

Formula showing Calculation of  
Reimbursable Expenses from  
July 1964 through March 1967  
for D.H. Overmyer Company Services  
provided to the Communications Company.

$$T_B = \underbrace{\left( \frac{P_1^A S_1^A + P_2^A S_2^A + \dots + P_N^A S_N^A}{T_S^A} \right) T_E^A}_{\text{for department A}} + \underbrace{\left( \frac{P_1^B S_1^B + P_2^B S_2^B + \dots + P_N^B S_N^B}{T_S^B} \right) T_E^B}_{\text{for department B}}$$

+ ...

where

$P_N^A =$

percent (as a decimal) of time that employee N in department A spent on communications work during the base period.

$S_N^A =$

salary of employee N in department A during the base period.

$T_S^A =$

total of all employees' salaries in department A during the base period.  $T_S^A = S_1^A + S_2^A + \dots + S_N^A$

$T_E^A =$

total expenses of department A during the base period

$T_B =$

total of all departments' expenses allocated to communications activities during the base period.

$$T_E = \left( 3T_B + 0.75 [3T_B] + 0.1 [3T_B] + 0.1875 [3T_B] \right) 0.8 + T_L$$

for 1966  
 (3 x 4 months expenses)  
 covers 1 year

for 1965  
 75% of  
 1966

for 1964  
 10% of  
 1966

for 1967  
 18.75% of  
 1966

LEASING  
 COMPANY  
 EXPENSES

80% Adjustment  
 for communications  
 activities not  
 related to the  
 5 permits  
 transferred.

$T_E =$  total reimbursable  
 out-of-pocket expenses  
 from services provided  
 by other Overmyer  
 companies during  
 period July 1964 through  
 to March 1967.