

Company Name: (Below)
 INLAND TELEPHONE COMPANY

| ASSETS | Balance End of Year 2012 (A) | Part 64 Adj to NonReg 2012 (B) | Adj. Balance End of Year 2012 | LIABILITIES AND STOCKHOLDERS' EQUITY | Balance Prior Year 2012 (A) | Part 64 Adj to NonReg 2012 (B) | Adj. Balance End of Year 2012 |
|--|------------------------------------|--------------------------------------|-------------------------------------|---|-----------------------------------|--------------------------------------|-------------------------------------|
| CURRENT ASSETS | | | | CURRENT LIABILITIES | | | |
| 1. Cash and Equivalents | 566,757 | | 566,757 | 25. Accounts Payable | 192,641 | | 192,641 |
| 2. Cash-RUS Construction Fund | 8,040 | | 8,040 | 26. Notes Payable | | | 0 |
| 3. Affiliates: | | | | 27. Advance Billings and Payments | | | 0 |
| a. Telecom, Accounts Receivable | 82,426 | | 82,426 | 28. Customer Deposits | 1,618 | | 1,618 |
| b. Other Accounts Receivable | | | 0 | 29. Current Mat. L/T Debt | 525,325 | | 525,325 |
| c. Notes Receivable | | | 0 | 30. Current Mat. L/T Debt Rur. Dev. | | | 0 |
| 4. Non-Affiliates: | | | | 31. Current Mat. - Capital Leases | | | 0 |
| a. Telecom, Accounts Receivable | 484,908 | | 484,908 | 32. Income Taxes Accrued | 20 | | 20 |
| b. Other Accounts Receivable | | | 0 | 33. Other Taxes Accrued | 55,202 | | 55,202 |
| c. Notes Receivable | | | 0 | 34. Other Current Liabilities | 776,769 | | 776,769 |
| 5. Interest and Dividends Receivable | | | 0 | 35. Total Current Liabilities (25 thru 34) | 1,551,575 | | 1,551,575 |
| 6. Material-Regulated | 259,636 | | 259,636 | LONG-TERM DEBT | | | |
| 7. Material-Nonregulated | | | 0 | 36. Funded Debt-RUS Notes | 283,224 | | 283,224 |
| 8. Prepayments | 2,490 | | 2,490 | 37. Funded Debt-RTB Notes | 156,225 | | 156,225 |
| 9. Other Current Assets | | | 0 | 38. Funded Debt-FFB Notes | 534,368 | | 534,368 |
| 10. Total Current Assets (1 Thru 9) | 1,404,257 | - | 1,404,257 | 39. Funded Debt-Other | | | 0 |
| NONCURRENT ASSETS | | | | 40. Funded Debt-Rural Develop. Loan | | | 0 |
| 11. Investment in Affiliated Companies | | | | 41. Premium (Discount) on L/T Debt | | | 0 |
| a. Rural Development | 290,671 | | 290,671 | 42. Reacquired Debt | | | 0 |
| b. Nonrural Development | | | 0 | 43. Obligations Under Capital Lease | | | 0 |
| 12. Other Investments | | | | 44. Adv. From Affiliated Companies | | | 0 |
| a. Rural Development | | | 0 | 45. Other Long-Term Debt | | | 0 |
| b. Nonrural Development | 178,123 | | 178,123 | 46. Total Long-Term Debt (36 thru 45) | 973,817 | | 973,817 |
| 13. Nonregulated Investments (B1) | 459,745 | 349,669 | 809,414 | OTHER LIAB. & DEF. CREDITS | | | |
| 14. Other Noncurrent Assets | 250 | | 250 | 47. Other Long-Term Liabilities | | | 0 |
| 15. Deferred Charges | | | 0 | 48. Other Deferred Credits (C) | 602,594 | (41,414) | 561,180 |
| 16. Jurisdictional Differences | | | 0 | 49. Other Jurisdictional Differences | | | 0 |
| 17. Total noncurrent Assets (11 thru 16) | 928,789 | 349,669 | 1,278,458 | 50. Total Other Liab. & Def. Credits (47 thru 49) | 602,594 | (41,414) | 561,180 |
| PLANT, PROPERTY AND EQUIPMENT | | | | EQUITY | | | |
| 18. Telecom Plant-In-Service | 18,674,792 | (1,061,139) | 17,613,653 | 51. Cap. Stock Outstanding & Subscribed | 93,150 | | 93,150 |
| 19. Property Held for Future Use | | | 0 | 52. Additional Paid-in-Capital | 7,175 | | 7,175 |
| 20. Plant Under Construction | 231,189 | | 231,189 | 53. Treasury Stock | | | 0 |
| 21. Plant Adj., Nonop Plant & Goodwill | | | 0 | 54. Membership and cap. Certificates | | | 0 |
| 22. Accumulated Depreciation (CR.) | (12,947,409) | 711,470 | (12,235,939) | 55. Other Capital | | | 0 |
| 23. Net Plant (18 thru 21 less 22) | 5,958,572 | (349,669) | 5,608,903 | 56. Patronage Capital Credits | | | 0 |
| TOTAL ASSETS (10+17+23) | 8,291,618 | 0 | 8,291,618 | 57. Retained Earnings & Margins (B2) | 5,063,307 | 41,414 | 5,104,721 |
| | | | | 58. Total Equity (51 thru 57) | 5,163,632 | 41,414 | 5,205,046 |
| | | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | 8,291,618 | 0 | 8,291,618 |

(A) - As reported on Form 481
 (B) - Part 64 adjustments to rate base from regulated to nonregulated.
 (B1) - Part 64 offset to nonreg investment
 (B2) - Part 64 offset to retained earnings
 (C) - Part 64 Adj. for line 48 is only for deferred taxes.

Company Name: (Below)
INLAND TELEPHONE COMPANY

| ASSETS | Balance End of Year 2013 (A) | Part 64 Adj to NonReg 2013 (B) | Adj. Balance End of Year 2013 | LIABILITIES AND STOCKHOLDERS' EQUITY | Balance Prior Year 2013 (A) | Part 64 Adj to NonReg 2013 (B) | Adj. Balance End of Year 2013 |
|--|------------------------------------|--------------------------------------|-------------------------------------|---|-----------------------------------|--------------------------------------|-------------------------------------|
| CURRENT ASSETS | | | | CURRENT LIABILITIES | | | |
| 1. Cash and Equivalents | 298,416 | | 298,416 | 25. Accounts Payable | 1,134,728 | | 1,134,728 |
| 2. Cash-RUS Construction Fund | 395,813 | | 395,813 | 26. Notes Payable | | | 0 |
| 3. Affiliates: | | | | 27. Advance Billings and Payments | | | 0 |
| a. Telecom, Accounts Receivable | 84,991 | | 84,991 | 28. Customer Deposits | 2,041 | | 2,041 |
| b. Other Accounts Receivable | | | 0 | 29. Current Mat. L/T Debt | 304,607 | | 304,607 |
| c. Notes Receivable | | | 0 | 30. Current Mat. L/T Debt Rur. Dev. | | | 0 |
| 4. Non-Affiliates: | | | | 31. Current Mat. - Capital Leases | | | 0 |
| a. Telecom, Accounts Receivable | 559,143 | | 559,143 | 32. Income Taxes Accrued | 60,011 | | 60,011 |
| b. Other Accounts Receivable | | | 0 | 33. Other Taxes Accrued | 116,543 | | 116,543 |
| c. Notes Receivable | | | 0 | 34. Other Current Liabilities | 815,571 | | 815,571 |
| 5. Interest and Dividends Receivable | | | 0 | 35. Total Current Liabilities (25 thru 34) | 2,433,501 | | 2,433,501 |
| 6. Material-Regulated | 269,547 | | 269,547 | LONG-TERM DEBT | | | |
| 7. Material-Nonregulated | | | 0 | 36. Funded Debt-RUS Notes | 181,416 | | 181,416 |
| 8. Prepayments | 38,205 | | 38,205 | 37. Funded Debt-RTB Notes | 51,632 | | 51,632 |
| 9. Other Current Assets | | | 0 | 38. Funded Debt-FFB Notes | 2,816,944 | | 2,816,944 |
| 10. Total Current Assets (1 Thru 9) | 1,646,115 | - | 1,646,115 | 39. Funded Debt-Other | (2,655) | | (2,655) |
| NONCURRENT ASSETS | | | | 40. Funded Debt-Rural Develop. Loan | | | 0 |
| 11. Investment in Affiliated Companies | | | | 41. Premium (Discount) on L/T Debt | | | 0 |
| a. Rural Development | 51,709 | | 51,709 | 42. Reacquired Debt | | | 0 |
| b. Nonrural Development | | | 0 | 43. Obligations Under Capital Lease | | | 0 |
| 12. Other Investments | | | | 44. Adv. From Affiliated Companies | | | 0 |
| a. Rural Development | | | 0 | 45. Other Long-Term Debt | | | 0 |
| b. Nonrural Development | 190,106 | | 190,106 | 46. Total Long-Term Debt (36 thru 45) | 3,047,337 | | 3,047,337 |
| 13. Nonregulated Investments (B1) | 1,464,073 | 297,261 | 1,761,334 | OTHER LIAB. & DEF. CREDITS | | | |
| 14. Other Noncurrent Assets | 250 | | 250 | 47. Other Long-Term Liabilities | | | 0 |
| 15. Deferred Charges | | | 0 | 48. Other Deferred Credits (C) | 406,878 | (26,917) | 379,961 |
| 16. Jurisdictional Differences | | | 0 | 49. Other Jurisdictional Differences | | | 0 |
| 17. Total noncurrent Assets (11 thru 16) | 1,706,138 | 297,261 | 2,003,399 | 50. Total Other Liab. & Def. Credits (47 thru 49) | 406,878 | (26,917) | 379,961 |
| PLANT, PROPERTY AND EQUIPMENT | | | | EQUITY | | | |
| 18. Telecom Plant-In-Service | 18,902,328 | (1,062,900) | 17,839,428 | 51. Cap. Stock Outstanding & Subscribed | 93,150 | | 93,150 |
| 19. Property Held for Future Use | | | 0 | 52. Additional Paid-in-Capital | 7,175 | | 7,175 |
| 20. Plant Under Construction | 2,463,135 | | 2,463,135 | 53. Treasury Stock | | | 0 |
| 21. Plant Adj., Nonop Plant & Goodwill | | | 0 | 54. Membership and cap. Certificates | | | 0 |
| 22. Accumulated Depreciation (CR.) | (14,045,463) | 765,639 | (13,279,824) | 55. Other Capital | | | 0 |
| 23. Net Plant (18 thru 21 less 22) | 7,320,000 | (297,261) | 7,022,739 | 56. Patronage Capital Credits | | | 0 |
| TOTAL ASSETS (10+17+23) | 10,672,253 | 0 | 10,672,253 | 57. Retained Earnings or Margins (B2) | 4,684,212 | 26,917 | 4,711,129 |
| | | | | 58. Total Equity (51 thru 57) | 4,784,537 | 26,917 | 4,811,454 |
| | | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | 10,672,253 | 0 | 10,672,253 |

(A) - As reported on Form 481
(B) - Part 64 adjustments to rate base from regulated to nonregulated.
(B1) - Part 64 offset to nonreg investment
(B2) - Part 64 offset to retained earnings
(C) - Part 64 Adj. for line 48 is only for deferred taxes.

Company Name: (Below)
INLAND TELEPHONE COMPANY

| ASSETS | Adjusted Prior Year Balance 2012 | Adjusted Current Year Balance 2013 | LIABILITIES AND STOCKHOLDERS' EQUITY | Adjusted Prior Year Balance 2012 | Adjusted Prior Year Balance 2013 |
|--|--|--|---|--|--|
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | 566,757 | 298,416 | 25. Accounts Payable | 192,641 | 1,134,728 |
| 2. Cash-RUS Construction Fund | 8,040 | 395,813 | 26. Notes Payable | 0 | 0 |
| 3. Affiliates: | | | 27. Advance Billings and Payments | 0 | 0 |
| a. Telecom, Accounts Receivable | 82,426 | 84,991 | 28. Customer Deposits | 1,618 | 2,041 |
| b. Other Accounts Receivable | 0 | 0 | 29. Current Mat. L/T Debt | 525,325 | 304,607 |
| c. Notes Receivable | 0 | 0 | 30. Current Mat. L/T Debt Rur. Dev. | 0 | 0 |
| 4. Non-Affiliates: | | | 31. Current Mat. - Capital Leases | 0 | 0 |
| a. Telecom, Accounts Receivable | 484,908 | 559,143 | 32. Income Taxes Accrued | 20 | 60,011 |
| b. Other Accounts Receivable | 0 | 0 | 33. Other Taxes Accrued | 55,202 | 116,543 |
| c. Notes Receivable | 0 | 0 | 34. Other Current Liabilities | 776,769 | 815,571 |
| 5. Interest and Dividends Receivable | 0 | 0 | 35. Total Current Liabilities (25 - 34) | 1,551,575 | 2,433,501 |
| 6. Material-Regulated | 259,636 | 269,547 | LONG-TERM DEBT | | |
| 7. Material-Nonregulated | 0 | 0 | 36. Funded Debt-RUS Notes | 283,224 | 181,416 |
| 8. Prepayments | 2,490 | 38,205 | 37. Funded Debt-RTB Notes | 156,225 | 51,632 |
| 9. Other Current Assets | 0 | 0 | 38. Funded Debt-FFB Notes | 534,368 | 2,816,944 |
| 10. Total Current Assets (1 Thru 9) | 1,404,257 | 1,646,115 | 39. Funded Debt-Other | 0 | (2,655) |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop. Loan | 0 | 0 |
| 11. Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | 0 | 0 |
| a. Rural Development | 290,671 | 51,709 | 42. Reacquired Debt | 0 | 0 |
| b. Nonrural Development | 0 | 0 | 43. Obligations Under Capital Lease | 0 | 0 |
| 12. Other Investments | | | 44. Adv. From Affiliated Companies | 0 | 0 |
| a. Rural Development | 0 | 0 | 45. Other Long-Term Debt | 0 | 0 |
| b. Nonrural Development | 178,123 | 190,106 | 46. Total Long-Term Debt (36-45) | 973,817 | 3,047,337 |
| 13. Nonregulated Investments | 809,414 | 1,761,334 | OTHER LIAB. & DEF. CREDITS | | |
| 14. Other Noncurrent Assets | 250 | 250 | 47. Other Long-Term Liabilities | 0 | 0 |
| 15. Deferred Charges | 0 | 0 | 48. Other Deferred Credits (B) | 561,180 | 379,961 |
| 16. Jurisdictional Differences | 0 | 0 | 49. Other Jurisdictional Differences | 0 | 0 |
| 17. Total noncurrent Assets (11 thru 16) | 1,278,458 | 2,003,399 | 50. Total Other Liab. & Def. Credits (47 thru 49) | 561,180 | 379,961 |
| PLANT, PROPERTY AND EQUIPMENT | | | EQUITY | | |
| 18. Telecom Plant-in-Service | 17,613,653 | 17,839,428 | 51. Cap. Stock Outstanding & Subscribed | 93,150 | 93,150 |
| 19. Property Held for Future Use | 0 | 0 | 52. Additional Paid-in-Capital | 7,175 | 7,175 |
| 20. Plant Under Construction | 231,189 | 2,463,135 | 53. Treasury Stock | 0 | 0 |
| 21. Plant Adj., Nonop Plant & Goodwill | 0 | 0 | 54. Membership and cap. Certificates | 0 | 0 |
| 22. Accumulated Depreciation (CR.) | (12,235,939) | (13,279,824) | 55. Other Capital | 0 | 0 |
| 23. Net Plant (18 thru 21 less 22) | 5,608,903 | 7,022,739 | 56. Patronage Capital Credits | 0 | 0 |
| TOTAL ASSETS (10+17+23) | 8,291,618 | 10,672,253 | 57. Retained Earnings or Margins | 5,104,721 | 4,711,129 |
| | | | 58. Total Equity (51 thru 57) | 5,205,046 | 4,811,454 |
| | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | 8,291,618 | 10,672,253 |

Note:

Adjusted Balances represents balances after current year Part 64 adjustments (B) - Provide Deferred Taxes on separate rate base schedule

Company Name: (Below)

INLAND TELEPHONE COMPANY

| | Line # | Adj. Balance End of Year 2012 | Adj. Balance End of Year 2013 | Average Adj End of Year Balance |
|--|--------|-------------------------------------|-------------------------------------|---------------------------------------|
| Average Rate Base: | | | | |
| Total Regulated Adjusted Telecom Plant-In-service | 18 | 17,613,653 | 17,839,428 | 17,726,541 |
| Total Property Held for Future Use | 19 | 0 | 0 | 0 |
| Total Regulated Adjusted Accumulated Depreciation (CR) | 22 | (12,235,939) | (13,279,824) | (12,757,882) |
| Total Regulated Materials & Supplies | 6 | 259,636 | 269,547 | 264,592 |
| Deferred Income Taxes (CR) | | (560,713) | (381,345) | (471,029) |
| Total Regulated Rate Base | | 5,076,637 | 4,447,806 | 4,762,222 |

Note:

1. Normal balance of deferred income taxes and accumulated depreciation is a credit.
2. Adjusted balance includes current year Part 64 adjustments

Company Name: (Below)

INLAND TELEPHONE COMPANY

| Description | Prior Year End of Yr. Balance - 2012 | Current Year End of Yr Balance - 2013 | Difference | % Change |
|------------------------------|--|---|------------|-------------|
| Access Lines: | | | | |
| Residential | 1,780 | 1,736 | (44) | -2.5% |
| Business | 614 | 633 | 19 | 3.1% |
| Total | 2,394 | 2,369 | (25) | -1.0% |
| | | | | |
| | | | | |
| | End of Yr. Balance - 2012 | End of Year Balance -2013 | Difference | % Change |
| Broadband Connections | 1,280 | 1,342 | 62 | 4.8% |
| | | | | |
| | | | | |
| | Prior Yr. 2012 | Current Yr. 2013 | Difference | % Change |
| Total Annual Amount: | | | | |
| Gross Capital Expenditures | 659,496 | 1,594,282 | 934,786 | 141.7% |
| | | | | |

Prior year Adjusted Income Statement

FCC Form 481

Part B Statement of Income and Retained Earnings Statement

Company Name: (Below)

INLAND TELEPHONE COMPANY

| Line # | Item | Prior Year 2012 (A) | Part 64 Adj. to NonReg (B) | Prior Year Adjusted 2012 |
|--------|--|---------------------------|----------------------------------|--------------------------------|
| 1 | Local Network Services Revenues | 603,282 | | 603,282 |
| 2 | Network Access Services Revenues | 4,113,942 | | 4,113,942 |
| 3 | Long Distance Network Services Revenues | 23,968 | | 23,968 |
| 4 | Carrier Billing and Collection Revenues | 44,064 | | 44,064 |
| 5 | Miscellaneous Revenues | 104,863 | | 104,863 |
| 6 | Uncollectible Revenues (Normal Balance is debit or in brackets) | (5,179) | | (5,179) |
| 7 | Net Operating Revenues (1 thru 6) | 4,884,940 | 0 | 4,884,940 |
| 8 | Plant Specific Operations Expense | 1,815,016 | (155,265) | 1,659,751 |
| 9 | Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) | 290,538 | | 290,538 |
| 10 | Depreciation Expense | 1,070,497 | (53,689) | 1,016,808 |
| 11 | Amortization Expense | 182 | | 182 |
| 12 | Customer Operations Expense | 455,479 | (53,241) | 402,238 |
| 13 | Corporate Operations | 865,414 | (10,160) | 855,254 |
| 13a | Less: Corporate Operations Adjustment (FCC 36.621) report in () | | | 0 |
| 13b | Adjusted Corporate Operations Expense (Line 13 minus Line 13a) | 865,414 | (10,160) | 855,254 |
| 14 | Total Operations Expenses (8 thru 12 +13b) | 4,497,126 | (272,355) | 4,224,771 |
| 15 | Operating Income or Margins (7 less 14) | 387,814 | 272,355 | 660,169 |
| 16 | Other Operating Income and Expenses () | | | 0 |
| 17 | State and Local Taxes | 105,168 | (13,162) | 92,006 |
| 18 | Federal Income Taxes (A1) | 2,155 | (121) | 2,034 |
| 19 | Other Taxes | | | 0 |
| 20 | Total Operating Taxes (17+18+19) | 107,323 | (13,283) | 94,040 |
| 21 | Net Operating Income or Margins (15+16-20) | 280,491 | 285,638 | 566,129 |
| 22 | Interest on Funded Debt | 66,408 | | 66,408 |
| 23 | Interest Expense - Capital Leases | | | 0 |
| 24 | Other Interest Expense | 12,888 | | 12,888 |
| 25 | Allowance for Funds Used During Construction (CR) | | | 0 |
| 26 | Total Fixed Charges (22+23+24-25) | 79,296 | 0 | 79,296 |
| 27 | Nonoperating Net Income | (136,849) | | (136,849) |
| 28 | Extraordinary Items | | | 0 |
| 29 | Jurisdictional Differences | | | 0 |
| 30 | Nonregulated Net Income (B1) | (540,289) | (285,638) | (825,927) |
| 31 | Total Net Income or Margins (21+27+28+29+30-26) | (475,943) | 0 | (475,943) |
| 32 | Total Taxes Based on Income | (140,100) | 39,080 | (101,020) |
| 33 | Retained Earning or Margins Beginning-of-Year | 5,537,754 | | 5,537,754 |
| 34 | Miscellaneous Credits Year-to-Date | 1,496 | | 1,496 |
| 35 | Dividends Declared (Common) | | | 0 |
| 36 | Dividends Declared (Preferred) | | | 0 |
| 37 | Other Debits Year-to-Date | | | 0 |
| 38 | Transfers to Patronage Capital | | | 0 |
| 39 | Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38)) | 5,063,307 | 0 | 5,063,307 |
| 40 | Patronage Capital Beginning-of-Year | | | 0 |
| 41 | Transfers to Patronage Capital | | | 0 |
| 42 | Patronage Capital Credits Retired | | | 0 |
| 43 | Patronage Capital End-of-Year (40+41-42) | 0 | 0 | 0 |
| 44 | Annual Debt Service Payments | 593,769 | | 593,769 |
| 45 | Cash Ratio ((14+20-10-11)/7) | 0.7234 | #DIV/0! | 0.6759 |
| 46 | Operating Accrual Ratio ((14+20+26)/7) | 0.9588 | #DIV/0! | 0.9003 |
| 47 | TIER ((31+26)/26) | (5.0021) | #DIV/0! | (5.0021) |
| 48 | DSCR ((31+26+10+11)/44) | 1.1352 | #DIV/0! | 1.0448 |

Notes:

- (A) As reported on Form 481
- (A1) S Corporations provide effective tax rate on Income Statement Summary Schedule footnote, Page 8
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)

Company Name: (Below)
 INLAND TELEPHONE COMPANY

| Line # | Item | Prior Year 2013 (A) | Part 64 Adj. to NonReg (B) | Prior Year Adjusted 2013 |
|--------|--|---------------------------|----------------------------------|--------------------------------|
| 1 | Local Network Services Revenues | 562,589 | | 562,589 |
| 2 | Network Access Services Revenues | 3,451,897 | | 3,451,897 |
| 3 | Long Distance Network Services Revenues | (850) | | (850) |
| 4 | Carrier Billing and Collection Revenues | 50,550 | | 50,550 |
| 5 | Miscellaneous Revenues | 48,078 | | 48,078 |
| 6 | Uncollectible Revenues (Normal Balance is debit or in brackets) | (5,843) | | (5,843) |
| 7 | Net Operating Revenues (1 thru 6) | 4,106,421 | 0 | 4,106,421 |
| 8 | Plant Specific Operations Expense | 1,605,078 | (137,268) | 1,467,810 |
| 9 | Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) | 287,876 | | 287,876 |
| 10 | Depreciation Expense | 1,127,367 | (69,821) | 1,057,546 |
| 11 | Amortization Expense | 182 | | 182 |
| 12 | Customer Operations Expense | 483,882 | (59,233) | 424,649 |
| 13 | Corporate Operations | 867,296 | (12,176) | 855,120 |
| 13a | Less: Corporate Operations Adjustment (FCC 36.621) report in () | | | 0 |
| 13b | Adjusted Corporate Operations Expense (Line 13 minus Line 13a) | 867,296 | (12,176) | 855,120 |
| 14 | Total Operations Expenses (8 thru 12 +13b) | 4,371,681 | (278,498) | 4,093,183 |
| 15 | Operating Income or Margins (7 less 14) | (265,260) | 278,498 | 13,238 |
| 16 | Other Operating Income and Expenses () | | | 0 |
| 17 | State and Local Taxes | 101,698 | (11,441) | 90,257 |
| 18 | Federal Income Taxes (A1) | (198,891) | 11,150 | (187,741) |
| 19 | Other Taxes | | | 0 |
| 20 | Total Operating Taxes (17+18+19) | (97,193) | (291) | (97,484) |
| 21 | Net Operating Income or Margins (15+16-20) | (168,067) | 278,789 | 110,722 |
| 22 | Interest on Funded Debt | 59,655 | | 59,655 |
| 23 | Interest Expense - Capital Leases | | | 0 |
| 24 | Other Interest Expense | 18,946 | | 18,946 |
| 25 | Allowance for Funds Used During Construction (CR) | | | 0 |
| 26 | Total Fixed Charges (22+23+24-25) | 78,601 | 0 | 78,601 |
| 27 | Nonoperating Net Income | 13,925 | | 13,925 |
| 28 | Extraordinary Items | | | 0 |
| 29 | Jurisdictional Differences | | | 0 |
| 30 | Nonregulated Net Income (B1) | (199,650) | (278,789) | (478,439) |
| 31 | Total Net Income or Margins (21+27+28+29+30-26) | (432,393) | 0 | (432,393) |
| 32 | Total Taxes Based on Income | (196,331) | 11,587 | (184,744) |
| 33 | Retained Earning or Margins Beginning-of-Year | 5,063,307 | | 5,063,307 |
| 34 | Miscellaneous Credits Year-to-Date | 3,594 | | 3,594 |
| 35 | Dividends Declared (Common) | | | 0 |
| 36 | Dividends Declared (Preferred) | | | 0 |
| 37 | Other Debits Year-to-Date | | | 0 |
| 38 | Transfers to Patronage Capital | | | 0 |
| 39 | Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38)) | 4,634,508 | 0 | 4,634,508 |
| 40 | Patronage Capital Beginning-of-Year | | | 0 |
| 41 | Transfers to Patronage Capital | | | 0 |
| 42 | Patronage Capital Credits Retired | | | 0 |
| 43 | Patronage Capital End-of-Year (40+41-42) | 0 | 0 | 0 |
| 44 | Annual Debt Service Payments | 645,182 | | 645,182 |
| 45 | Cash Ratio ((14+20-10-11)/7) | 0.7663 | #DIV/0! | 0.7155 |
| 46 | Operating Accrual Ratio ((14+20+26)/7) | 1.0601 | #DIV/0! | 0.9922 |
| 47 | TIER ((31+26)/26) | (4.5011) | #DIV/0! | (4.5011) |
| 48 | DSCR ((31+26+10+11)/44) | 1.1993 | #DIV/0! | 1.0911 |

Notes:

- (A) As reported on Form 481
- (A1) S Corporations provide effective tax rate on Income Statement Summary Schedule footnote, Page 8
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)

Company Name:
 INLAND TELEPHONE COMPANY

| Line # | Item | Adjusted Prior Year 2012 | Adjusted Current Year 2013 |
|--------|--|--------------------------------|----------------------------------|
| 1 | Local Network Services Revenues | 603,282 | 562,589 |
| 2 | Network Access Services Revenues | 4,113,942 | 3,451,897 |
| 3 | Long Distance Network Services Revenues | 23,968 | (850) |
| 4 | Carrier Billing and Collection Revenues | 44,064 | 50,550 |
| 5 | Miscellaneous Revenues | 104,863 | 48,078 |
| 6 | Uncollectible Revenues (Normal Balance is debit or in brackets) | (5,179) | (5,843) |
| 7 | Net Operating Revenues (1 thru 6) | 4,884,940 | 4,106,421 |
| 8 | Plant Specific Operations Expense | 1,659,751 | 1,467,810 |
| 9 | Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) | 290,538 | 287,876 |
| 10 | Depreciation Expense | 1,016,808 | 1,057,546 |
| 11 | Amortization Expense | 182 | 182 |
| 12 | Customer Operations Expense | 402,238 | 424,649 |
| 13 | Corporate Operations | 855,254 | 855,120 |
| 13a | Less: Corporate Operations Adjustment (FCC 36.621) report in () | 0 | 0 |
| 13b | Adjusted Corporate Operations Expense (Line 13 minus Line 13a) | 855,254 | 855,120 |
| 14 | Total Operations Expenses (8 thru 12 +13b) | 4,224,771 | 4,093,183 |
| 15 | Operating Income or Margins (7 less 14) | 660,169 | 13,238 |
| 16 | Other Operating Income and Expenses () | 0 | 0 |
| 17 | State and Local Taxes | 92,006 | 90,257 |
| 18 | Federal Income Taxes | 2,034 | (187,741) |
| 19 | Other Taxes | 0 | 0 |
| 20 | Total Operating Taxes (17+18+19) | 94,040 | (97,484) |
| 21 | Net Operating Income or Margins (15+16-20) | 566,129 | 110,722 |
| 22 | Interest on Funded Debt | 66,408 | 59,655 |
| 23 | Interest Expense - Capital Leases | 0 | 0 |
| 24 | Other Interest Expense | 12,888 | 18,946 |
| 25 | Allowance for Funds Used During Construction | 0 | 0 |
| 26 | Total Fixed Charges (22+23+24-25) | 79,296 | 78,601 |
| 27 | Nonoperating Net Income | (136,849) | 13,925 |
| 28 | Extraordinary Items | 0 | 0 |
| 29 | Jurisdictional Differences | 0 | 0 |
| 30 | Nonregulated Net Income | (825,927) | (478,439) |
| 31 | Total Net Income or Margins (21+27+28+29+30-26) | (475,943) | (432,393) |
| 32 | Total Taxes Based on Income | (101,020) | (184,744) |
| 33 | Retained Earning or Margins Beginning-of-Year | 5,537,754 | 5,063,307 |
| 34 | Miscellaneous Credits Year-to-Date | | 3,594 |
| 35 | Dividends Declared (Common) | 0 | 0 |
| 36 | Dividends Declared (Preferred) | | 0 |
| 37 | Other Debits Year-to-Date | 0 | 0 |
| 38 | Transfers to Patronage Capital | 0 | 0 |
| 39 | Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38)) | 5,061,811 | 4,634,508 |
| 40 | Patronage Capital Beginning-of-Year | 0 | 0 |
| 41 | Transfers to Patronage Capital | 0 | 0 |
| 42 | Patronage Capital Credits Retired | 0 | 0 |
| 43 | Patronage Capital End-of-Year (40+41-42) | 0 | 0 |
| 44 | Annual Debt Service Payments | 593,769 | 645,182 |
| 45 | Cash Ratio ((14+20-10-11)/7) | 0.6759 | 0.7155 |
| 46 | Operating Accrual Ratio ((14+20+26)/7) | 0.9003 | 0.9922 |
| 47 | TIER ((31+26)/26) | (5.0021) | (4.5011) |
| 48 | DSCR ((31+26+10+11)/44) | 1.04 | 1.0911 |

Footnote (A1)

S Corporation Effective Tax Rate (2 decimal places):

| | 2012 | 2013 |
|--|--------|--------|
| | 34.00% | 34.00% |

Network Access Services Revenue

Prior and Current Year

Company Name: (Below)

INLAND TELEPHONE COMPANY

| Description | Part 32 Account | 2012 | 2013 |
|---|-----------------|-----------|-----------|
| End User Revenue (SLC, ARC, etc.) | 5081 | 193,350 | 228,660 |
| Switched Access (excluding USF): | 5082 | | |
| Intrastate | | 511,249 | 439,205 |
| Interstate | | 92,887 | (112,431) |
| Special Access: | 5083 | | |
| Intrastate | | 54,080 | 42,460 |
| Interstate | | 1,391,219 | 1,285,190 |
| Federal USF (ICLS/CAF/HCL/SN) | Varies | 1,793,096 | 1,481,529 |
| Total (must equal line 2 of Income Stmt.) | | 4,035,881 | 3,364,613 |
| Line 2 of Income Stmt. | | 4,113,942 | 3,451,897 |
| Difference | | (78,061) | (87,284) |