

## Attachments









**(800) Operating Companies  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code 522417

<015> Study Area Name HAT\_ISLAND\_TEL\_CO

<020> Program Year 2016

<030> Contact Name - Person USAC should contact regarding this data Trish Mason

<035> Contact Telephone Number - Number of person identified in data line <030> 3603210013 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> trish.mason@whidbeytel.com

<810> Reporting Carrier Hat Island Telephone Company

<811> Holding Company Whidbey Telephone Company

<812> Operating Company Hat Island Telephone Company

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
2012	George T.F. Henny Trust	522417	Hat Island Telephone Company
2012	Julia Henny DeMartini Trust	522417	Hat Island Telephone Company
2012	Mark P. Henny Trust	522417	Hat Island Telephone Company
	David Christian Henny Testamentary Trust	522417	Hat Island Telephone Company
	Western Long Distance, Inc.	522417	Hat Island Long Distance Company
	American Alarms Systems, Inc.	522417	
	FiberCloud, Inc.	522417	
	WiFire, Inc.	522417	
	WaterCrest, Inc.	522417	
	Whidbey Telephone Company	522417	Whidbey Telecom
	Whidbey Telephone Company	522417	Whidbey Telecom Internet & Broadband

**HAT ISLAND TELEPHONE COMPANY – 5-YEAR QUALITY IMPROVEMENT PLAN**

**2015 PROGRESS REPORT**

**PURSUANT TO 47 C.F.R. 54.202(a)**

Hat Island Telephone Company (“HITC”) (“Company”) hereby submits this 2015 Progress Report relating to the 5-Year Service Quality Improvement Plan filed previously pursuant to 47 C.F.R. 54.202(a). This report documents proposed improvements or upgrades to the HITC network throughout its service area that have been implemented since January 1, 2015 through the date of this submission.

**Total Support Received**

Since January 1, 2015, HITC has received support in the amount of \$4,285 (ICLS and ICC). This support was used to support expenditures relating to both Capital purchases as well the on-going maintenance and support requirements that allow HITC to expand and improve service offerings throughout its service area. During this same time period HITC has incurred Capital Expenditures of \$4,294 and Operating Expenditures of \$9,430. These Operating Expenses include Plant Specific Operations, Plant Nonspecific Operations, and Customer Operations Expenses, but do not include Corporate Operations Expenses.

The breakdown by description is as follows:

Improve Service Quality	\$2,142
Improve Service Coverage	\$0
Improve Service Capacity	\$2,143
Total	\$4,285

**Voice Services**

The following is the 2015 excerpt from the 5-Year Service Quality Improvement Plan filed for Voice Services:

<b>Network Improvements/Upgrades – Voice Services – For Calendar Year 2015</b>				
<b>Project Description (Specific proposed improvements and/or upgrades)</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Service Area Name</b>	<b>Estimated Population</b>
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2015	12/31/2015	Hat Island	41

## **Broadband Services**

The following is the 2015 excerpt from the 5-Year Service Quality Improvement Plan filed for Broadband Services:

<b>Network Improvements/Upgrades – Broadband Services – For Calendar Year 2015</b>				
<b>Project Description (Specific proposed improvements and/or upgrades)</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Service Area Name</b>	<b>Estimated Population</b>
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2015	12/31/2015	Hat Island	41

## **Commingled**

Since January 1, 2015, HITC has incurred \$4,294 in Capital Expenditures and \$9,430 in Operating Expenses relating to projects that provide benefit to both Voice and Broadband services. The nature of these projects/expenditures are such that delineation between costs/benefits by service category would be prohibitive and arbitrary.

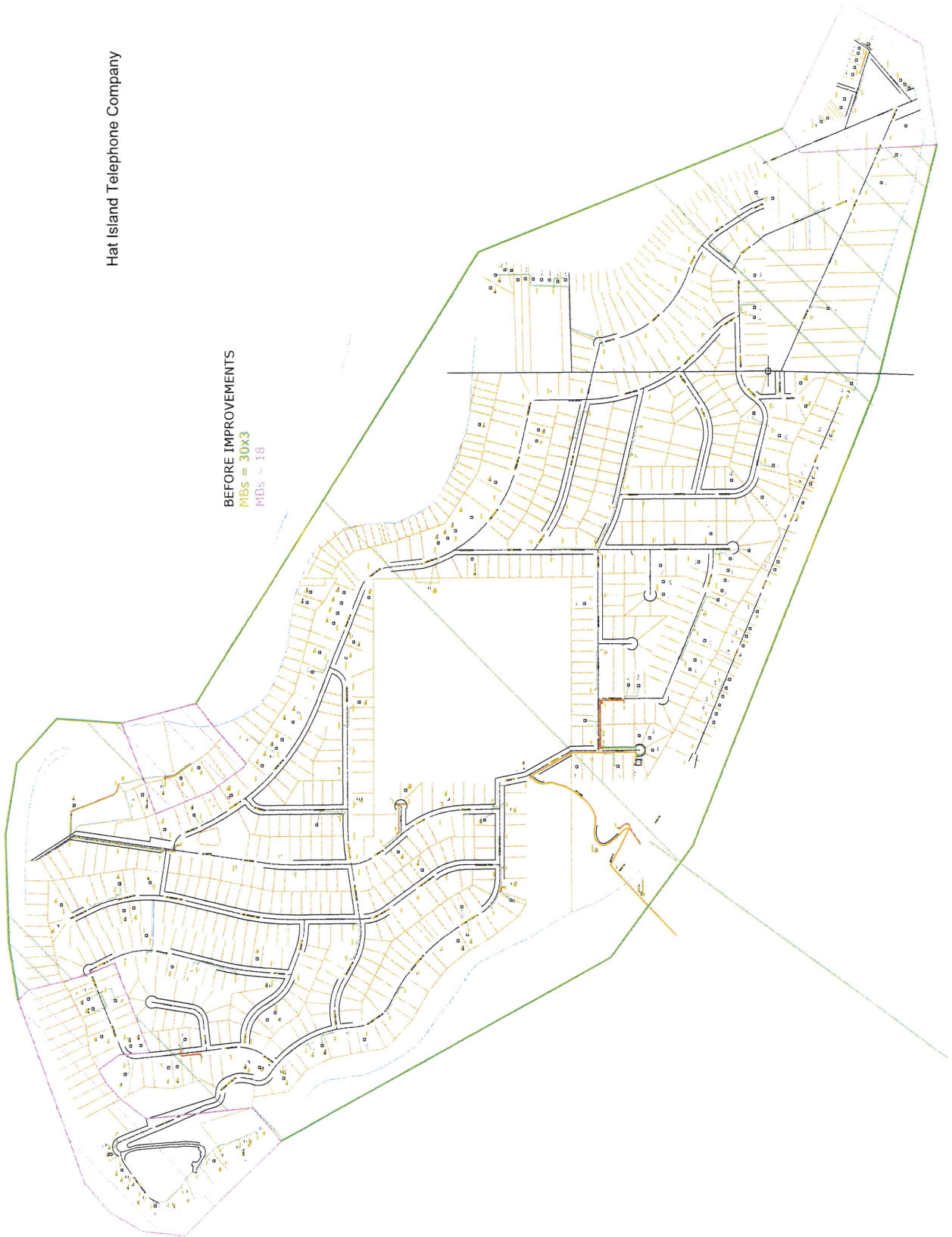
### VDSL Migration

The Capital Expenditure during the time period, is the replacement of an ADSL blades with a VDSL blade. This conversion to VDSL serves a number of purposes: increase download and upload capacity; improves quality of signals; eliminates pair bonding which reduces maintenance costs, reduces potential failures, and enhances the life of existing plant and facilities; increases capacity and coverage for additional subscribers; and finally, improves quality of services with noise interference deterrent for both voice and broadband services.

### Operating Expenses

Since January 1, 2015, HITC has incurred \$9,430 in Operating Expenses relating to Plant Specific Operations, Plant Non-Specific Operations and Customer Operations for Voice and Broadband Services. This total does not include Corporate Operations Expenses. These expenses are critical to maintain and increase the quality, coverage and capacity of voice services within the Company service area. These expenses include material and labor expenses, and can be for a variety of purposes including, but not limited to, equipment repair and maintenance; service order fulfillment; customer service requests; equipment replacement not otherwise capitalized; equipment/service monitoring; equipment/service testing; technical support both at premise and remotely; and service calls.

BEFORE IMPROVEMENTS  
MBS = 30x3  
MBS = 18

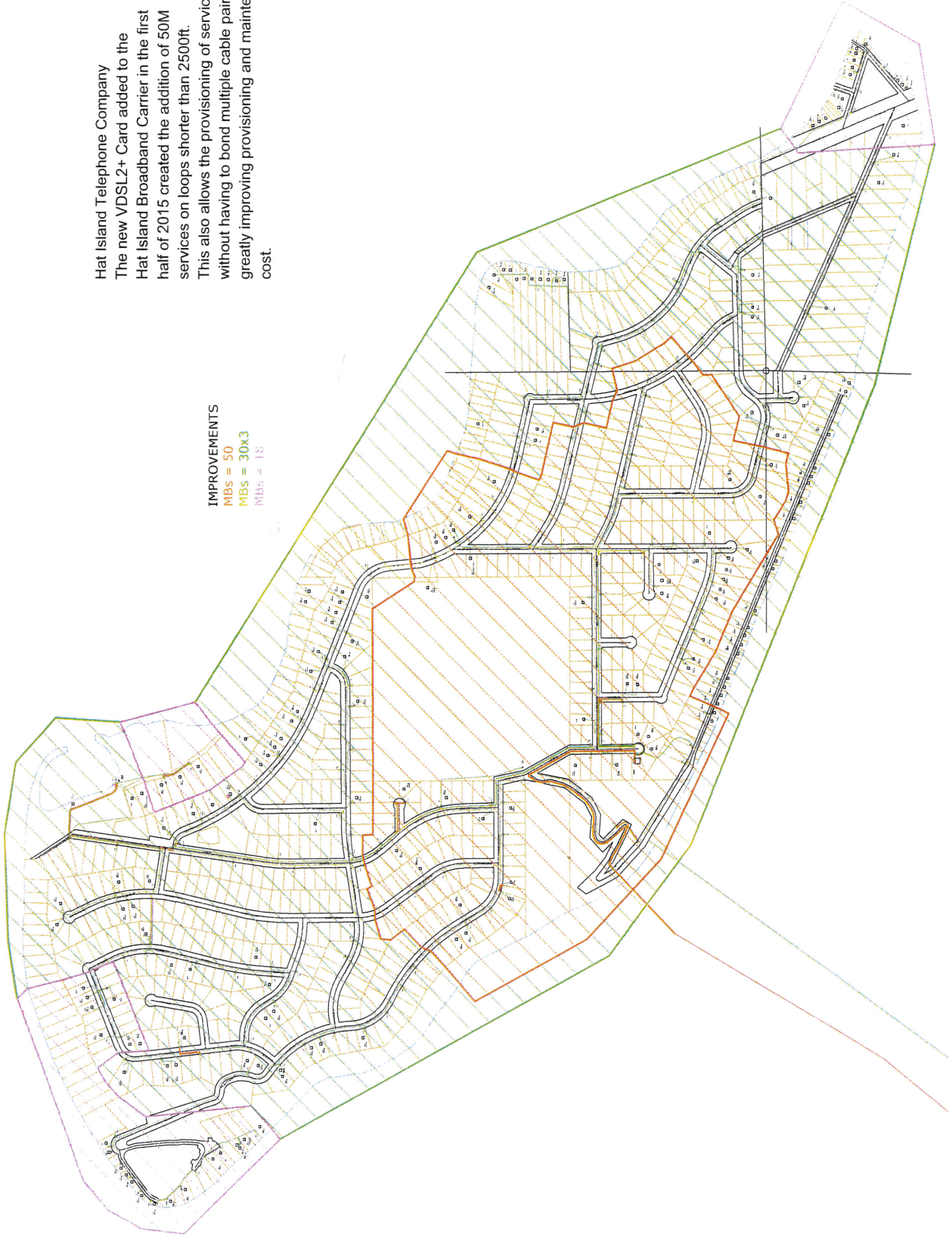




Hat Island Telephone Company  
The new VDSL2+ Card added to the  
Hat Island Broadband Carrier in the first  
half of 2015 created the addition of 50M  
services on loops shorter than 2500ft.  
This also allows the provisioning of services  
without having to bond multiple cable pairs  
greatly improving provisioning and maintenance  
cost.

**IMPROVEMENTS**

- MBS = 50
- MBS = 30x3
- MBS = 18



**Hat Island Telephone Company  
FCC Form 481 (July, 2015), Line 510  
Description of Processes and Procedures to Ensure  
Compliance with Service Quality Standards and  
Consumer Protection Rules Per Instructions  
For Completing FCC Form 481**

This document details the processes and procedures that Hat Island Telephone Company (the "Company") follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as needed.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone, including support related to service quality standards and consumer protection rules. A description of Whidbey Telephone Company's policies and procedures relating to service quality standards and consumer protection rules is set forth in its response to Line 510 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If a complaint pertaining to the Company's compliance with service quality standards or consumer protection rules is received by the Company, the complaint is promptly investigated, the matter tracked and any corrective action noted. This process ensures that issues involved in the matter are addressed and corrections made, if needed.

**Hat Island Telephone Company**  
**FCC Form 481 (July, 2015), Line 610**  
**Statement Describing Ability to Function in Emergency Situations**  
**Per Instructions for Completing FCC Form 481**

**SUMMARY**

Hat Island Telephone Company (the “Company”) has a long-standing tradition of providing reliable voice telephony services. It is the Company’s policy and standard operating procedure to bury all of its local distribution cable and wire. The Company operates a primary local distribution and transmission node that is equipped with back-up power generation. In regard to the Company’s overall network design, the Company’s practices are consistent with Rural Utility Service (“RUS”) telecommunications industry best practices.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone Company. Together, they operate and maintain transport transmission equipment that serves the Company’s service area and that is of the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company’s transport equipment, as well as the transport and switching equipment that serves the Company’s service area and is operated by Whidbey Telephone Company, is monitored 7x24x365(366) by trained staff located at Whidbey Telephone Company’s network operations center.

**NETWORK REDUNDANCY**

The Company is a provider of voice telephony services to the Hat Island Exchange. The service area of the Company’s Hat Island Exchange comprises less than one (1) square mile. It is connected by submarine cable to a neighboring exchange operated by Whidbey Telephone Company, which provides local distribution connectivity, switching and transmission utilizing its facilities. A description of those facilities and of Whidbey Telephone Company’s policies and procedures relating to its ability to function in emergency situations is set forth in its response to Line 610 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

**BACK-UP POWER**

The Company maintains at its principal local distribution and transmission node a power plant with batteries capable of carrying the power load for a number of hours with the load typically transitioning more immediately to a generator back-up power generation. In addition, the Company has installed back-up power generation at that node, utilizing an 8kw generator, together with a dedicated fuel tank onsite designed to carry the power load multiple days. The site is equipped with an automatic transfer switch and has monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source.

Alarm messages are automatically reported to key personnel, as well as to Whidbey Telephone Company's 7x24x365(366) network operations center.

Whidbey Telephone Company has in-house staff available to support the Company's operations and trained to perform all maintenance of the power plant, as well as third-party services available for support.





14888 SR 525 Langley WA 98260

## Lifeline, Tribal Link-Up and Washington Telephone Assistance Programs<sup>1</sup>

Hat Island Telephone Company participates in the federal Lifeline program and Tribal Link-Up program, to the extent applicable, as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, we offer to qualifying low-income consumers a discount off of the monthly rate for basic residential exchange service and a discount off of the non-recurring charge to install a basic residential exchange service line. Please refer to the below table for current basic residential service charges and program discounts. The installation charge for such service may vary and may be discounted by 50% (up to \$22.00) for qualifying WTAP customers<sup>2</sup>.

Residential Service Customer Program Eligibility	Basic Residential Service Line Charge	FCC Subscriber Line Charge	Discount Amount(s)	Discounted Basic Residential Service Line Charge <sup>3</sup>
Lifeline Certified & WTAP Verified	\$16.00	\$6.50	\$9.25 – Lifeline ----- \$5.25 – WTAP	\$8.00
Lifeline Only Certified	\$16.00	\$6.50	\$9.25 – Lifeline ----- \$0.00 – WTAP	\$13.25
WTAP Only Verified	\$16.00	\$6.50	\$14.50 – WTAP	\$8.00

For more information on these programs that may help you afford phone service and/or to obtain a copy of the Lifeline Service Application Certification & Authorization Form, you may contact our Customer Experience Center representatives. They may be reached at 360.444.1122 or, when calling from outside the local area, toll free at 800.351.2337. You may also contact the Washington Telephone Assistance Program unit of DSHS at 1.888.700.8880 or visit their website [DSHS-WTAP](https://www.dshs.wa.gov/wtap) or contact the Federal Communications Commission at 1.888.CALL.FCC/1.888.225.5322 (voice) or 1.888.TELL.FCC/1.888.835.5322 (TTY) or visit their website <https://www.fcc.gov/lifeline>. For information regarding the current Federal Poverty Guidelines please feel free to contact our Customer Experience Center or visit the U.S. Department of Health & Human Services' website <http://aspe.hhs.gov/poverty/15poverty.cfm>.

<sup>1</sup>WTAP and the Lifeline program are governmental assistance programs that are limited to one discount per eligible household. Only eligible consumers may enroll in the Lifeline program and/or WTAP and the service is non-transferable. To receive Lifeline program benefits you must provide documentation for Hat Island Telephone Company to confirm either your participation in one of the seven (7) qualifying federal programs or your household income to be at or below 135% of the current [Federal Poverty Guidelines](#). A Hat Island Telephone Company Lifeline Service Application Certification & Authorization form must be completed and signed certifying the accuracy of the information you have provided to Hat Island Telephone Company and authorizing the use of some of your information in a national database in order to maintain your eligibility in the Lifeline program. Before applying WTAP benefits, Hat Island Telephone Company must contact the Washington State Department of Social and Health Services ("DSHS") and provide them with your DSHS client identification number to verify your benefit eligibility. WTAP requires that the billing name on the Hat Island Telephone Company customer account match the name of the person who qualifies the household for that program. Benefits for WTAP begin on the date Hat Island Telephone Company verifies your eligibility. Benefits for the Lifeline program begin on the date Hat Island Telephone Company receives your completed Lifeline Service Application Certification & Authorization form and completes its review of the applicable federal program participation or household income documentation.

<sup>2</sup> The Lifeline and WTAP discounts apply only to basic residential local exchange service. You will have to pay the full monthly charge for special features such as Call Forwarding and Call Waiting that are added to your residential local exchange service. Basic residential local exchange service includes an unlimited number of local and Extended Area Service ("EAS") minutes. EAS consists of calling from the Hat Island exchange to the South Whidbey exchange. Charges for long distance calls are in addition and will be as determined by the long distance carrier you select and/or utilize. Toll Restriction is offered without a monthly recurring charge. Certain non-recurring charges may also apply to installation or change of service. Charges for basic residential local exchange service, long distance service and installation or change of service are subject to change and in some instances are subject to change without notice.

<sup>3</sup> Additional discounts for the basic residential local exchange service line, as well as for the installation charge for such service, may apply for the benefit of qualifying low-income consumers on tribal reservation lands.

<010> Study Area Code 522417

<015> Study Area Name Hat Island

<020> Program Year 2016

<030> Contact Name - Person USAC should contact regarding this data Trish Mason

<035> Contact Telephone Number - Number of person identified in data line <030> 360-321-0013

<039> Contact Email Address - Email Address of person identified in data line <030> trish.mason@whitbeytel.com

Filed as reviewed single company	<input checked="" type="checkbox"/>	Filed as audited single company	<input type="checkbox"/>
Filed as reviewed consolidated company	<input type="checkbox"/>	Filed as audited consolidated company	<input type="checkbox"/>
Filed as subsidiary of reviewed consolidated company	<input type="checkbox"/>	Filed as subsidiary of audited consolidated company	<input type="checkbox"/>

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

*[Signature]* 6/26/15  
 Signature Date

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	115855	25928	25. Accounts Payable	970	312
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		1131
a. Telecom, Accounts Receivable	3271	1792	28. Customer Deposits		
b. Other Accounts Receivable	28402	148229	29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	2721	2598
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	3691	4041
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments	882		37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)	148463	175949	39. Funded Debt-Other		
			40. Funded Debt-Rural Develop. Loan		
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)	0	0
b. Nonrural Development			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
13. Nonregulated Investments			47. Other Long-Term Liabilities		
14. Other Noncurrent Assets			48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
17. Total Noncurrent Assets (11 thru 16)	0	0	<b>EQUITY</b>		
			51. Cap. Stock Outstanding & Subscribed	4000	4000
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service	424221	424221	53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation	-282248	-298400	57. Retained Earnings or Margins	282745	293729
23. Net Plant (18 thru 21 less 22)	141973	125821	58. Total Equity (51 thru 57)	286745	297729
24. <b>TOTAL ASSETS (10+17+23)</b>	<b>290436</b>	<b>301770</b>	59. <b>TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	<b>290436</b>	<b>301770</b>

(3005b) Operating Report for Privately-Held Rate of Return Carriers  
Income Statement - Data Collection Form

FCC Form 481

OMB Control No. 3060-0986

OMB Control No. 3060-0819

April 2014

Page 2 of 3

<010> Study Area Code 522417  
 <015> Study Area Name Hat Island  
 <020> Program Year 2016  
 <030> Contact Name - Person USAC should contact regarding this data Trish Mason  
 <035> Contact Telephone Number - Number of person identified in data line <030> 360-321-0013  
 <039> Contact Email Address - Email Address of person identified in data line <030> trish.mason@whidbeytel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	19004	18604
2. Network Access Services Revenues	25012	34653
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	2225	3068
5. Miscellaneous Revenues	23290	23744
6. Uncollectible Revenues	-71	-2
7. Net Operating Revenues (1 thru 5 less 6)	69602	80067
8. Plant Specific Operations Expense	19245	9581
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	11348	12634
10. Depreciation Expense	19764	16152
11. Amortization Expense		
12. Customer Operations Expense	7839	6091
13. Corporate Operations Expense	17504	21479
14. Total Operating Expenses (8 thru 13)	75700	65937
15. Operating Income or Margins (7 less 14)	-6098	14130
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	6432	3145
20. Total Operating Taxes (17+18+19)	6432	3146
21. Net Operating Income or Margins (15+16-20)	-12530	10984
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	0	0
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or margins (21+27+28+29+30-26)	-12530	10984
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	298330	282745
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date	3055	0
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	282745	293729
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]		
46. Operating Accrual Ratio [(14+20+26)/7]		
47. TIER [(31+26)/26]		
48. DSCR [(31+26+10+11)/44]		

FCC Form 481  
OMB Control No. 3060-0986  
OMB Control No. 3060-0819  
April 2014

**(3005c) Operating Report for Privately-Held Rate of Return Carriers**  
**Cash Flow - Data Collection Form**  
 Page 3 of 3

<010> Study Area Code 522417  
 <015> Study Area Name Hat Island  
 <020> Program Year 2016  
 <030> Contact Name - Person USAC should contact regarding this data Trish Mason  
 <035> Contact Telephone Number - Number of person identified in data line <030> 360-321-0013  
 <099> Contact Email Address - Email Address of person identified in data line <030> trish.mason@whidbeytel.com

PART C. STATEMENTS OF CASH FLOWS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	115855
2. Net Income	10984
3. Add: Depreciation	16152
4. Add: Amortization	
5. Other (Explain) Partnership Distribution, Realized Gain-Sale of Investment, Noncash Operating Income	
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	-118348
8. Decrease/(Increase) in Prepayments and Deferred Charges	935
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	-658
11. Increase/(Decrease) in Advance Billings & Payments	-123
12. Increase/(Decrease) in Other Current Liabilities	1131
13. Net Cash Provided/(Used) by Operations	-89927
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	0
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) Partnership Capital Distribution, Loans/Advances to Affiliates	
28. Net Cash Provided/(Used) by Investing Activities	0
29. Net Increase/(Decrease) in Cash	-89927
30. Ending Cash	25928



JOHNSON  
STONE &  
PAGANO, P.S.  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Review Report

Board of Directors  
Hat Island Telephone Company  
Langley, Washington

We have reviewed the accompanying balance sheets of Hat Island Telephone Company (the "Company") as of December 31, 2014 and 2013, and the related statements of income, stockholder's equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Johnson, Stone & Pagano, P.S.*

JOHNSON, STONE & PAGANO, P.S.

March 9, 2015