 · Due From Subscribers	87,084.37		87,084.37
1190 · A/R	415,278.92		415,278.92
1210 · Int & Div Receivable	352.53		352.53
1220.00 · Materials & Supplies	27,881.04		27,881.04
1300 · Prepayments	123,297.00		123,297.00
Total Other Current Assets	653,893.86		653,893.86
Total Current Assets	977,637.62		934,437.62
Fixed Assets			
2000 · Tele Plant et al	19,771,763.43		19,771,763.43
Proposed New Building		540,000.00 (b)	540,000.00
3100.00 · Accum Depn	-8,411,839.39		-8,411,839.39
Total Fixed Assets	11,359,924.04		11,899,924.04
Other Assets			
1400 · Invmnts in Affil & NonAffil Co	255,751.72		255,751.72
1402 · Long Term Stock & Bond Holdings	518,592.51		518,592.51
1406 · Other Assets	110,913.04		110,913.04
1439.00 · Deferred Charges	25,339.00		25,339.00
Total Other Assets	910,596.27		910,596.27
<b>TOTAL ASSETS</b>	<b>13,248,157.93</b>		<b>13,744,957.93</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
4010 · A/P- Other	352,877.77		352,877.77
4020.10 · Loan S/T - Merrill Lynch Note	180,000.00		180,000.00
4080 · Accrued Taxes	921.80		921.80
4120 · Other Curr Liab	-0.01		-0.01
Total Other Current Liabilities	533,799.56		533,799.56
Total Current Liabilities	533,799.56		533,799.56
Long Term Liabilities			
New Building Bank Loan		540,000.00 (a)	540,000.00
4340 · Deferred Inc Taxes	1,772,446.00		1,772,446.00
Total Long Term Liabilities	1,772,446.00		2,312,446.00
Total Liabilities	2,306,245.56		2,846,245.56
Equity			
4510 · Capital Stock	56,650.00		56,650.00
4540.00 · Valuation Allowance	69,900.00		69,900.00
4550.00 · Retained Earnings	10,509,784.79		10,509,784.79
Net Income	305,577.58	-43,200.00 (c.)	262,377.58
Total Equity	10,941,912.37		10,898,712.37
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>13,248,157.93</b>		<b>13,744,957.93</b>

**NOTES FOR PROFORMA ADJUSTMENTS**

Information is internally prepared by Corporate CFO, not audited or Reviewed

- (a) Proposed new \$540,000 bank loan at 8%, ballooning in the year 2009, renewable.
- (b) New Office building, projected to cost well over \$540,000 and excess may be paid for out of current cash flow/capital expenditure budget.
- (c.) Assumes interest (only-no principle due) expense on proposed new loan

**McDonald County Telephone Co.**

APPENDIX C

**Statements of Income**

January through December 2007

	<u>Jan - Dec 07</u>	<u>Loan Adjustment</u>	<u>ProForma 2008</u>
<b>Ordinary Income/Expense</b>			
Income			
5000 · Local Network Serv Rev	531,042.65		531,042.65
5080 · Network Acc Serv Rev	4,746,783.15		4,746,783.15
5200 · Misc Oper Rev	177,847.54		177,847.54
7991 · Nonreg Rev	63,841.61		63,841.61
<b>Total Income</b>	<u>\$ 5,519,514.95</u>	<u>\$ -</u>	<u>\$ 5,519,514.95</u>
<b>Gross Profit</b>	5,519,514.95	0.00	5,519,514.95
Expense			
6000 · Plant Specif Oper Exp	1,446,325.61		1,446,325.61
6500 · Plant Nonspec Oper Exp	1,752,862.00		1,752,862.00
6600 · Cust Oper Exp	531,064.12		531,064.12
6700 · Corp Oper Exp	1,172,600.64		1,172,600.64
7200 · Operating Income Taxes	191,261.00		191,261.00
7240 · Gen Taxes	98,348.63		98,348.63
7400 · NonOper Inc Taxes	8,410.00		8,410.00
7500 · Int Ded	8,845.26		8,845.26
7991.00 · Nonreg Expenses	25,390.97		25,390.97
<b>Total Expense</b>	<u>5,235,108.23</u>	<u>-</u>	<u>5,235,108.23</u>
<b>Net Ordinary Income</b>	284,406.72	0.00	284,406.72
<b>Other Income (Expense)</b>			
Other Income			
Interest and Dividend Income	19,680.91		19,680.91
Income (Loss) from Subsidiaries	-31,115.92		-31,115.92
Other	-3,266.86		-3,266.86
Gains from Sale of Stocks	35,872.73		35,872.73
<b>TOTAL</b>	<u>21,170.86</u>	<u>-</u>	<u>21,170.86</u>
<b>Fixed Charges - Interest on LT Debt</b>			
Interest from Proposed Loan	0.00	43,200.00 (1)	43,200.00
<b>TOTAL INTEREST EXPENSE</b>	<u>0.00</u>	<u>43,200.00</u>	<u>43,200.00</u>
<b>Net Other Income</b>	<u>21,170.86</u>	<u>(43,200.00)</u>	<u>(22,029.14)</u>
<b>Net Income</b>	<u>\$ 305,577.58</u>	<u>-43,200.00</u>	<u>262,377.58</u>

**NOTES FOR PROFORMA ADJUSTMENTS**

- (1) This adjustment shows the impact for the full year had the Company received the Proposed bank loan in the amount of \$540,000 on January 1, 2008 and paid interest at 8%, reduced by \_\_\_\_\_zero\_\_\_\_\_ principle payments.

Information is Internally prepared by Corporate CFO, not audited or Reviewed