

CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

	Effective Date of Call (if any) (f)	UNAMORTIZED DISCOUNT (OR PREMIUM) AND EXPENSE		REDEMPTION PREMIUM (OR DISCOUNT)		REACQUISITION OR REDEMPTION EXPENSES		Remarks (m)
		Account (g)	Amount (h)	Account (i)	Amount (j)	Account (k)	Amount (l)	
1	None							
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33								



CAPITAL LEASES

Type of Property (a)	Capitalized Amount (b)	Accumulated Amortization in Account 3410 (c)	Balance (d)
None			
Total .....	\$	\$	\$

CAPITAL LEASES

Type of Property (e)	LEASE OBLIGATION		ANNUAL LEASE COST COMPONENTS		
	Current Account 4060 (f)	Long-Term Account 4250 (g)	Amortization Account 6563 (h)	Interest Account 7520 (i)	Other (j)
None					
Total .....	\$	\$	\$	\$	\$

Mo PSC Telephone Annual Report Form

Le-Ru TELEPHONE COMPANY

SCHEDULE 15, Page 1 of 2

PLAN NAME: \_\_\_\_\_

Year Ended December 31, 1996

PENSION COST - DEFINED BENEFIT PLANS

(Report each individual plan on a separate schedule)

TRUSTEE NAME: \_\_\_\_\_

Item (a)	Current Year (b)	Previous Year (c)
Accumulated Benefit Obligation .....	\$	\$
Projected Benefit Obligation .....	\$	\$
Fair Value of Plan Assets .....	\$	\$
Discount Rate for Settlement of Liabilities .....		
Expected Long-Term Return on Assets .....		
Net Periodic Pension Cost: <span style="float: right;">N/A</span>		
Service Cost .....	\$	\$
Interest Cost .....		
Return on Plan Assets .....		
Amortization of Transition Amount .....		
Amortization of Gains or Losses .....		
Total .....	\$ -	\$ -
Minimum Required Contribution .....	\$	\$
Actual Contribution .....		
Maximum Amount Deductible .....		
Benefit Payments .....		
Pension Cost .....		
Pension Cost Capitalized .....		
Accumulated Pension Asset/Liability at close of year .....		
Number of Company Employees:		
Covered by Plan		
Active .....		
Retired .....		

file = PSCPC

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PLAN NAME: Le-Ru Telephone Company, Inc. Profit Sharing Plan

Le-Ru TELEPHONE COMPANY

SCHEDULE 15, Page 2 of 2

TRUSTEE NAME: Community Bank and Trust

Year Ended December 31, 1996

**PENSION COST - OTHER THAN DEFINED BENEFIT PLANS**

(Report each individual plan on a separate schedule, i.e. ESOP; Defined Contribution; Other - Describe)

Item (a)	Current Year (b)	Previous Year (c)
Description of Plan:		
Defined Contribution Profit Sharing Plan (Plan was adopted in 1994)		
Projected Benefit Obligation .....	\$ N/A	\$ N/A
Fair Value of Plan Assets .....	239,022	147,756
Expected Long-Term Return on Assets .....	%	%
Minimum Required Contribution .....	-	-
Actual Contribution .....	84,556	78,115
Maximum Amount Deductible .....	84,556	78,115
Benefit Payments .....	-	-
Pension Cost Expensed .....	83,287	72,658
Pension Cost Capitalized .....	1,269	5,457
Accumulated Pension Asset/Liability at close of year .....	84,556	78,115
Number of Company Employees:		
Covered by Plan		
Active .....	8	6
Retired .....	0	0

ADVERTISING - List by Existing Sub-Accounts

Account No. (a)	Account Title (b)	Amount During the Year (c)
660	Color Advertising	\$ 1,332
Total .....		\$ 1,332

## DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS OTHER THAN EMPLOYEES

Name of Recipient (a)	Nature of Service (b)	Amount of Payment (c)
Mize, Houser & Company, P.A.	Audit, tax and business consulting	\$ 31,384
John Staurulakis, Inc.	Neca reporting, cost studies, consulting	24,676
Brydon, Swearengin and England, P.C.	Regulatory and legal	3,565
G.V.N.W.	Regulatory consulting	5,018
John Sims	General legal counsel	1,032

MEMBERSHIP FEES AND DUES

Particulars (a)	NUMBER OF		Amount (d)
	Organi- zations (b)	Member- ships (c)	
<b>EXPENDITURES CHARGED TO OPERATING EXPENSES</b>			
Associations of Telecommunications Companies .....	7	7	\$ 7,832
Trade, Technical and Professional Associations .....			
Other (Specify Type):			
Service/Community Organizations .....			
MWG Headquarters and Eastern Division Office Allocated to UTC of Missouri .....			
Total .....			\$ 7,832
<b>EXPENDITURES CHARGED TO ACCOUNT 7370</b>			
Social and Athletic Clubs (Dues/Contributions) .....			\$ 3,466
Service Clubs (Dues/Contributions) .....			
Lobbying Expenditures .....			
Statutory Penalties and Fines .....			
Abandoned Construction Projects .....			
Other (Specify Type):			
Contributions .....			
Other Miscellaneous Charges .....			
Total .....			\$ 3,466

EXPENSES ATTRIBUTABLE TO FORMAL REGULATORY CASES

Description of Regulation or Case (a)	Special Assessments by Regulatory Commissions (b)	OTHER SPECIAL EXPENSES		Total Reported Expenses and Assessments (e)
		Fees, Retainers, Expenses, and Other Billed Items (c)	Incremental Payroll Costs and Directly Associable Expenses (d)	
None				
Total .....	\$ -	\$ -	\$ -	\$ -

MO PSC Telephone Annual Report Form

Le-Ru TELEPHONE COMPANY

SCHEDULE 20

Year Ended December 31, 1996

ANALYSIS OF EXTRAORDINARY ITEMS (Accounts 7610, 7620, 7630 and 7640)

Particulars (a)	Debit Amounts Account 7610 (b)	Credit Amounts Account 7620 (c)	Tax Effect Included in Account 7630 (d)	Tax Effect Included in Account 7640 (e)
None				

file = PSCEI

## ACCESS LINES IN SERVICE BY CUSTOMER CLASS

Missouri Exchange (a)	Type of Switch (b)	Business Access Lines		Public Access Lines			Residential Access Lines		Lines (Trunks) (j)	Total Access Lines (k)
		Single Line (c)	Multi Line (d)	Public (e)	Semi- Public (f)	Customer Owned Coin Telephones (g)	One Party (h)	Multi Party (i)		
Stella (628)	Northern Telecom DMS-10	59		5			530			594
Powell (435)	Northern Telecom DMS-10	51		3			610			664
Total Missouri		2	110	-	8	-	1,140	-	-	1,258
Total Company		2	110	-	8	-	1,140	-	-	1,258

file = PSCAL

SCHEDULE 22

Year Ended December 31, 1996

TELEPHONE CALLS

State or Territory (a)	LOCAL CALLS	TOLL CALLS (Completed)					
	Total Local Calls (b)	Interstate		Intrastate		Total Toll Calls	
		Number (c)	Billed Minutes (d)	Number (e)	Billed Minutes (f)	Number (g)	Billed Minutes (h)
Missouri Other States (List):	N/A	N/A	4,343,813	N/A	3,894,990	N/A	8,238,803
Total	-	-	4,343,813	-	3,894,990	-	8,238,803

file = PSCTC

OUTSIDE PLANT STATISTICS

State (a)	Miles of Aerial Wire (b)	AERIAL CABLE		UNDERGROUND CABLE		BURIED CABLE		SUBMARINE CABLE	
		Miles of Cable (c)	Miles of Wire In Cable (d)	Miles of Cable (e)	Miles of Wire In Cable (f)	Miles of Cable (g)	Miles of Wire In Cable (h)	Miles of Cable (i)	Miles of Wire In Cable (j)
Missouri Other States (List):						543	11,835		
Total	-	-	-	-	-	543	11,835	-	-

State (a)	MILES OF FIBER OPTIC CABLE			Miles of Tube in Coaxial Cable (t)	CONDUIT SYSTEM		RADIO RELAY		
	Route Miles (q)	Fiber Miles (r)	Number of Poles (s)		Trench Miles (u)	Duct Miles (v)	Miles of System (w)	Miles of Telephone Channel (x)	Miles of Video Channel (y)
Missouri Other States (List):	15	186							
Total	15	186							

OUTSIDE PLANT STATISTICS

State (a)	DEEP SEA CABLE		INTRA BUILDING NETWORK CABLE		TOTAL CABLE	
	Miles of Cable (k)	Miles of Wire In Cable (l)	Miles of Cable (m)	Miles of Wire In Cable (n)	Miles in Cable (o)	Miles of Wire In Cable (p)
					558	12,021
Total	-	-	-	-	558	12,021

State (a)	TOTAL EQUIPPED CARRIER CHANNEL MILES		
	Equivalent 4hz Analog (z)	DS-1 Digital or Equivalent (aa)	Video (bb)
Total	-	-	-

INTERSTATE PRIVATE LINE STATISTICS

Number at End of Year (a)	Customers (b)	Circuits (c)	Pricing Mileage (d)
Telephone .....	3	3	
Telegraph .....			
Program Transmission - Audio .....			
Program Transmission - Video .....			
Other Services (Specified):			
Total .....	3	3	

# ANNUAL REPORT OF

Le-Ru Telephone Company

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TO THE  
PUBLIC SERVICE COMMISSION  
OF MISSOURI

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FOR THE  
YEAR ENDED  
DECEMBER 31, 1997

*RECEIVED*

APR 15 1998

*Records  
Public Service Commission*

**ANNUAL REPORT OF  
TELEPHONE COMPANIES  
(Class A and Class B)**

**FILED**

APR 15 1998

OF

LE - RU TELEPHONE COMPANY

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(Exact legal name of respondent)

**PUBLIC SERVICE COMMISSION**

If name changed during year, show also the previous name and date of change.

P.O. BOX STELLA, MISSOURI 64867

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(Address of principal office at end of year)

TO THE

**PUBLIC SERVICE COMMISSION**

OF THE

**STATE OF MISSOURI**

FOR THE

**Year Ended December 31, 1997**

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

ROBERT L. HART , VICE PRESIDENT

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P.O. BOX STELLA, MISSOURI 64867 (417) 628-3836

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VERIFICATION

The foregoing report must be verified by the oath of the President or chief officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Missouri

County of Newton

Robert L. Hart makes oath and says that  
(insert here the name of the affiant.)

he is Vice President  
(insert here the official title of the affiant.)

of Le-Ru Telephone Company  
(insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including

January 1, 1997 to and including December 31, 1997

Robert L. Hart  
(Signature of affiant.)

Subscribed and sworn to before me, a Notary Public in and for the

State and county above named, this 13th day of April, 98

My commission expires 3-24, 2000

Carolyn Dyer  
(Signature of officer authorized to administer oaths)  
Carolyn Dyer

CAROLYN DYER  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI  
COUNTY OF NEWTON  
MY COMMISSION EXPIRES 2/24/2000

Mo PSC Telephone Annual Report Form

TABLE OF CONTENTS

	<u>Schedule No.</u>
Miscellaneous Data/Questions (4 pages).....	1
Payroll Information (3 pages).....	2
Balance Sheet Accounts (5 pages).....	3
Income Statement Accounts (8 pages).....	4
Important Changes During the Year.....	5
Analysis of Entries in Accumulated Depreciation (8 pages).....	6
Analysis of Entries in Accumulated Amortization.....	7
Receivables and Investments.....	8
Uncollectible Accounts.....	9
Deferred Charges.....	10
Capital Stock.....	11
Capital Stock and Funded Debt Reacquired (2 pages).....	12
Long-Term and Short-Term Debt.....	13
Capital Leases (2 pages).....	14
Pension Costs (2 pages).....	15
Advertising.....	16
Donations.....	17
Membership Fees and Dues.....	18
Expenses Attributable to Formal Regulatory Cases.....	19
Analysis of Extraordinary Items.....	20
Access Lines in Service By Customer Class/Exchange.....	21
Telephone Calls.....	22
Outside Plant Statistics (2 pages).....	23
Interstate Private Line Statistics.....	24

Miscellaneous Data/Questions

1. State the exact certified name of the utility.

Le-Ru Telephone Company

2. State the date when the utility was originally organized.

August 23, 1962

3. Report any change in name during year and state the effective date.

No changes

4. State the name, title, office address, and phone number of the officer of the utility to whom correspondence should be addressed concerning this report.

Robert L. Hart, Vice President

P.O. Box 147

Stella, Missouri

(417) 628-3836

5. State the location of the office where the accounts and records are kept.

Same as above

6. State the name, address, and phone number of the individual or firm, if other than a utility employee, preparing this report.

Mize, Houser & Company, P.A.

Certified Public Accountants

7101 College Blvd., Suite 1510

40 Executive Hills

Overland Park, KS 66210

7. State the name, address and shareholdings of persons owning 5 percent or more of outstanding voting securities.

Ruth E. McClary	Stella, Missouri	108 shares
James R. Millikin	Stella, Missouri	30 shares
Robert L. Hart	Stella, Missouri	30 shares
Vickie L. Roberts	Stella, Missouri	30 shares

8. List companies owned, controlled, or operated by the utility. Include a statement of the form and extent of such ownership, control or operation.

None

9. Does the Company utilize actual or average cost for settlement of interstate toll?

Actual cost

10. If the Company utilizes actual costs, what was the date (year) of the last cost study finalized?

1996

11. If the Company utilizes actual costs, what was the date the last cost study prepared?

June, 1997 for 1996 cost study

- 12. Does the Company utilize actual or average cost for settlement of intrastate toll? If this method is different from question #9 above, please explain.

The company is on an access charge bill and keep basis for all intrastate tolls

- 13. If the Company utilizes actual costs, what was the date (year) the last cost study was finalized?

N/A

- 14. If the Company utilizes actual costs, what was the date the last cost study was prepared?

N/A

- 15. Please provide the effective date of and a file reference to the Depreciation Authority Order or other Case Number wherein the Company received authorization for current depreciation rates reported on Schedule 6.

December 5, 1984

Case # TR-84132. Depreciation rates were included in the rate case filing above.

Universal Service Fund Questions

Item	Amount	Acct. Recorded
16. Please identify what amount of Universal Service Fund (USF) payments were received by the Company from the National Exchange Carrier Association (NECA) for the current reporting year.	<u>580,091</u>	<u>5083</u>
17. Please identify the "Unseparated NTS Revenue Requirement" as reported by NECA related specifically to the above payment.	<u>1,140,070</u>	_____
18. Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	<u>1,205</u>	_____
19. Please identify what amount of USF payments were received by the Company from NECA for the previous reporting year.	<u>472,680</u>	<u>5083</u>
20. Please identify the amount of USF payments expected to be received by the Company for the following reporting year.	<u>490,692</u>	<u>5083</u>
21. Please identify the amount of DEM (Dial Equipment Minutes) payments received by the Company for the current reporting year.	<u>267,665</u>	<u>5082</u>
22. Please identify the amount of DEM payments received by the Company for the previous reporting year.	<u>351,335</u>	<u>5082</u>
23. Please identify the amount of LTS (Long Term Support) payments received or made by the Company for the current reporting year.	_____	_____
24. Please identify the amount of LTS (Long Term Support) payments received or made by the Company for the previous reporting year.	_____	_____

Report information below for all Officers and Directors holding Office for any time between January 1 and December 31.

Name (a)	Title (b)	Total compensation for year (c)	Directors		
			Length of term (d)	Term Expires (e)	No. of Meetings attended during year (f)
Ruth E. McClary	President	151,696	1 year	9/30/98	1
Robert L. Hart	Vice President and Assistant Manager	199,735	1 year	9/30/98	1
James R. Millikin	Vice President and Maintenance	129,015	1 year	9/30/98	1
Vickie L. Roberts	Secretary - Treasurer	191,024	1 year	9/30/98	1

Report ALL Information for all Employees including Officers and Directors with Total Annual Compensation of \$50,000 or more. In addition report Total Payroll for all employees on the last line.

Name (a)	Title (b)	Total Salary For Year (c)	Total Other Compensation For Year (Bonuses, Options, etc.) (d)	Number of Months Employed During Year (e)	Dollars Allocated To Missouri Jurisdiction (f)
Ruth E. McClary	President	\$ 65,400	\$ 86,296	12	(1)
Robert L. Hart	Vice president	72,000	127,735	12	(1)
James R. Millikin	Vice president	64,800	64,215	12	(1)
Vince L. Roberts	Secretary - Treasurer	64,800	126,224	12	(1)
Total of Above		\$ 267,000	\$ 404,470		
Total of All Employees		\$ 826,542			
(1) based on cost study factors, not available for 1997 at this time					

Report ALL Information for all Employees including Officers and Directors with Total Annual Compensation of \$50,000 or more. In addition report Total Payroll for all employees on the last line.

Name (a)	Title (b)	Total Salary For Year (c)	Total Other Compensation For Year (Bonuses, Options, etc.) (d)	Number of Months Employed During Year (e)	Dollars Allocated To Missouri Jurisdiction (f)
FORM NOT NEEDED		\$	\$		\$ 0 0 0 0  0 0 0
Total of Above					
Total Payroll for all Employees					

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
<b>BALANCE SHEET ACCOUNTS</b>		
<b>Current Assets</b>		
1130	Cash .....	419,948
1140	Special Cash Deposits .....	-
1150	Working Cash Advance .....	450
1160	Temporary Investments .....	650,000
1180	Telecommunications Accounts Receivable .....	112,927
1181	Accounts Receivable Allowance - Telecommunications .....	-
1190	Other Accounts Receivable .....	100,647
1191	Accounts Receivable Allowance - Other .....	-
1200	Notes Receivable .....	131,000
1201	Notes Receivable Allowance .....	-
1210	Interest And Dividends Receivable .....	7,738
1220	Material And Supplies .....	91,613
1290	Prepaid Rents .....	-
1300	Prepaid Taxes .....	-
1310	Prepaid Insurance .....	73,597
1320	Prepaid Directory Expenses .....	-
1330	Other Prepayments .....	2,027
1350	Other Current Assets .....	80
	<b>Total Current Assets .....</b>	<b>\$ 1,590,027</b>
<b>Noncurrent Assets</b>		
1401	Investments In Affiliated Companies .....	-
1402	Investments In Nonaffiliated Companies .....	456,144
1406	Nonregulated Investments .....	2,710
1407	Unamortized Debt Issuance Expenses .....	3,537
1408	Sinking Funds .....	-
1410	Other Noncurrent Assets .....	400,275
1438	Deferred Maintenance and Retirements .....	-
1439	Deferred Charges .....	433
1500	Other Jurisdictional Assets - Net .....	-
	<b>Total Noncurrent Assets .....</b>	<b>\$ 863,099</b>

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Balance @ 1/1 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance @ 12/31 (f)
	<b>Regulated Plant</b>					
2001	Telecommunications Plant in Service .....	5,256,746	388,389	(42,900)		5,602,235
2002	Property Held for Future Telecommunications Use .....					-
2003	Telecommunications Plant Under Construction - Short Term ....	-	49,824			49,824
2004	Telecommunications Plant Under Construction - Long Term .....					-
2005	Telecommunications Plant Adjustment .....					-
2006	Nonoperating Plant .....	14,959				14,959
2007	Goodwill .....					-
	<b>Total Regulated Plant .....</b>	<b>\$ 5,271,705</b>	<b>\$ 438,213</b>	<b>\$ (42,900)</b>	<b>\$ -</b>	<b>\$ 5,667,018</b>
	<b>Telecommunications Plant in Service</b>					
2111	Land .....	10,894	931			11,825
2112	Motor Vehicles .....	176,219				176,219
2113	Aircraft .....					-
2114	Special Purpose Vehicles .....					-
2115	Garage Work Equipment .....					-
2116	Other Work Equipment .....	149,842	137,856	(40,075)		247,623
2121	Buildings .....	200,424				200,424
2122	Furniture .....	44,113				44,113
2123	Office Equipment .....					-
2123.1	Office Support Equipment .....	4,009				4,009
2123.2	Company Communications Equipment .....					-
2124	General Purpose Computers .....	33,543				33,543
	<b>Total Land and Support Assets .....</b>	<b>\$ 619,044</b>	<b>\$ 138,787</b>	<b>\$ (40,075)</b>	<b>\$ -</b>	<b>\$ 717,756</b>
	<b>Central Office - Switching</b>					
2211	Analog Electronic Switching .....					-
2212	Digital Electronic Switching .....	803,504	58,917			862,421
2212.7	SS7 / Intelligent Network .....					-
2215.1	Step-by-Step Switching .....					-
2215.2	Crossbar Switching .....					-
2215.3	Other Electro-Mechanical Switching .....					-
2220	Operator Systems .....					-
	<b>Total Central Office - Switching .....</b>	<b>\$ 803,504</b>	<b>\$ 58,917</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 862,421</b>

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Balance @ 1/1 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance @ 12/31 (f)
	<b>Telecommunications Plant in Service</b>					
2231.1	Central Office - Transmission					-
2231.2	Satellite and Earth Station Facilities .....					-
2231.3	Mobile Radio Facilities .....					-
2232	Other Radio Facilities .....					-
	Circuit Equipment .....	820,558	43,625	(2,157)		862,026
	Total Central Office - Transmission .....	\$ 820,558	\$ 43,625	\$ (2,157)	\$ -	\$ 862,026
	<b>Information Origination/Termination</b>					
2311	Station Apparatus .....					-
2321	Customer Premises Wiring .....					-
2341	Large Private Branch Exchange .....					-
2351	Public Telephone Terminal Equipment .....					-
2362	Other Terminal Equipment .....	7,088				7,088
	Total Information Origination/Termination Assets .....	\$ 7,088	\$ -	\$ -	\$ -	\$ 7,088
	<b>Cable and Wire Facilities Assets</b>					
2411	Poles & Special Structures .....	24,013				24,013
2421	Aerial Cable .....					-
2422	Underground Cable .....					-
2423	Buried Cable .....	2,982,539	147,060	(668)		3,128,931
2424	Submarine Cable .....					-
2425	Deep Sea Cable .....					-
2426	Intrabuilding Network Cable .....					-
2431	Aerial Wire .....					-
2441	Conduit Systems .....					-
	Total Cable and Wire Facilities Assets .....	\$ 3,006,552	\$ 147,060	\$ (668)	\$ -	\$ 3,152,944
	<b>Amortizable Assets</b>					
2681	Capital Leases .....					-
2682	Leasehold Improvements .....					-
2960	Intangibles .....					-
	Total Amortizable Assets .....	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Telecommunications Plant in Service .....	\$ 5,256,746	\$ 388,389	\$ (42,900)	\$ -	\$ 5,602,235

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Depreciation and Amortization</b>	
3100	Accumulated Depreciation .....	(2,203,301)
3200	Accumulated Depreciation - Held for Future Telecommunications Use .....	-
3300	Accumulated Depreciation - Nonoperating .....	(6,643)
3410	Accumulated Amortization - Capitalized Leases .....	-
3420	Accumulated Amortization - Leasehold Improvements .....	-
3500	Accumulated Amortization - Intangible .....	-
3600	Accumulated Amortization - Other .....	-
	Total Depreciation and Amortization .....	\$ (2,209,944)
	Net Plant .....	\$ 3,457,074
	Total Assets .....	\$ 5,910,200
	<b>Current Liabilities</b>	
4010	Accounts Payable .....	107,575
4020	Notes Payable .....	-
4030	Advanced Billing and Payments .....	-
4040	Customers' Deposits .....	-
4050	Current Maturities - Long Term .....	143,271
4060	Current Maturities - Capital Leases .....	-
4070	Income Taxes - Accrued .....	-
4080	Other Taxes - Accrued .....	6,511
4100	Net Current Deferred Operating Income Taxes .....	-
4110	Net Current Deferred Nonoperating Income Taxes .....	-
4120	Other Accrued Liabilities .....	5,627
4130	Other Current Liabilities .....	-
	Total Current Liabilities .....	\$ 262,984
	<b>Long-Term Debt</b>	
4210	Funded Debt .....	2,832,839
4220	Premium on Long-Term Debt .....	-
4230	Discount on Long-Term Debt .....	-
4240	Reacquired Debt .....	-
4250	Obligations Under Capital Leases .....	-
4260	Advances from Affiliated Companies .....	-
4270	Other Long-Term Debt .....	-
	Total Long-Term Debt .....	\$ 2,832,839

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Other Liabilities and Deferred Credits</b>	
4310	Other Long-Term Liabilities .....	-
4320	Unamortized Operating Investment Tax Credits - Net .....	70,836
4330	Unamortized Nonoperating Investment Tax Credits - Net .....	-
4340	Net Noncurrent Deferred Operating Income Taxes .....	-
4350	Net Noncurrent Deferred Nonoperating Income Taxes .....	95,150
4360	Other Deferred Credits .....	-
4370	Other Jurisdictional Liabilities And Deferred Credits - Net .....	-
	Total Other Liabilities And Deferred Credits .....	\$ 165,986
	<b>Stockholders' Equity</b>	
4510	Capital Stock .....	20,400
4520	Additional Paid-in-Capital .....	-
4530	Treasury Stock .....	-
4540	Other Capital (Unrealized Holding Gain).....	334,294
4550	Retained Earnings .....	2,293,697
	Total Stockholders' Equity .....	\$ 2,648,391
	Total Liabilities And Stockholders' Equity .....	\$ 5,910,200
	<b>Calculation of Retained Earnings</b>	
	Retained Earnings (Beginning Of Year) .....	1,971,242
	Net Income .....	734,235
	Dividends Declared .....	(411,780)
	Miscellaneous Debits .....	-
	Miscellaneous Credits .....	-
	Retained Earnings (End Of Year) .....	\$ 2,293,697

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Mo Jurisdictional Amount (b)	Total Company Amount (c)
<b>INCOME STATEMENT ACCOUNTS</b>			
<b>Local Network Services Revenues</b>			
5001	Basic Area Revenue .....	<b>All Missouri</b>	260,719
5002	Optional Extended Area Revenue .....		-
5003	Cellular Mobile Service Revenue .....		-
5004	Other Mobile Service Revenue .....		-
5000	Total Basic Local Service Revenue .....	\$ -	\$ 260,719
5010	Public Telephone Revenue .....		-
5040	Local Private Line Revenue .....		-
5050	Customer Premise Revenue .....		-
5060	Other Local Exchange Revenue .....		-
5069	Other Local Exchange Revenue Settlements .....		-
	Total Local Network Services Revenues .....	\$ -	\$ 260,719
<b>Network Access Services Revenues</b>			
5081	End User Revenue .....		52,755
5082	Switched Access Revenue .....		1,492,380
5083	Special Access Revenue .....		-
5084	State Access Revenue .....		634,804
5080	Total Network Access Revenue .....	\$ -	\$ 2,179,939
<b>Long Distance Network Services Revenues</b>			
5100	Long Distance Message Revenue .....		-
5111	Long Distance Inward-Only Revenue .....		-
5112	Long Distance Outward-Only Revenue .....		-
5110	Total Unidirectional Long Distance Revenue .....	\$ -	\$ -
5121	Subvoice Grade Long Distance Private Network Revenue .....		-
5122	Voice Program Grade Long Distance Private Network Revenue .....		-
5123	Audio Program Grade Long Distance Private Network Revenue .....		-
5124	Video Program Grade Long Distance Private Network Revenue .....		-
5125	Digital Transmission Long Distance Private Network Revenue .....		-
5126	Long Distance Private Network Switching Revenue .....		-

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Mo Jurisdictional Amount (b)	Total Company Amount (c)
	<b>Long Distance Network Services Revenues (Continued)</b>		
5128	Other Long Distance Private Network Revenue .....	<b>All Missouri</b>	-
5129	Other Long Distance Private Network Settlements .....		-
5120	Total Long Distance Private Network Revenue .....	\$ -	\$ -
5160	Other Long Distance Revenue .....		-
5169	Other Long Distance Revenue Settlements .....		-
	Total Long Distance Network Services Revenues .....	\$ -	\$ -
	<b>Miscellaneous Revenues</b>		
5230	Directory Revenue .....		1,296
5240	Rent Revenue .....		-
5250	Corporate Operations Revenue .....		-
5261	Special Billing Arrangement Revenue .....		-
5262	Customer Operations Revenue .....		-
5263	Plant Operations Revenue .....		-
5264	Other Incidental Regulated Revenue .....		48,505
5269	Other Revenue Settlements .....		-
5260	Total Miscellaneous Revenue .....	\$ -	\$ 49,801
5270	Carrier Billing and Collection Revenue .....		87,780
5280	Nonregulated Operating Revenue .....		-
	Total Miscellaneous Revenues .....	\$ -	\$ 137,581
	<b>Uncollectible Revenues</b>		
5301	Uncollectible Revenue - Telecommunications .....		-
5302	Uncollectible Revenue - Other .....		-
5300	Total Uncollectible Revenue .....	\$ -	\$ -
	Total Operating Revenues .....	\$ -	\$ 2,578,239

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Specific Operations Expense</b>					
6112	Motor Vehicle Expense .....	8,617	2,334		23,405	
	Clearance .....	(8,617)	(2,334)	-	(10,951)	
	Net Balance .....	-	-	-	12,454	12,454
6113	Aircraft Expense .....					-
	Clearance .....					-
	Net Balance .....	-	-	-	-	-
6114	Special Purpose Vehicle Expense .....	10,469	1,825			12,294
	Clearance .....	(10,469)	(1,825)			(12,294)
	Net Balance .....	-	-	-	-	-
6115	Garage Work Equipment Expense .....					-
6116	Other Work Equipment Expense .....					-
	Clearance .....	-	-	-	-	-
	Net Balance .....	-	-	-	-	-
6110	Total Network Support Expense .....	\$ -	\$ -	\$ -	12,454	\$ 12,454
6121	Land and Building Expenses .....	19,397	5,474		6,924	31,795
6122	Furniture and Artwork Expenses .....				738	738
6123	Office Equipment Expense .....				576	576
6124	General Purpose Computers Expense .....					-
6120	Total General Support Expense .....	\$ 19,397	\$ 5,474	\$ -	\$ 8,238	\$ 33,109
6211	Analog Electronic Expense .....					-
6212	Digital Electronic Expense .....	49,565	15,606		85,375	150,546
6215	SS7 Expense .....				49,208	49,208
6210	Total Central Office Switching Expense .....	\$ 49,565	\$ 15,606	\$ -	134,583	\$ 199,754
6220	Operators System Expense .....					-
6231	Radio Systems Expense .....					-
6232	Circuit Equipment Expense .....					-
6230	Total Central Office Transmission Switching Expense ....	\$ -	\$ -	\$ -	-	\$ -

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Specific Operations Exp (Cont)</b>					
6341	Large Private Branch Exchange Expense .....					-
6351	Public Telephone Terminal Equipment Expense .....	396	148		(188)	356
6362	Other Terminal Equipment Expense .....					-
6310	Total Information Origination/Termination Expense .....	\$ 396	\$ 148	\$ -	\$ (188)	\$ 356
6411	Poles Expense .....					-
6421	Aerial Cable Expense .....					-
6422	Underground Cable Expense .....					-
6423	Buried Cable Expense .....	119,947	37,506		59,627	217,080
6424	Submarine Cable Expense .....					-
6425	Deep Sea Cable Expense .....					-
6426	Intrabuilding Network Cable Expense .....					-
6431	Aerial Wire Expense .....					-
6441	Conduit Systems Expense .....					-
6410	Total Cable and Wire Facilities Expenses .....	\$ 119,947	\$ 37,506	\$ -	\$ 59,627	\$ 217,080
	Total Plant Specific Operations Expenses .....	\$ 189,305	\$ 58,734	\$ -	\$ 214,714	\$ 462,753
	<b>Plant Nonspecific Operations Expense</b>					
6511	Property Held for Future Telecom. Use Expense .....					-
6512	Provisioning Expense .....					-
	Clearance .....					-
	Net Balance .....					-
6510	Total Other Property Plant and Equipment Expenses .....	\$ -	\$ -	\$ -	\$ -	\$ -
6531	Power Expense .....				11,673	11,673
6532	Network Administration Expense .....					-
6533	Testing Expense .....	26,892	8,459		-	35,351
6534	Plant Operations Administration Expense .....	-	-		681	681
	Clearance .....					-
	Net Balance .....	-	-	-	681	681
6535	Engineering Expense .....					-
	Clearance .....					-
	Net Balance .....					-
6530	Total Network Operations Expenses .....	\$ 26,892	\$ 8,459	\$ -	\$ 12,354	\$ 47,705

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Nonspecific Operations Exp (Cont)</b>					
6540	Access Expense .....					-
6561	Depreciation Expense - Telecom. Plant in Service .....				272,596	272,596
6562	Depreciation Expense - Property Held for Future Use .....					-
6563	Amortization Expense - Tangible .....					-
6564	Amortization Expense - Intangible .....					-
6565	Amortization Expense - Other .....					-
6560	Total Depreciation and Amortization Expenses .....	\$ -	\$ -	\$ -	\$ 272,596	\$ 272,596
	Total Plant Nonspecific Operations Expense .....	\$ 26,892	\$ 8,459	\$ -	\$ 284,950	\$ 320,301
	<b>Customer Operations Expense</b>					
6611	Product Management .....					-
6612	Sales .....					-
6613	Product Advertising .....				2,013	2,013
6610	Total Marketing .....	\$ -	\$ -	\$ -	\$ 2,013	\$ 2,013
6621	Call Completing Services .....				5,187	5,187
6622	Number Services .....				546	546
6623	Customer Services .....	136,497	41,067		57,312	234,876
6620	Total Services .....	\$ 136,497	\$ 41,067	\$ -	\$ 63,045	\$ 240,609
	Total Customer Operations Expense .....	\$ 136,497	\$ 41,067	\$ -	\$ 65,058	\$ 242,622
	<b>Corporate Operations Expense</b>					
6711	Executive .....	317,311	115,239		(979)	431,571
6712	Planning .....					-
6710	Total Executive and Planning .....	\$ 317,311	\$ 115,239	\$ -	\$ (979)	\$ 431,571

INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Corporate Operations Expense (Continued)</b>					
6721	Accounting and Finance .....	99,198	29,106		34,525	162,829
6722	External Relations .....				47,530	47,530
6723	Human Resources .....					-
6724	Information Management .....					-
6725	Legal .....				339	339
6726	Procurement .....					-
6727	Research and Development .....					-
6728	Other General and Administrative .....				61,272	61,272
6720	Total General and Administrative .....	\$ 99,198	\$ 29,106	\$ -	\$ 143,666	\$ 271,970
	Total Corporate Operations Expenses .....	\$ 416,509	\$ 144,345	\$ -	\$ 142,687	\$ 703,541
	Total Operating Expenses .....	\$ 769,203	\$ 252,605	\$ -	\$ 707,409	\$ 1,729,217
	Net Operating Income .....					\$ 849,022

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	Net Operating Income (from Page 6 of 8) .....	\$ 849,022
	<b>Other Operating Income and Expenses</b>	
7110	Income from Custom Work .....	-
7130	Return from Nonregulated Use of Regulated Facilities .....	-
7140	Gains and Losses from Foreign Exchange .....	-
7150	Gains and Losses from Disposition of Land and Artwork .....	-
7160	Other Operating Gains and Losses .....	(1,338)
7100	Other Operating Income and Expenses - Net .....	\$ (1,338)
	<b>Operating Taxes</b>	
7210	Operating Investment Tax Credits .....	4,824
7220	Operating Federal Income Taxes .....	-
7230	Operating State and Local Income Taxes .....	-
7240	Operating Other Taxes .....	(45,277)
7250	Provision for Deferred Operating Taxes - Net .....	-
7200	Total Operating Taxes .....	\$ (40,453)
	<b>Nonoperating Income and Expense</b>	
7310	Dividend Income .....	73
7320	Interest Income .....	40,259
7330	Income from Sinking and Other Funds .....	-
7340	Allowance for Funds Used During Construction .....	-
7350	Gains or Losses from the Disposition of Certain Property .....	-
7360	Other Nonoperating Income .....	-
7370	Special Charges .....	(13,740)
7300	Nonoperating Income and Expenses - Net .....	\$ 26,592
	<b>Nonoperating Taxes</b>	
7410	Nonoperating Investment Tax Credits - Net .....	-
7420	Nonoperating Federal Income Taxes .....	-
7430	Nonoperating State and Local Income Taxes .....	-
7440	Nonoperating Other Taxes .....	-
7450	Provision for Deferred Nonoperating Income Taxes - Net .....	-
7400	Total Nonoperating Taxes .....	\$ -

Le-Ru Telephone Company  
Supplement to Income Statement  
Attachment Schedule 4 Page 7A of the Missouri Public Service Commission Report  
12/31/97

Net income before provision for shareholder income tax liabilities	\$734,235
Income taxes payable by individual shareholders:	
Current income tax expense	197,170
Deferred income tax expense	<u>77,730</u>
Total income taxes to be paid at shareholder level	<u>\$274,900</u>
Net income after provision for shareholder income taxes	<u><u>\$459,335</u></u>

This schedule has been prepared to present the income taxes generated by the operations of the telephone company for the year ended December 31, 1997 and to present actual operating results of the Company after the provision for income taxes. Under the subchapter S election of the Company, this income tax liability must be paid by the individual shareholders.

A reconciliation of financial statement net income to taxable income after removal of permanent differences follows:

Net income per financial statements	\$734,235
Permanent differences:	
Non deductible expense for income tax purposes	<u>51,200</u>
Total income before temporary differences	<u><u>\$785,435</u></u>

For information purposes only

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Interest and Related Items</b>	
7510	Interest on Funded Debt .....	(98,499)
7520	Interest Expense - Capital Leases .....	-
7530	Amortization of Debt Issuance Expense .....	(215)
7540	Other Interest Deductions .....	-
7500	Total Interest and Related Items (NOTE 1) .....	\$ (98,714)
7610	Extraordinary Income Credits .....	-
7620	Extraordinary Income Charges .....	-
7630	Current Income Tax Effect of Extraordinary Items - Net .....	-
7640	Provision for Deferred Income Tax Effect of Extraordinary Items - Net .....	-
7600	Total Extraordinary Items .....	\$ -
	Total Interest and Related Items .....	\$ (98,714)
7910	Income Effect of Jurisdictional Ratemaking Differences - Net .....	-
7990	Nonregulated Net Income .....	(874)
	Net Income .....	\$ 734,235

**IMPORTANT CHANGES DURING THE YEAR**

Hereunder give particulars concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry must be answered. However, if the word "none" states the fact it may be used in answering any inquiry, or if information is given elsewhere in the report which answers any inquiry, reference to such other schedule will be sufficient.

1. Acquisitions of other companies, reorganization, merger, or consolidation with other companies; give names of companies involved, particulars concerning the transactions, and reference to Commission authorization.
2. Purchase or sale of operating exchanges or other telephone plant, specifying items, parties, dates, and also reference to Commission authorization.
3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, Commission authorization, if any, and other conditions.
4. Important extension of service, giving location, new territory covered, and dates of beginning operations.
5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.
6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, if any.
7. Changes in articles of incorporation or amendments to charter.
8. Additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

5. Company has signed a stipulation agreement with the Commission dated February 27, 1998 that will reduce intrastate revenues approximately \$312,000 on an annual basis.

## ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (a)	Authorized Depreciation Rates (b)	Balance at Beginning of the Year (c)	CREDITS DURING THE YEAR		
				Charged to Account 6561 (d)	Other Credits (Specified) (e)	Total (f)
	<b>SUPPORT ASSETS</b>					
2112	Motor Vehicles .....	10.5 %	\$ 2,332	\$ 18,504		\$ 18,504
2113	Aircraft .....	-	-	-		-
2114	Special Purpose Vehicles .....	10.5	145,672	23,111		23,111
2115	Garage Work Equipment .....	-	-	-		-
2116	Other Work Equipment .....	-	-	-		-
2121	Buildings .....	2.2	81,938	4,409		4,409
2122	Furniture .....	-	-	-		-
2123	Office Equipment .....	5.0	11,485	2,206		2,206
2123.1	Office Support Equipment .....	-	-	-		-
2123.2	Company Communication Equipment .....	5.0	1,463	200		200
2124	General Purpose Computers .....	12.0	5,750	4,025		4,025
	Total Support Assets .....		\$ 248,640	\$ 52,455	\$	\$ 52,455
	<b>CENTRAL OFFICE - SWITCHING</b>					
2211	Analog Electronic Switching .....	-	-	-		-
2212	Digital Electronic Switching .....	5.0	151,967	42,880		42,880
2215	Electromechanical Switching .....	-	-	-		-
2215.1	Step-by-Switching .....	-	-	-		-
2215.2	Crossbar Switching .....	-	-	-		-
2215.3	Other Electro-Mechanical Switching .....	-	-	-		-
2220	Operator Systems .....	-	-	-		-
	Total Central Office Switching .....		\$ 151,967	\$ 42,880	\$	\$ 42,880
	<b>CENTRAL OFFICE - TRANSMISSION</b>					
2231.1	Satellite and Earth Station Facilities .....	-	-	-		-
2231.2	Mobile Radio Facilities .....	-	-	-		-
2231.3	Other Radio Facilities .....	-	-	-		-
2232	Circuit Equipment .....	6.7	229,417	55,375		55,375
	Total Central Office - Transmission .....		\$ 229,417	\$ 55,375	\$	\$ 55,375

## ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (g)	CHARGES DURING THE YEAR			Total (k)	Balance at End of the Year (l)
		Plant Sold With Traffic (h)	For Other Plant Retired (i)	Other Charges (Specified) (j)		
	<b>SUPPORT ASSETS</b>					
2112	Motor Vehicles .....		\$ -		\$ -	\$ 20,836
2113	Aircraft .....					-
2114	Special Purpose Vehicles .....		(23,075)		(23,075)	145,708
2115	Garage Work Equipment .....					-
2116	Other Work Equipment .....					-
2121	Buildings .....					86,347
2122	Furniture .....					-
2123	Office Equipment .....					13,691
2123.1	Office Support Equipment .....					-
2123.2	Company Communication Equipment .....					1,663
2124	General Purpose Computers .....					9,775
	<b>Total Support Assets .....</b>	\$	\$ (23,075)	-	\$ (23,075)	\$ 278,020
	<b>CENTRAL OFFICE - SWITCHING</b>					
2211	Analog Electronic Switching .....					-
2212	Digital Electronic Switching .....					194,847
2215	Electromechanical Switching .....					-
2215.1	Step-by-Switching .....					-
2215.2	Crossbar Switching .....					-
2215.3	Other Electro-Mechanical Switching .....					-
2220	Operator Systems .....					-
	<b>Total Central Office Switching .....</b>	\$	\$	\$	\$	\$ 194,847
	<b>CENTRAL OFFICE - TRANSMISSION</b>					
2231.1	Satellite and Earth Station Facilities .....					-
2231.2	Mobile Radio Facilities .....					-
2231.3	Other Radio Facilities .....					-
2232	Circuit Equipment .....		(2,157)		(2,157)	286,949
	<b>Total Central Office - Transmission .....</b>	\$	\$ (2,157)	\$	\$ (2,157)	\$ 286,949

## ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (m)	DATA RELATING TO PLANT SOLD WITH TRAFFIC (see Column (h))				
		Book Cost (n)	Selling Price (o)	Commissions and Other Expenses (p)	Charge to Accumulated Depreciation (q)	Charge or (Credit) to Account 7350 (r)
	<b>SUPPORT ASSETS</b>					
2112	Motor Vehicles .....					
2113	Aircraft .....					
2114	Special Purpose Vehicles .....					
2115	Garage Work Equipment .....					
2116	Other Work Equipment .....					
2121	Buildings .....					
2122	Furniture .....					
2123	Office Equipment .....					
2123.1	Office Support Equipment .....					
2123.2	Company Communication Equipment .....					
2124	General Purpose Computers .....					
	Total Support Assets .....	\$	\$	\$	\$	\$
	<b>CENTRAL OFFICE - SWITCHING</b>					
2211	Analog Electronic Switching .....					
2212	Digital Electronic Switching .....					
2215	Electromechanical Switching .....					
2215.1	Step-by-Switching .....					
2215.2	Crossbar Switching .....					
2215.3	Other Electro-Mechanical Switching .....					
2220	Operator Systems .....					
	Total Central Office Switching .....	\$	\$	\$	\$	\$
	<b>CENTRAL OFFICE - TRANSMISSION</b>					
2231.1	Satellite and Earth Station Facilities .....					
2231.2	Mobile Radio Facilities .....					
2231.3	Other Radio Facilities .....					
2232	Circuit Equipment .....					
	Total Central Office - Transmission .....	\$	\$	\$	\$	

## ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (s)	DATA RELATING TO OTHER PLANT RETIRED (see Column (j))				
		Book Cost (t)	Cost of Removal (u)	Salvage and Insurance (v)	Miscellaneous Adjustments (w)	Net Charge to Accumulated Depreciation (x)
	<b>SUPPORT ASSETS</b>					
2112	Motor Vehicles .....	\$				\$ -
2113	Aircraft .....					-
2114	Special Purpose Vehicles .....	(40,075)		17,000		(23,075)
2115	Garage Work Equipment .....					-
2116	Other Work Equipment .....					-
2121	Buildings .....					-
2122	Furniture .....					-
2123	Office Equipment .....					-
2123.1	Office Support Equipment .....					-
2123.2	Company Communication Equipment .....					-
2124	General Purpose Computers .....					-
	<b>Total Support Assets .....</b>	<b>\$ (40,075)</b>	<b>\$</b>	<b>17,000</b>	<b>\$</b>	<b>\$ (23,075)</b>
	<b>CENTRAL OFFICE - SWITCHING</b>					
2211	Analog Electronic Switching .....					-
2212	Digital Electronic Switching .....					-
2215	Electromechanical Switching .....					-
2215.1	Step-by-Switching .....					-
2215.2	Crossbar Switching .....					-
2215.3	Other Electro-Mechanical Switching .....					-
2220	Operator Systems .....					-
	<b>Total Central Office Switching .....</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ -</b>
	<b>CENTRAL OFFICE - TRANSMISSION</b>					
2231.1	Satellite and Earth Station Facilities .....					-
2231.2	Mobile Radio Facilities .....					-
2231.3	Other Radio Facilities .....					-
2232	Circuit Equipment .....	(2,157)				(2,157)
	<b>Total Central Office - Transmission .....</b>	<b>\$ (2,157)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ (2,157)</b>

## ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (a)	Authorized Depreciation Rates (b) %	Balance at Beginning of the Year (c)	CREDITS DURING THE YEAR		
				Charged to Account 6561 (d)	Other Credits (Specified) (e)	Total (f)
	<b>INFORMATION ORIGINATION/TERMINATION</b>					
2311	Station Apparatus .....		\$ -	\$ -		\$ -
2321	Customer Premises Wiring .....					-
2341	Large Private Branch Exchange .....					-
2351	Public Telephone Terminal Equipment .....	5.0	3,403	355		355
2362	Other Terminal Equipment .....					-
	<b>Total Information Origination/Termination .....</b>		<b>\$ 3,403</b>	<b>\$ 355</b>	<b>\$ -</b>	<b>\$ 355</b>
	<b>CABLE AND WIRE FACILITIES</b>					
2411	Poles and Special Structures .....	4.0	21,828	960		960
2421	Aerial Cable .....					-
2422	Underground Cable .....					-
2423	Buried Cable .....	4.0	1,301,434	120,489		120,489
2424	Submarine Cable .....					-
2425	Deep Sea Cable .....					-
2426	Intrabuilding Network Cable .....					-
2431	Aerial Wire .....					-
2441	Conduit Systems .....					-
	<b>Total Cable and Wire Facilities .....</b>		<b>\$ 1,323,262</b>	<b>\$ 121,449</b>	<b>\$ -</b>	<b>\$ 121,449</b>

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (g)	CHARGES DURING THE YEAR			Total (k)	Balance at End of the Year (l)
		Plant Sold With Traffic (h)	For Other Plant Retired (i)	Other Charges (Specified) (j)		
	<b>INFORMATION ORIENTATION/TERMINATION</b>					
2311	Station Apparatus .....					\$ -
2321	Customer Premises Wiring .....					-
2341	Large Private Branch Exchange .....					-
2351	Public Telephone Terminal Equipment .....					3,758
2362	Other Terminal Equipment .....					-
	<b>Total Information Origination/Termination .....</b>	\$	\$	\$	\$	\$ 3,758
	<b>CABLE AND WIRE FACILITIES</b>					
2411	Poles and Special Structures .....					22,788
2421	Aerial Cable .....					-
2422	Underground Cable .....					-
2423	Buried Cable .....		(668)		(668)	1,421,255
2424	Submarine Cable .....					-
2425	Deep Sea Cable .....					-
2426	Intrabuilding Network Cable .....					-
2431	Aerial Cable .....					-
2441	Conduit Systems .....					-
	<b>Total Cable and Wire Facilities .....</b>	\$	\$ (668)	\$	\$ (668)	\$ 1,444,043

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (m)	DATA RELATING TO PLANT SOLD WITH TRAFFIC (see Column (h))				
		Book Cost (n)	Selling Price (o)	Commissions and Other Expenses (p)	Charge to Accumulated Depreciation (q)	Charge or (Credit) to Account 7350 (r)
	<b>INFORMATION ORIGINATION/TERMINATION</b>					
2311	Station Apparatus .....					
2321	Customer Premises Wiring .....					
2341	Large Private Branch Exchange .....					
2351	Public Telephone Terminal Equipment .....					
	Total Information Origination/Termination .....	\$	\$	\$	\$	\$
	<b>CABLE AND WIRE FACILITIES</b>					
2411	Poles and Special Structures .....					
2421	Aerial Cable .....					
2422	Underground Cable .....					
2423	Buried Cable .....					
2424	Submarine Cable .....					
2425	Deep Sea Cable .....					
2426	Intrabuilding Network Cable .....					
2431	Aerial Wire .....					
2441	Conduit System .....					
	Total Cable and Wire Facilities .....	\$	\$	\$	\$	\$

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Account No.	Account (s)	DATA RELATING TO OTHER PLANT RETIRED (see Column (i))				
		Book Cost (t)	Cost of Removal (u)	Salvage and Insurance (v)	Miscellaneous Adjustments (w)	Net Charge to Accumulated Depreciation (x)
	<b>INFORMATION ORIGATION/TERMINATION</b>					
2311	Station Apparatus .....					
2321	Customer Premises Wiring .....					
2341	Large Private Branch Exchange .....					
2351	Public Telephone Terminal Equipment .....					
2362	Other Terminal Equipment .....					
	<b>Total Information Origination/Termination .....</b>	\$	\$	\$	\$	\$
	<b>CABLE AND WIRE FACILITIES</b>					
2411	Poles and Special Structures .....					
2421	Aerial Cable .....					
2422	Underground Cable .....					
2423	Buried Cable .....	(668)				(668)
2424	Submarine Cable .....					
2425	Deep Sea Cable .....					
2426	Intrabuilding Network Cable .....					
2431	Aerial Wire .....					
2441	Conduit Systems .....					
	<b>Total Cable and Wire Facilities .....</b>	(668)	\$	\$	\$	(668)

MO PSC Telephone Annual Report Form

SCHEDULE 7

Le-Ru Telephone Company  
Year Ended December 31, 1997

ANALYSIS OF ENTRIES IN ACCUMULATED AMORTIZATION (Account 3410, 3420, 3500 and 3600)

Particulars (a)	Amounts Applicable to Account 3410 (b)	Amounts Applicable to Account 3420 (c)	Amounts Applicable to Account 3500 (d)	Amounts Applicable to Account 3600 (e)
Balance at beginning of the year .....	-	-	-	-
<b>ADDITIONS DURING THE YEAR</b>				
Charged or (credited) to account:	NONE			
7160 Other operating gains and losses .....	-	-	-	-
7360 Other nonoperating income .....	-	-	-	-
6563 Amortization expense - tangible .....	-	-	-	-
6564 Amortization expense - intangible .....	-	-	-	-
6565 Amortization expense - other .....	-	-	-	-
Other accounts (specify):				
Total additions during the year .....	-	-	-	-
<b>CLEARANCES DURING THE YEAR</b>				
Clearances from account:				
2005 Telecommunications plant adjustment .....	-	-	-	-
2681 Capital leases .....	-	-	-	-
2682 Leasehold improvements .....	-	-	-	-
2690 Intangibles .....	-	-	-	-
Other accounts (specify):				
Total clearances during the year .....	-	-	-	-
Balance at end of the year	-	-	-	-
<b>BASIS OF ANNUAL AMORTIZATION CHARGES:</b>				
Capital Leases - amortized over the life of the lease.				

## SCHEDULE 8

Year Ended December 31, 1997

## RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES

Name of Affiliate (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom- munications Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom- munications Allowance (d)	Account 1190 Other Account Receivable (e)	Account 1191 Accounts Receivable Allowance Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affiliated Companies (j)	Account 1402 Investments in Nonaffiliated Companies (k)
Non-Affiliated Receivable from Stockholders	\$ 650,000	\$ 112,967		\$ 79,144 21,503		\$ 131,000		\$ 6,575 1,163		\$ 44
Total Affiliated Balance	\$	\$	\$	\$ 21,503	\$	\$ 131,000	\$	\$ 1,163	\$ -	\$
Total Nonaffiliated Bal	\$ 650,000	\$ 112,927	\$	\$ 79,144	\$	\$	\$	\$ 6,575	\$ -	\$ 456,144
Account Total	\$ 650,000	\$ 112,927	\$	\$ 100,647	\$	\$ 131,000	\$	\$ 7,738	\$ -	\$ 456,144

SCHEDULE 9

Year Ended December 31, 1997

UNCOLLECTIBLE ACCOUNTS (Account 1181 and Account 1191)

Line No.	(a)	Amount at End of the Year Account 1181 (b)	Amount at End of the Year Account 1191 (c)
1	Balance at Beginning of the Year .....		
2	Accruals Charged .....		
3	Collection of Amounts Previously Written Off .....		
4	Other Credits .....		
5	Total Credits .....	\$	\$
6	Uncollectibles Written Off During the Year .....		
7	Other Debits (Explain in a Note) .....		
8	Total Debits .....	\$	\$
9	Balance at End of the Year .....	\$	\$
10	Total Operating Revenue for the Year .....	\$	
11	Net Write Offs During the Year (Line 6 minus Line 3) .....	\$	\$
12	Ratio of Line 11 to Line 10 .....		
13	Ratio of Line 2 to Line 10 .....		

NOTES:

Company uses direct write-off method

DEFERRED CHARGES (Accounts 1438 and 1439)

Description of Item (a)	Amount at End of the Year (b)
Account 1438 Deferred Maintenance and Retirements .....  <div style="text-align: center;">NONE</div>	\$ .....  
Aggregate of All Other Items .....	\$ .....
Total .....	\$ .....
Account 1439 Deferred Charges .....	
Discount on Capital Stock .....	433
Aggregate of All Other Items .....	
Total .....	\$ 433

CAPITAL STOCK (Account 4510)

Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid in Capital (e)	Number of Shares of Treasury Stock (f)	Amount in Treasury Stock Account (g)
Common Stock	\$ 100	400	\$ 20,400			
Total .....	\$ 100	400	\$ 20,400	\$		\$

CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

	Description of Security (a)	REACQUIRED DURING THE YEAR		RETIRED DURING THE YEAR	
		Book or Face Amount (b)	Number of Shares of Stock (c)	Book or Face Amount (d)	Number of Shares of Stock (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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30					
31					
32					
33					

CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

	Effective Date of Call (if any) (f)	UNAMORTIZED DISCOUNT (OR PREMIUM) AND EXPENSE		REDEMPTION PREMIUM (OR DISCOUNT)		REACQUISITION OR REDEMPTION EXPENSES		Remarks (m)
		Account (g)	Amount (h)	Account (i)	Amount (j)	Account (k)	Amount (l)	
1	None							
2								
3								
4								
5								
6								
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33								

## SCHEDULE 13

Year Ended December 31, 1997

## LONG-TERM DEBT (Accounts 1407, 4210, 4220, 4230) and SHORT-TERM DEBT (Account 4020)

LONG-TERM DEBT (Accounts 1407, 4210, 4220, 4230)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Debt Issuance Expense, Premium or Discount (e)	Stated Rate (f) %	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
Description of Obligation (a)								
RUS Notes as follows:								
2010	06/26/65	02/26/00	\$ 20,454		2		\$	\$
2020	03/21/66	03/21/01	33,684		2			
2030	03/03/67	03/03/02	14,791		2			
2031	03/03/67	03/03/02	1,977		2			
2040	03/02/71	03/02/06	56,546		2			
12041	03/02/71	03/02/06	8,562		2			
12050	11/05/75	11/05/12	215,367		2			
12051	11/05/75	11/05/12	38,489		2			
12052	11/05/75	11/05/12	28,738		2			
12060	03/02/82	03/02/19	1,065,317		2			
12061	03/02/82	03/02/19	108,103		2			
12062	03/02/82	03/02/19	91,396		2			
12070	06/04/93	06/04/16	555,414		5			
12071	06/04/93	06/04/16	72,204		5			
12072	06/04/93	06/04/16	150,887		5			
12073	06/04/93	06/04/16	63,872		5			
12074	06/04/93	06/04/16	57,767		5			
12075	06/04/93	06/04/16	284,089		5			
12076	06/04/93	06/04/16	108,453		5			
							143,271	2,832,839
SHORT-TERM DEBT (Account 4020)							Stated Interest Rate (k)	Amount Outstanding (l)
Description of Obligation (j)								

CAPITAL LEASES

Type of Property (a)	Capitalized Amount (b)	Accumulated Amortization in Account 3410 (c)	Balance (d)
None			
Total .....	\$	\$	\$

CAPITAL LEASES

Type of Property (e)	LEASE OBLIGATION		ANNUAL LEASE COST COMPONENTS		
	Current Account 4060 (f)	Long-Term Account 4250 (g)	Amortization Account 6563 (h)	Interest Account 7520 (i)	Other (j)
None					
Total .....	\$	\$	\$	\$	\$

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Le-Ru TELEPHONE COMPANY

SCHEDULE 15, Page 1 of 2

PLAN NAME: \_\_\_\_\_

Year Ended December 31, 1997

PENSION COST - DEFINED BENEFIT PLANS

(Report each individual plan on a separate schedule)

TRUSTEE NAME: \_\_\_\_\_

Item (a)	Current Year (b)	Previous Year (c)
Accumulated Benefit Obligation .....	\$	\$
Projected Benefit Obligation .....	\$	\$
Fair Value of Plan Assets .....	\$	\$
Discount Rate for Settlement of Liabilities .....		
Expected Long-Term Return on Assets .....		
Net Periodic Pension Cost: <span style="float: right;">N/A</span>		
Service Cost .....	\$	\$
Interest Cost .....		
Return on Plan Assets .....		
Amortization of Transition Amount .....		
Amortization of Gains or Losses .....		
Total .....	\$ -	\$ -
Minimum Required Contribution .....	\$	\$
Actual Contribution .....		
Maximum Amount Deductible .....		
Benefit Payments .....		
Pension Cost .....		
Pension Cost Capitalized .....		
Accumulated Pension Asset/Liability at close of year .....		
Number of Company Employees:		
Covered by Plan		
Active .....		
Retired .....		

file = PSCPC

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PLAN NAME: Le-Ru Telephone Company, Inc. Profit Sharing Plan

Le-Ru TELEPHONE COMPANY

SCHEDULE 15, Page 2 of 2

TRUSTEE NAME: Community Bank and Trust

Year Ended December 31, 1997

**PENSION COST - OTHER THAN DEFINED BENEFIT PLANS**

(Report each individual plan on a separate schedule, i.e. ESOP; Defined Contribution; Other - Describe)

Item (a)	Current Year (b)	Previous Year (c)
Description of Plan:		
Defined Contribution Profit Sharing Plan (Plan was adopted in 1994)		
Projected Benefit Obligation .....	\$ N/A	\$ N/A
Fair Value of Plan Assets .....	339,986	239,022
Expected Long-Term Return on Assets .....	%	%
• Minimum Required Contribution .....	-	-
Actual Contribution .....	90,398	84,556
Maximum Amount Deductible .....	90,398	84,556
Benefit Payments .....	-	-
Pension Cost Expensed .....	90,098	83,287
Pension Cost Capitalized .....	-	1,269
Accumulated Pension Asset/Liability at close of year .....	90,398	84,556
Number of Company Employees:		
Covered by Plan		
Active .....	8	8
Retired .....	0	0

SCHEDULE 16

Year Ended December 31, 1997

ADVERTISING - List by Existing Sub-Accounts

Account No. (a)	Account Title (b)	Amount During the Year (c)
660	Color Advertising	\$ 2,012
Total .....		\$ 2,012

## DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS OTHER THAN EMPLOYEES

Name of Recipient (a)	Nature of Service (b)	Amount of Payment (c)
Mize, Houser & Company, P.A.	Audit, tax and business consulting	\$ 37,866
John Staurulakis, Inc.	Neca reporting, cost studies, consulting	25,587
Brydon, Swearingin and England, P.C.	Regulatory and legal	10,633
G.V.N.W.	Regulatory consulting	6,980
John Sims	General legal counsel	182
Shugart Thomas & Kilroy	General legal counsel	156

SCHEDULE 18

Year Ended December 31, 1997

MEMBERSHIP FEES AND DUES

Particulars (a)	NUMBER OF		Amount (d)
	Organi- zations (b)	Member- ships (c)	
<b>EXPENDITURES CHARGED TO OPERATING EXPENSES</b>			
Associations of Telecommunications Companies .....	7	7	\$ 7,533
Trade, Technical and Professional Associations .....			
Other (Specify Type):			
Service/Community Organizations .....			
MWG Headquarters and Eastern Division Office Allocated to UTC of Missouri .....			
Total .....			\$ 7,533
<b>EXPENDITURES CHARGED TO ACCOUNT 7370</b>			
Social and Athletic Clubs (Dues/Contributions) .....			\$ 0
Service Clubs (Dues/Contributions) .....			
Lobbying Expenditures .....			
Statutory Penalties and Fines .....			
Abandoned Construction Projects .....			
Other (Specify Type):			
Contributions .....			3,545
Other Miscellaneous Charges .....			
Total .....			\$ 3,545

EXPENSES ATTRIBUTABLE TO FORMAL REGULATORY CASES

Description of Regulation or Case (a)	Special Assessments by Regulatory Commissions (b)	OTHER SPECIAL EXPENSES		Total Reported Expenses and Assessments (e)
		Fees, Retainers, Expenses, and Other Billed Items (c)	Incremental Payroll Costs and Directly Associable Expenses (d)	
None				
Total .....	\$ -	\$ -	\$ -	\$ -

MO PSC Telephone Annual Report Form

Le-Ru TELEPHONE COMPANY

SCHEDULE 20

Year Ended December 31, 1997

ANALYSIS OF EXTRAORDINARY ITEMS (Accounts 7610, 7620, 7630 and 7640)

Particulars (a)	Debit Amounts Account 7610 (b)	Credit Amounts Account 7620 (c)	Tax Effect Included in Account 7630 (d)	Tax Effect Included in Account 7640 (e)
None				

file = PSCEI

ACCESS LINES IN SERVICE BY CUSTOMER CLASS

Missouri Exchange (a)	Type of Switch (b)	Business Access Lines		Public Access Lines			Residential Access Lines		Lines (Trunks) (j)	Total Access Lines (k)	
		Single Line (c)	Multi Line (d)	Public (e)	Semi-Public (f)	Customer Owned Coin Telephones (g)	One Party (h)	Multi Party (i)			
Stella (628)	Northern Telecom DMS-10	59	-	3	1	2	521	-	5	591	
Powell (435)	Northern Telecom DMS-10	51	-	1	-	-	610	-	1	663	
Total Missouri		2	110	-	4	1	2	1,131	-	6	1,254
Total Company		2	110	-	4	1	2	1,131	-	6	1,254

file = PSCAL

## SCHEDULE 22

Year Ended December 31, 1997

## TELEPHONE CALLS

State or Territory (a)	LOCAL CALLS	TOLL CALLS (Completed)					
	Total Local Calls (b)	Interstate		Intrastate		Total Toll Calls	
		Number (c)	Billed Minutes (d)	Number (e)	Billed Minutes (f)	Number (g)	Billed Minutes (h)
Missouri Other States (List):	N/A	N/A	4,377,983	N/A	5,114,740	N/A	9,492,723
Total	-	-	4,377,983	-	5,114,740	-	9,492,723

file = PSCTC

OUTSIDE PLANT STATISTICS

State (a)	Miles of Aerial Wire (b)	AERIAL CABLE		UNDERGROUND CABLE		BURIED CABLE		SUBMARINE CABLE	
		Miles of Cable (c)	Miles of Wire In Cable (d)	Miles of Cable (e)	Miles of Wire In Cable (f)	Miles of Cable (g)	Miles of Wire In Cable (h)	Miles of Cable (i)	Miles of Wire In Cable (j)
Missouri Other States (List):						555	11,968		
Total	-	-	-	-	-	555	11,968	-	-

  

State (a)	MILES OF FIBER OPTIC CABLE			Miles of Tube In Coaxial Cable (t)	CONDUIT SYSTEM		RADIO RELAY		
	Route Miles (q)	Fiber Miles (r)	Number of Poles (s)		Trench Miles (u)	Duct Miles (v)	Miles of System (w)	Miles of Telephone Channel (x)	Miles of Video Channel (y)
Missouri Other States (List):	15	186							
Total	15	186	-	-	-	-	-	-	-

OUTSIDE PLANT STATISTICS

State (a)	DEEP SEA CABLE		INTRA BUILDING NETWORK CABLE		TOTAL CABLE	
	Miles of Cable (k)	Miles of Wire In Cable (l)	Miles of Cable (m)	Miles of Wire In Cable (n)	Miles in Cable (o)	Miles of Wire In Cable (p)
Missouri					569	12,155
Total	-	-	-	-	569	12,155

  

State (a)	TOTAL EQUIPPED CARRIER CHANNEL MILES		
	Equivalent 4hz Analog (z)	DS-1 Digital or Equivalent (aa)	Video (bb)
Total	-	-	-



# ANNUAL REPORT OF

LE - RU TELEPHONE COMPANY

TO THE  
PUBLIC SERVICE COMMISSION  
OF MISSOURI

---

FOR THE  
YEAR ENDED  
DECEMBER 31, 1998

**LE-RU TELEPHONE COMPANY**

BOX 147  
STELLA, MISSOURI 64867



417-628-3844  
FAX 417-628-3686

E. Millikin, Pres.

March 30, 1999

**FILED**

APR 1 1999

Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102-0360

Missouri Public  
Service Commission

Re: 1998 PSC Report

To Whom It May Concern;

Please find one copy of Le-Ru Telephone Company's 1998 PSC Report.

Sincerely,

Le-Ru Telephone Company

Robert Hart, V-Pres.

cc: file

**ANNUAL REPORT OF  
TELEPHONE COMPANIES  
(Class A and Class B)**

**FILED**

APR 1 1999

Missouri Public  
Service Commission

OF

LE - RU TELEPHONE COMPANY

(Exact legal name of respondent)

If name changed during year, show also the previous name and date of change.

P.O. BOX 147, STELLA, MISSOURI 64867

(Address of principal office at end of year)

TO THE

**PUBLIC SERVICE COMMISSION**

OF THE

**STATE OF MISSOURI**

FOR THE

**Year Ended December 31, 1998**

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

ROBERT L. HART, VICE PRESIDENT

P.O. BOX 147, STELLA, MISSOURI 64867 (417)628-3836

VERIFICATION

The foregoing report must be verified by the oath of the President or chief officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Missouri

County of Newton

Robert L. Hart makes oath and says that  
(Insert here the name of the affiant.)

he is Vice President  
(Insert here the official title of the affiant.)

of Le-Ru Telephone Company  
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including

January 1, 1998 to and including December 31, 1998

Robert L. Hart  
(Signature of affiant.)

Subscribed and sworn to before me, a Notary Public in and for the  
State and county above named, this 30th day of March, 1998  
My commission expires 2/24/2000

L.S.  
Use an  
Impres-  
sion  
Seal

Carolyn Dyer  
(Signature of officer authorized to administer oaths)  
Carolyn Dyer

Mo PSC Telephone Annual Report Form

TABLE OF CONTENTS

	<u>Schedule No.</u>
Miscellaneous Data/Questions (4 pages).....	1
Payroll Information (3 pages).....	2
Balance Sheet Accounts (5 pages).....	3
Income Statement Accounts (8 pages).....	4
Important Changes During the Year.....	5
Analysis of Entries in Accumulated Depreciation (8 pages).....	6
Analysis of Entries in Accumulated Amortization.....	7
Receivables and Investments.....	8
Uncollectible Accounts.....	9
Deferred Charges.....	10
Capital Stock.....	11
Capital Stock and Funded Debt Reacquired (2 pages).....	12
Long-Term and Short-Term Debt.....	13
Capital Leases (2 pages).....	14
Pension Costs (2 pages).....	15
Advertising.....	16
Donations.....	17
Membership Fees and Dues.....	18
Expenses Attributable to Formal Regulatory Cases.....	19
Analysis of Extraordinary Items.....	20
Access Lines in Service By Customer Class/Exchange.....	21
Telephone Calls.....	22
Outside Plant Statistics (2 pages).....	23
Interstate Private Line Statistics.....	24

Miscellaneous Data/Questions

1. State the exact certificated name of the utility.

Le-Ru Telephone Company

2. State the date when the utility was originally organized.

August 23, 1962

3. Report any change in name during year and state the effective date.

No changes

4. State the name, title, office address, and phone number of the officer of the utility to whom correspondence should be addressed concerning this report.

Robert L. Hart, Vice President

P. O. Box 147

Stella, Missouri

(417)628-3836

5. State the location of the office where the accounts and records are kept.

Same as above

6. State the name, address, and phone number of the individual or firm, if other than a utility employee, preparing this report.

Mize, Houser & Company, P.A.

Certified Public Accountants

7101 College Blvd., Suite 1510

40 Executive Hills

Overland Park, KS 66210

7. State the names, addresses and shareholdings of persons owning 5 percent or more of outstanding voting securities.

Ruth E. McClary	Stella, Missouri	108 shares
James R. Millikin	Stella, Missouri	30 shares
Robert L. Hart	Stella, Missouri	30 shares
Vickie L. Roberts	Stella, Missouri	30 shares

8. List companies owned, controlled, or operated by the utility. Include a statement of the form and extent of such ownership, control or operation.

None

9. Does the Company utilize actual or average cost for settlement of interstate toll?

Actual cost

10. If the Company utilizes actual costs, what was the date (year) of the last cost study finalized?

1996 - NECA has a 24-month window for cost study adjustments

11. If the Company utilizes actual costs, what was the date the last cost study prepared?

June, 1998 for 1997 cost study

Mo PSC Telephone Annual Report Form

12. Does the Company utilize actual or average cost for settlement of intrastate toll? If this method is different from question #9 above, please explain.

The company is on an access charge bill and keep basis for all intrastate tolls

13. If the Company utilizes actual costs, what was the date (year) the last cost study was finalized?

N/A

14. If the Company utilizes actual costs, what was the date the last cost study was prepared?

N/A

15. Please provide the effective date of and a file reference to the Depreciation Authority Order or other Case Number wherein the Company received authorization for current depreciation rates reported on Schedule 6.

Effective 12/20/98, depreciation rates were effective retroactive to 1/1/98.

Case # TR-98372, depreciation rates were included in this case.

Universal Service Fund Questions

Item	Amount	Acct. Recorded
16. Please identify what amount of Universal Service Fund (USF) payments were received by the Company from the National Exchange Carrier Association (NECA) for the current reporting year.	<u>487,836</u>	<u>5083</u>
17. Please identify the "Unseparated NTS Revenue Requirement" as reported by NECA related specifically to the above payment.	<u>1,047,729</u>	_____
18. Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	<u>1,315</u>	_____
19. Please identify what amount of USF payments were received by the Company from NECA for the previous reporting year.	<u>580,044</u>	<u>5083</u>
20. Please identify the amount of USF payments expected to be received by the Company for the following reporting year.	<u>517,919</u>	<u>5083</u>
21. Please identify the amount of DEM (Dial Equipment Minutes) payments received by the Company for the current reporting year.	<u>235,032</u>	<u>5082</u>
22. Please identify the amount of DEM payments received by the Company for the previous reporting year.	<u>216,796</u>	<u>5082</u>
23. Please identify the amount of LTS (Long Term Support) payments received or made by the Company for the current reporting year.	<u>224,364</u>	<u>5082</u>
24. Please identify the amount of LTS (Long Term Support) payments received or made by the Company for the previous reporting year.	<u>198,741</u>	<u>5082</u>

Report information below for all Officers and Directors holding Office for any time between January 1 and December 31.

Name (a)	Title (b)	Total compensation for year (c)	Directors		
			Length of term (d)	Term Expires (e)	No. of Meetings attended during year (f)
Ruth E. McClary	President	189,144	1 year	9/30/99	1
Robert L. Hart	Vice President and Assistant Manager	255,940	1 year	9/30/99	1
James R. Millikin	Vice President and Maintenance	168,680	1 year	9/30/99	1
Vickie L. Roberts	Secretary - Treasurer	248,680	1 year	9/30/99	1

SCHEDULE 2, Page 2 of 3 Payroll Information

Year Ended December 31, 1998

Report ALL information for all Employees including Officers and Directors with Total Annual Compensation of \$50,000 or more. In addition report Total Payroll for all employees on the last line.

Name (a)	Title (b)	Total Salary For Year (c)	Total Other Compensation For Year (Bonuses, Options, etc.) (d)	Number of Months Employed During Year (e)	Dollars Allocated To Missouri Jurisdiction (f)
Ruth E. McClary	President	\$ 67,362	\$ 121,782	12	(1)
Robert L. Hart	Vice President	74,160	181,780	12	(1)
James R. Millikin	Vice President	66,744	101,936	12	(1)
Vickie L. Roberts	Secretary - Treasurer	66,744	181,936	12	(1)
Total of Above		\$ 275,010	\$ 587,434		
Total of all employees		\$ 1,034,692			\$
(1) based on cost study factors, not available for 1998 at this time					



Report ALL information for all Employees including Officers and Directors who received a relocation or moving allowance during the calendar year.

Name (a)	Title (b)	Total Annual Salary (c)	Number of Months Employed During Year (d)	Total Relocation or Moving Allowance for Year (e)	Dollars Allocated To Missouri Jurisdiction (f)

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
<b>BALANCE SHEET ACCOUNTS</b>		
<b>Current Assets</b>		
1130	Cash .....	407,742
1140	Special Cash Deposits .....	
1150	Working Cash Advance .....	450
1160	Temporary Investments .....	656,050
1180	Telecommunications Accounts Receivable .....	133,465
1181	Accounts Receivable Allowance - Telecommunications .....	
1190	Other Accounts Receivable .....	150,863
1191	Accounts Receivable Allowance - Other .....	
1200	Notes Receivable .....	160,000
1201	Notes Receivable Allowance .....	
1210	Interest And Dividends Receivable .....	12,112
1220	Material And Supplies .....	86,414
1290	Prepaid Rents .....	
1300	Prepaid Taxes .....	
1310	Prepaid Insurance .....	72,121
1320	Prepaid Directory Expenses .....	
1330	Other Prepayments .....	800
1350	Other Current Assets .....	80
	<b>Total Current Assets .....</b>	<b>\$ 1,680,097</b>
<b>Noncurrent Assets</b>		
1401	Investments In Affiliated Companies .....	
1402	Investments In Nonaffiliated Companies .....	1,500
1406	Nonregulated Investments .....	
1407	Unamortized Debt Issuance Expenses .....	3,321
1408	Sinking Funds .....	
1410	Other Noncurrent Assets .....	507,797
1438	Deferred Maintenance and Retirements .....	
1439	Deferred Charges .....	433
1500	Other Jurisdictional Assets - Net .....	
	<b>Total Noncurrent Assets .....</b>	<b>\$ 513,051</b>

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Balance @ 1/1 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance @ 12/31 (f)
	<b>Regulated Plant</b>					
2001	Telecommunications Plant in Service .....	5,602,235	355,241	(80,853)		5,876,623
2002	Property Held for Future Telecommunications Use .....					-
2003	Telecommunications Plant Under Construction - Short Term ....	49,824	(48,026)			1,798
2004	Telecommunications Plant Under Construction - Long Term ....		6,779			6,779
2005	Telecommunications Plant Adjustment .....					-
2006	Nonoperating Plant .....		14,959			14,959
2007	Goodwill .....					-
	<b>Total Regulated Plant .....</b>	<b>\$ 5,652,059</b>	<b>\$ 328,953</b>	<b>\$ (80,853)</b>	<b>\$ -</b>	<b>\$ 5,900,159</b>
	<b>Telecommunications Plant in Service</b>					
2111	Land .....	11,825	4,000			15,825
2112	Motor Vehicles .....	176,219	93,965	(48,258)		221,926
2113	Aircraft .....					-
2114	Special Purpose Vehicles .....					-
2115	Garage Work Equipment .....					-
2116	Other Work Equipment .....	247,623	6,670	(27,348)		226,945
2121	Buildings .....	200,424				200,424
2122	Furniture .....	44,113	3,470	(4,227)		43,356
2123	Office Equipment .....					-
2123.1	Office Support Equipment .....	4,009				4,009
2123.2	Company Communications Equipment .....					-
2124	General Purpose Computers .....	33,543				33,543
	<b>Total Land and Support Assets .....</b>	<b>\$ 717,756</b>	<b>\$ 108,105</b>	<b>\$ (79,833)</b>	<b>\$ -</b>	<b>\$ 746,028</b>
	<b>Central Office - Switching</b>					
2211	Analog Electronic Switching .....					-
2212	Digital Electronic Switching .....	862,421				862,421
2215	Electromechanical Switching					-
2215.1	Step-by-Step Switching .....					-
2215.2	Crossbar Switching .....					-
2215.3	Other Electro-Mechanical Switching .....					-
2220	Operator Systems .....					-
	<b>Total Central Office - Switching .....</b>	<b>\$ 862,421</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 862,421</b>

BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Balance @ 1/1 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance @ 12/31 (f)
	<b>Telecommunications Plant in Service</b>					
	Central Office - Transmission					
	Radio Systems					
2231	Satellite and Earth Station Facilities .....					-
2231.1	Other Radio Facilities .....					-
2231.2	Circuit Equipment .....	862,026	41,386	(286)		903,126
2232						
	Total Central Office - Transmission .....	\$ 862,026	\$ 41,386	\$ (286)	\$ -	\$ 903,126
	Information Origination/Termination					
	Station Apparatus .....					-
2311	Customer Premises Wiring .....					-
2321	Large Private Branch Exchange .....					-
2341	Public Telephone Terminal Equipment .....					-
2351	Other Terminal Equipment .....	7,088				7,088
2362						
	Total Information Origination/Termination Assets .....	\$ 7,088	\$ -	\$ -	\$ -	\$ 7,088
	Cable and Wire Facilities Assets					
	Poles & Special Structures .....	24,013				24,013
2411	Aerial Cable .....					-
2421	Underground Cable .....					-
2422	Buried Cable .....	3,128,931	205,749	(734)		3,333,946
2423	Submarine Cable .....					-
2424	Deep Sea Cable .....					-
2425	Intrabuilding Network Cable .....					-
2426	Aerial Wire .....					-
2431	Conduit Systems .....					-
2441						
	Total Cable and Wire Facilities Assets .....	\$ 3,152,944	\$ 205,749	\$ (734)	\$ -	\$ 3,357,959
	Amortizable Assets					
	Capital Leases .....					-
2681	Leasehold Improvements .....					-
2682	Intangibles .....					-
2960						
	Total Amortizable Assets .....	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Telecommunications Plant in Service .....</b>	<b>\$ 5,602,235</b>	<b>\$ 355,240</b>	<b>\$ (80,853)</b>	<b>\$ -</b>	<b>\$ 5,876,622</b>

## BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Depreciation and Amortization</b>	
3100	Accumulated Depreciation .....	(2,478,675)
3200	Accumulated Depreciation - Held for Future Telecommunications Use .....	
3300	Accumulated Depreciation - Nonoperating .....	(7,241)
3410	Accumulated Amortization - Capitalized Leases .....	
3420	Accumulated Amortization - Leasehold Improvements .....	
3500	Accumulated Amortization - Intangible .....	
3600	Accumulated Amortization - Other .....	
	Total Depreciation and Amortization .....	\$ (2,485,916)
	Net Plant .....	\$ 3,414,243
	Total Assets .....	\$ 5,607,391
	<b>Current Liabilities</b>	
4010	Accounts Payable .....	119,551
4020	Notes Payable .....	
4030	Advanced Billing and Payments .....	
4040	Customers' Deposits .....	
4050	Current Maturities - Long Term .....	157,466
4060	Current Maturities - Capital Leases .....	
4070	Income Taxes - Accrued .....	
4080	Other Taxes - Accrued .....	8,775
4100	Net Current Deferred Operating Income Taxes .....	
4110	Net Current Deferred Nonoperating Income Taxes .....	
4120	Other Accrued Liabilities .....	5,288
4130	Other Current Liabilities .....	
	Total Current Liabilities .....	\$ 291,080
	<b>Long-Term Debt</b>	
4210	Funded Debt .....	2,799,827
4220	Premium on Long-Term Debt .....	
4230	Discount on Long-Term Debt .....	
4240	Reacquired Debt .....	
4250	Obligations Under Capital Leases .....	
4260	Advances from Affiliated Companies .....	
4270	Other Long-Term Debt .....	
	Total Long-Term Debt .....	\$ 2,799,827

BALANCE SHEET ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Other Liabilities and Deferred Credits</b>	
4310	Other Long-Term Liabilities .....	
4320	Unamortized Operating Investment Tax Credits - Net .....	66,013
4330	Unamortized Nonoperating Investment Tax Credits - Net .....	
4340	Net Noncurrent Deferred Operating Income Taxes .....	
4350	Net Noncurrent Deferred Nonoperating Income Taxes .....	
4360	Other Deferred Credits .....	
4370	Other Jurisdictional Liabilities And Deferred Credits - Net .....	
	<b>Total Other Liabilities And Deferred Credits .....</b>	<b>\$ 66,013</b>
	<b>Stockholders' Equity</b>	
4510	Capital Stock .....	20,400
4520	Additional Paid-In-Capital .....	
4530	Treasury Stock .....	
4540	Other Capital (Unrealized Holding Gain).....	
4550	Retained Earnings .....	2,430,071
	<b>Total Stockholders' Equity .....</b>	<b>\$ 2,450,471</b>
	<b>Total Liabilities And Stockholders' Equity .....</b>	<b>\$ 5,607,391</b>
	<b>Calculation of Retained Earnings</b>	
	Retained Earnings (Beginning Of Year) .....	2,293,697
	Net Income .....	849,185
	Dividends Declared .....	(712,811)
	Miscellaneous Debits .....	
	Miscellaneous Credits .....	
	<b>Retained Earnings (End Of Year) .....</b>	<b>\$ 2,430,071</b>

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Mo Jurisdictional Amount (b)	Total Company Amount (c)
<b>INCOME STATEMENT ACCOUNTS</b>			
<b>Local Network Services Revenues</b>			
5001	Basic Area Revenue .....	All Missouri	269,709
5002	Optional Extended Area Revenue .....		
5003	Cellular Mobile Service Revenue .....		
5004	Other Mobile Service Revenue .....		
5000	Total Basic Local Service Revenue .....	\$ -	\$ 269,709
5010	Public Telephone Revenue .....		
5040	Local Private Line Revenue .....		
5050	Customer Premises Revenue .....		
5060	Other Local Exchange Revenue .....		
5069	Other Local Exchange Revenue Settlements .....		
	Total Local Network Services Revenues .....	\$ -	\$ 269,709
<b>Network Access Services Revenues</b>			
5081	End User Revenue .....		54,564
5082	Switched Access Revenue .....		1,369,009
5083	Special Access Revenue .....		
5084	State Access Revenue .....		870,414
5080	Total Network Access Revenue .....	\$ -	\$ 2,293,987
<b>Long Distance Network Services Revenues</b>			
5100	Long Distance Message Revenue .....		
5111	Long Distance Inward-Only Revenue .....		
5112	Long Distance Outward-Only Revenue .....		
5110	Total Unidirectional Long Distance Revenue .....	\$ -	\$ -
5121	Subvoice Grade Long Distance Private Network Revenue .....		
5122	Voice Program Grade Long Distance Private Network Revenue .....		
5123	Audio Program Grade Long Distance Private Network Revenue .....		
5124	Video Program Grade Long Distance Private Network Revenue .....		
5125	Digital Transmission Long Distance Private Network Revenue .....		
5126	Long Distance Private Network Switching Revenue .....		

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Mo Jurisdictional Amount (b)	Total Company Amount (c)
	<b>Long Distance Network Services Revenues (Continued)</b>		
5128	Other Long Distance Private Network Revenue .....		
5129	Other Long Distance Private Network Settlements .....		
5120	Total Long Distance Private Network Revenue .....	\$ -	\$ -
5160	Other Long Distance Revenue .....		
5169	Other Long Distance Revenue Settlements .....		
	Total Long Distance Network Services Revenues .....	\$ -	\$ -
	<b>Miscellaneous Revenues</b>		
5230	Directory Revenue .....		1,220
5240	Rent Revenue .....		
5250	Corporate Operations Revenue .....		
5261	Special Billing Arrangement Revenue .....		
5262	Customer Operations Revenue .....		
5263	Plant Operations Revenue .....		
5264	Other Incidental Regulated Revenue .....		23,071
5269	Other Revenue Settlements .....		
5260	Total Miscellaneous Revenue .....	\$ -	\$ 24,291
5270	Carrier Billing and Collection Revenue .....		87,045
5280	Nonregulated Operating Revenue .....		
	Total Miscellaneous Revenues .....	\$ -	\$ 111,336
	<b>Uncollectible Revenues</b>		
5301	Uncollectible Revenue - Telecommunications .....		
5302	Uncollectible Revenue - Other .....		
5300	Total Uncollectible Revenue .....	\$ -	\$ -
	Total Operating Revenues .....	\$ -	\$ 2,675,032

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Specific Operations Expense</b>					
6112	Motor Vehicle Expense .....	17,770	2,810		12,781	33,361
	Clearance .....	(17,770)	(2,810)			(20,580)
	Net Balance .....				12,781	12,781
6113	Aircraft Expense .....					
	Clearance .....					
	Net Balance .....					
6114	Special Purpose Vehicle Expense .....	16,809	3,909			20,718
	Clearance .....	(16,809)	(3,909)			(20,718)
	Net Balance .....					
6115	Garage Work Equipment Expense .....					-
6116	Other Work Equipment Expense .....					-
	Clearance .....					-
	Net Balance .....					-
6110	Total Network Support Expense .....	\$ -	\$ -	\$ -	\$ 12,781	\$ 12,781
6121	Land and Building Expenses .....	11,827	3,112		19,993	34,932
6122	Furniture and Artwork Expenses .....					-
6123	Office Equipment Expense .....					-
6124	General Purpose Computers Expense .....				1,374	1,374
6120	Total General Support Expense .....	\$ 11,827	\$ 3,112	\$ -	\$ 21,367	\$ 36,306
6211	Analog Electronic Expense .....					-
6212	Digital Electronic Expense .....	67,825	16,382		74,843	159,050
6215	SS7 Expense.....				52,369	52,369
6210	Total Central Office Switching Expense .....	\$ 67,825	\$ 16,382	\$ -	\$ 127,212	\$ 211,419
6220	Operators System Expense .....					-
6231	Radio Systems Expense .....					-
6232	Circuit Equipment Expense .....					-
6230	Total Central Office Transmission Switching Expense ...	\$ -	\$ -	\$ -	\$ -	\$ -

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Specific Operations Exp. (Cont)</b>					
6311	Station Apparatus Expense .....					-
6341	Large Private Branch Exchange Expense .....					-
6351	Public Telephone Terminal Equipment Expense .....	1,026	250		212	1,488
6362	Other Terminal Equipment Expense .....					-
6310	Total Information Origination/Termination Expense .....	\$ 1,026	\$ 250	\$ -	\$ 212	\$ 1,488
6411	Poles Expense .....					-
6421	Aerial Cable Expense .....					-
6422	Underground Cable Expense .....					-
6423	Buried Cable Expense .....	201,587	50,732			341,940
6424	Submarine Cable Expense .....					-
6425	Deep Sea Cable Expense .....					-
6426	Intrabuilding Network Cable Expense .....					-
6431	Aerial Wire Expense .....					-
6441	Conduit Systems Expense .....					-
6410	Total Cable and Wire Facilities Expenses .....	\$ 201,587	\$ 50,732	\$ -	\$ -	\$ 341,940
	Total Plant Specific Operations Expenses .....	\$ 282,265	\$ 70,476	\$ -	\$ 161,572	\$ 603,934
	<b>Plant Nonspecific Operations Expense</b>					
6511	Property Held for Future Telecom. Use Expense .....				-	-
6512	Provisioning Expense .....				-	-
	Clearance .....				-	-
	Net Balance .....				-	-
6510	Total Other Property Plant and Equipment Expenses .....	\$ -	\$ -	\$ -	\$ -	\$ -
6531	Power Expense .....				13,078	13,078
6532	Network Administration Expense .....					-
6533	Testing Expense .....	35,564	10,376			45,940
6534	Plant Operations Administration Expense .....	2,798	1,325		4,834	8,957
	Clearance .....	(2,798)	(1,325)		-	(4,123)
	Net Balance .....	-	-		4,834	4,834
6535	Engineering Expense .....				6,921	6,921
	Clearance .....				-	-
	Net Balance .....				6,921	6,921
6530	Total Network Operations Expenses .....	\$ 35,564	\$ 10,376	\$ -	\$ 24,833	\$ 70,773

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<b>Plant Nonspecific Operations Exp (Cont)</b>					
6540	Access Expense .....					-
6561	Depreciation Expense - Telecom. Plant in Service .....				344,259	344,259
6562	Depreciation Expense - Property Held for Future Use .....					-
6563	Amortization Expense - Tangible .....					-
6564	Amortization Expense - Intangible .....					-
6565	Amortization Expense - Other .....					-
6560	Total Depreciation and Amortization Expenses .....	\$ -	\$ -	\$ -	\$ 344,259	\$ 344,259
	Total Plant Nonspecific Operations Expense .....	\$ 35,564	\$ 10,376	\$ -	\$ 369,092	\$ 415,032
	<b>Customer Operations Expense</b>					
6611	Product Management .....					-
6612	Sales .....					-
6613	Product Advertising .....				3,249	3,249
6610	Total Marketing .....	\$ -	\$ -	\$ -	\$ 3,249	\$ 3,249
6621	Call Completing Services .....				3,791	3,791
6622	Number Services .....				468	468
6623	Customer Services .....	167,776	46,338		61,073	275,187
6620	Total Services .....	\$ 167,776	\$ 46,338	\$ -	\$ 65,332	\$ 279,446
	Total Customer Operations Expense .....	\$ 167,776	\$ 46,338	\$ -	\$ 68,581	\$ 282,695
	<b>Corporate Operations Expense</b>					
6711	Executive .....	326,550	78,214		16,679	421,443
6712	Planning .....					-
6710	Total Executive and Planning .....	\$ 326,550	\$ 78,214	\$ -	\$ 16,679	\$ 421,443

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)
	<del>Corporate Operations Expense (Continued)</del>					
6721	Accounting and Finance .....	153,812	40,174		37,395	231,381
6722	External Relations .....				55,716	55,716
6723	Human Resources .....					-
6724	Information Management .....					-
6725	Legal .....				559	559
6726	Procurement .....					-
6727	Research and Development .....					-
6728	Other General and Administrative .....				41,297	41,297
6720	Total General and Administrative .....	\$ 153,812	\$ 40,174	\$ -	\$ 134,967	\$ 328,953
	Total Corporate Operations Expenses .....	\$ 480,362	\$ 118,388	\$ -	\$ 151,646	\$ 750,396
	Total Operating Expenses .....	\$ 965,967	\$ 245,578	\$ -	\$ 750,891	\$ 2,052,057
	Net Operating Income .....					\$ 622,975

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	Net Operating Income (from Page 6 of 8) .....	\$ 622,975
	<b>Other Operating Income and Expenses</b>	
7110	Income from Custom Work .....	
7130	Return from Nonregulated Use of Regulated Facilities .....	
7140	Gains and Losses from Foreign Exchange .....	
7150	Gains and Losses from Disposition of Land and Artwork .....	
7160	Other Operating Gains and Losses .....	(775)
7100	Other Operating Income and Expenses - Net .....	\$ (775)
	<b>Operating Taxes</b>	
7210	Operating Investment Tax Credits .....	4,824
7220	Operating Federal Income Taxes .....	
7230	Operating State and Local Income Taxes .....	
7240	Operating Other Taxes .....	(51,025)
7250	Provision for Deferred Operating Taxes - Net .....	
7200	Total Operating Taxes .....	\$ (46,201)
	<b>Nonoperating Income and Expense</b>	
7310	Dividend Income .....	72
7320	Interest Income .....	48,046
7330	Income from Sinking and Other Funds .....	
7340	Allowance for Funds Used During Construction .....	
7350	Gains or Losses from the Disposition of Certain Property .....	429,444
7360	Other Nonoperating Income .....	
7370	Special Charges .....	(15,898)
7300	Nonoperating Income and Expenses - Net .....	\$ 461,664
	<b>Nonoperating Taxes</b>	
7410	Nonoperating Investment Tax Credits - Net .....	
7420	Nonoperating Federal Income Taxes .....	(95,150)
7430	Nonoperating State and Local Income Taxes .....	
7440	Nonoperating Other Taxes .....	
7450	Provision for Deferred Nonoperating Income Taxes - Net .....	
7400	Total Nonoperating Taxes .....	\$ (95,150)

Le-Ru Telephone Company  
Supplement to Income Statement  
Attachment Schedule 4 Page 7A of the Missouri Public Service Commission Report  
12/31/98

Net income before provision for shareholder income tax liabilities	\$849,185
Income taxes payable by individual shareholders:	
Current income tax expense, blended rate for capital gains tax	236,180
Deferred income tax expense	<u>45,620</u>
Total income taxes to be paid at shareholder level	281,800
Corporation income tax expense on sale of investment	<u>95,150</u>
Total income tax expense	<u>376,950</u>
Net income after provision for shareholder income taxes	<u><u>\$472,235</u></u>

This schedule has been prepared to present the income taxes generated by the operations of the telephone company for the year ended December 31, 1998 and to present actual operating results of the Company after the provision for income taxes. Under the subchapter S election of the Company, this income tax liability must be paid by the individual shareholders. In 1998 the Company did pay built-in-gains tax on an investment sale.

A reconciliation of financial statement net income to taxable income after removal of permanent differences follows:

Net income per financial statements	\$849,185
Permanent differences:	
Non deductible expense for income tax purposes	51,570
Corporation income tax	<u>95,150</u>
Total income before temporary differences	<u><u>\$995,905</u></u>

For information purposes only

## INCOME STATEMENT ACCOUNTS

ACCOUNT NO.	ACCOUNT (a)	AMOUNT (b)
	<b>Interest and Related Items</b>	
7510	Interest on Funded Debt .....	(100,489)
7520	Interest Expense - Capital Leases .....	
7530	Amortization of Debt Issuance Expense .....	(215)
7540	Other Interest Deductions .....	
7500	<b>Total Interest and Related Items (NOTE 1) .....</b>	<b>\$ (100,704)</b>
7610	Extraordinary Income Credits .....	
7620	Extraordinary Income Charges .....	
7630	Current Income Tax Effect of Extraordinary Items - Net .....	
7640	Provision for Deferred Income Tax Effect of Extraordinary Items - Net .....	
7600	<b>Total Extraordinary Items .....</b>	<b>\$ -</b>
	<b>Total Interest and Related Items .....</b>	<b>\$ (100,704)</b>
7910	Income Effect of Jurisdictional Ratemaking Differences - Net .....	
7990	Nonregulated Net Income .....	7,376
	<b>Net Income .....</b>	<b>\$ 849,185</b>

## IMPORTANT CHANGES DURING THE YEAR

Hereunder give particulars concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry must be answered. However, if the word "none" states the fact it may be used in answering any inquiry, or if information is given elsewhere in the report which answers any inquiry, reference to such other schedule will be sufficient.

1. Acquisitions of other companies, reorganization, merger, or consolidation with other companies; give names of companies involved, particulars concerning the transactions, and reference to Commission authorization.
2. Purchase or sale of operating exchanges or other telephone plant, specifying items, parties, dates, and also reference to Commission authorization.
3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, Commission authorization, if any, and other conditions.
4. Important extension of service, giving location, new territory covered, and dates of beginning operations.
5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.
6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, if any.
7. Changes in articles of incorporation or amendments to charter.
8. Additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

5. Company has signed a stipulation agreement with the Commission dated February 27, 1998, that will reduce intrastate revenues approximately \$312,000 on an annual basis; the order implementing this reduction was effective December 20, 1998.