

STATE USF FILING
FINANCIAL TEMPLATE
NON-"S CORP" COMPANIES

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior Year Balance Sheet

Company Name: (Below)

ASSETS	Balance End of Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	341,560		341,560	25. Accounts Payable	696,419		696,419
2. Cash-RUS Construction Fund			0	26. Notes Payable			0
3. Affiliates:				27. Advance Billings and Payments			0
a. Telecom, Accounts Receivable	3,401,580		3,401,580	28. Customer Deposits			0
b. Other Accounts Receivable			0	29. Current Mat. L/T Debt	1,216,000		1,216,000
c. Notes Receivable			0	30. Current Mat. L/T Debt Rur. Dev.			0
4. Non-Affiliates:				31. Current Mat. - Capital Leases	28,227		28,227
a. Telecom, Accounts Receivable	342,521		342,521	32. Income Taxes Accrued			0
b. Other Accounts Receivable	9,889		9,889	33. Other Taxes Accrued	85,842		85,842
c. Notes Receivable			0	34. Other Current Liabilities	308,508		308,508
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	2,334,996	0	2,334,996
6. Material-Regulated	214,564	(96,751)	117,813	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments	67,789		67,789	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	4,377,903	(96,751)	4,281,152	39. Funded Debt-Other	5,806,465		5,806,465
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	0		0	42. Reacquired Debt			0
b. Nonrural Development	0		0	43. Obligations Under Capital Lease	74,410		74,410
12. Other Investments				44. Adv. From Affiliated Companies			0
a. Rural Development	0		0	45. Other Long-Term Debt			0
b. Nonrural Development	60,003		60,003	46. Total Long-Term Debt (36 thru 45)	5,880,875	0	5,880,875
13. Nonregulated Investments (B1)	6,528,982	(48,162)	6,480,820	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	74,691		74,691	47. Other Long-Term Liabilities			0
15. Deferred Charges	200,538		200,538	48. Other Deferred Credits (C)		(25,413)	(25,413)
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	6,864,214	(48,162)	6,816,052	50. Total Other Liab. & Def. Credits (47 thru 49)	0	(25,413)	(25,413)
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	14,878,210	(55,639)	14,822,571	51. Cap. Stock Outstanding & Subscribed	57,050		57,050
19. Property Held for Future Use			0	52. Additional Paid-in-Capital	11,054,124		11,054,124
20. Plant Under Construction	94,897	(8,890)	86,007	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(13,365,340)	209,442	(13,155,898)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	1,607,767	144,913	1,752,680	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	12,849,884	0	12,849,884	57. Retained Earnings or Margins (B2)	(6,477,161)	25,413	(6,451,748)
				58. Total Equity (51 thru 57)	4,634,013	25,413	4,659,426
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	12,849,884	0	12,849,884

Footnotes:

- (A) - As reported on RUS Form 479
- (B) - Part 64 adjustments from regulated to nonregulated.

Footnotes:

- (B1) - Part 64 offset to nonreg investment
- (B2) - Part 64 offset to retained earnings
- (C) - Includes deferred taxes

Explanation: There are slight differences in category presentation from the prior year's state USF filing. These changes are not significant. Prior year part 64 adjustment to accumulated depreciation should have included amortization.

State USF Petition Filing Requirement -WAC 480-123-110(1)(e)
Current Year Balance Sheet

Company Name: (Below)
Mashell Telecom, Inc.

ASSETS	Balance End of Year 2014 (A)	Part 64 Adj to NonReg 2014 (B)	Adj. Balance End of Year 2014 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2014 (A)	Part 64 Adj to NonReg 2014 (B)	Adj. Balance End of Year 2014 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	271,690		271,690	25. Accounts Payable	669,273		669,273
2. Cash-RUS Construction Fund			0	26. Notes Payable			0
3. Affiliates:				27. Advance Billings and Payments			0
a. Telecom, Accounts Receivable			0	28. Customer Deposits			0
b. Other Accounts Receivable			0	29. Current Mat. L/T Debt	5,897,813		5,897,813
c. Notes Receivable			0	30. Current Mat. L/T Debt Rur. Dev.			0
4. Non-Affiliates:				31. Current Mat. - Capital Leases	27,281		27,281
a. Telecom, Accounts Receivable	417,922		417,922	32. Income Taxes Accrued			0
b. Other Accounts Receivable	410		410	33. Other Taxes Accrued	95,749		95,749
c. Notes Receivable			0	34. Other Current Liabilities	311,730		311,730
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	7,001,846	0	7,001,846
6. Material-Regulated	244,259	(128,736)	115,523	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments	41,847		41,847	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	976,128	(128,736)	847,392	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			0	42. Reacquired Debt			0
b. Nonrural Development			0	43. Obligations Under Capital Lease	44,717		44,717
12. Other Investments				44. Adv. From Affiliated Companies			0
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development	60,003		60,003	46. Total Long-Term Debt (36 thru 45)	44,717	0	44,717
13. Nonregulated Investments (B1)	5,601,791	47,878	5,649,669	OTHER LIAB. & DEF. CREDITS			0
14. Other Noncurrent Assets	107,344		107,344	47. Other Long-Term Liabilities			0
15. Deferred Charges	143,219		143,219	48. Other Deferred Credits (C)	69,646		69,646
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	5,912,357	47,878	5,960,235	50. Total Other Liab. & Def. Credits (47 thru 49)	69,646	0	69,646
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	14,961,821	(69,317)	14,892,504	51. Cap. Stock Outstanding & Subscribed	57,050		57,050
19. Property Held for Future Use			0	52. Additional Paid-in-Capital	8,093,354		8,093,354
20. Plant Under Construction	122,554	(11,226)	111,328	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(13,758,547)	161,401	(13,597,146)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	1,325,828	80,858	1,406,686	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	8,214,313	0	8,214,313	57. Retained Earnings or Margins (B2)	(7,052,300)	0	(7,052,300)
				58. Total Equity (51 thru 57)	1,098,104	-	1,098,104
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,214,313	0	8,214,313

Footnotes:

(A) - As reported on RUS Form 479
(B) - Part 64 adjustments from regulated to nonregulated.

Footnotes:

(B1) - Part 64 offset to nonreg investment
(B2) - Part 64 offset to retained earnings
(C) - Includes deferred taxes

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior and Current Year Balance Sheet

Company Name: (Below)
 Mashell Telecom, Inc.

ASSETS	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	341,560	271,690	25. Accounts Payable	696,419	669,273
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	0
a. Telecom, Accounts Receivable	3,401,580	0	28. Customer Deposits	0	0
b. Other Accounts Receivable	0	0	29. Current Mat. L/T Debt	1,216,000	5,897,813
c. Notes Receivable	0	0	30. Current Mat. L/T Debt Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat. - Capital Leases	28,227	27,281
a. Telecom, Accounts Receivable	342,521	417,922	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	9,889	410	33. Other Taxes Accrued	85,842	95,749
c. Notes Receivable	0	0	34. Other Current Liabilities	308,508	311,730
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	2,334,996	7,001,846
6. Material-Regulated	117,813	115,523	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	67,789	41,847	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	4,281,152	847,392	39. Funded Debt-Other	5,806,465	0
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	0	0	42. Reacquired Debt	0	0
b. Nonrural Development	0	0	43. Obligations Under Capital Lease	74,410	44,717
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	60,003	60,003	46. Total Long-Term Debt (36-45)	5,880,875	44,717
13. Nonregulated Investments	6,480,820	5,649,669	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	74,691	107,344	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	200,538	143,219	48. Other Deferred Credits	(25,413)	69,646
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	6,816,052	5,960,235	50. Total Other Liab. & Def. Credits (47 thru 49)	(25,413)	69,646
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	14,822,571	14,892,504	51. Cap. Stock Outstanding & Subscribed	57,050	57,050
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	11,054,124	8,093,354
20. Plant Under Construction	86,007	111,328	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(13,155,898)	(13,597,146)	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	1,752,680	1,406,686	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	12,849,884	8,214,313	57. Retained Earnings or Margins	(6,451,748)	(7,052,300)
			58. Total Equity (51 thru 57)	4,659,426	1,098,104
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	12,849,884	8,214,313

Footnote:

Adjusted Balances represents balances
 after Part 64 adjustments

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Prior and Current Year Rate Base

Company Name: (Below)

Mashell Telecom, Inc. _____

Line #	Description	B/S Line #	Adj. Balance End of Year 2013	Adj. Balance End of Year 2014	Average Adj End of Year Balance
Average Rate Base:					
1	Total Regulated Adjusted Telecom Plant-In-service	18	14,822,571	14,892,504	14,857,538
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(13,155,898)	(13,597,146)	(13,376,522)
4	Total Regulated Materials & Supplies	6	117,813	115,523	116,668
5	Deferred Income Taxes (CR)		25,413	(21,649)	1,882
6	Total Regulated Rate Base		1,809,899	1,389,232	1,599,566

Footnotes:

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

Explanation: Line 3 should include accumulated amortization, which was overlooked during the prior year USF filing. Amount balances to 2013 cost study, excluding Telecom Plant Under Construction. Deferred taxes are assets for 2013; therefore, they increase rate base.

State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)
Prior and Current Year Access Lines

Company Name: (Below)
Mashell Telecom, Inc.

Line #	Description	Prior Year End of Yr. Balance - 2013	Current Year End of Yr. Balance - 2014	Difference	% Change
	Access Lines:				
1	Residential	2,306	2,217	(89)	-3.9%
2	Business	523	511	(12)	-2.3%
3	Total	2,829	2,728	(101)	-3.6%

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior Year Income Statement

Company Name: (Below)
 Mashell Telecom, Inc.

Line #	Description	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013 (C)
1	Local Network Services Revenues	652,675		652,675
2	Network Access Services Revenues	2,298,937		2,298,937
3	Long Distance Network Services Revenues	167,654	(167,654)	0
4	Carrier Billing and Collection Revenues	41		41
5	Miscellaneous Revenues	32,157		32,157
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(13,577)		(13,577)
7	Net Operating Revenues (1 thru 6)	3,137,887	(167,654)	2,970,233
8	Plant Specific Operations Expense	1,430,757	(10,545)	1,420,212
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	638,627	(248,776)	389,851
10	Depreciation Expense	475,303	29,384	504,687
11	Amortization Expense	59,314	(31,880)	27,434
12	Customer Operations Expense	835,664	(193,587)	642,077
13	Corporate Operations	1,279,813	12,331	1,292,144
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			(81,021)
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	1,279,813	12,331	1,211,123
14	Total Operations Expenses (8 thru 12 +13b)	4,719,478	(443,073)	4,195,384
15	Operating Income or Margins (7 less 14)	(1,581,591)	275,419	(1,225,151)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes			0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)			0
19	Other Taxes	242,528		242,528
20	Total Operating Taxes (17+18+19)	242,528	0	242,528
21	Net Operating Income or Margins (15+16-20)	(1,824,119)	275,419	(1,467,679)
22	Interest on Funded Debt	379,157	-273436	105,721
23	Interest Expense - Capital Leases	6,170	-6170	0
24	Other Interest Expense	(301)	301	0
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	385,026	(279,305)	105,721
27	Nonoperating Net Income	(58,692)	50260	(8,432)
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	1,744,856	(554,724)	1,190,132
31	Total Net Income or Margins (21+27+28+29+30-26)	(522,981)	50,260	(391,700)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(5,954,180)		(5,954,180)
34	Miscellaneous Credits Year-to-Date			0
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 End-of-Period ((31+33+34)-(35+36+37+38)(A2)	(6,477,161)	50,260	(6,345,880)
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	806,692		806,692
45	Cash Ratio ((14+20-10-11)/7)	1.4109	2.6279	1.3150
46	Operating Accrual Ratio ((14+20+26)/7)	1.7040	4.3087	1.5297
47	TIER ((31+26)/26)	(0.3583)	0.8201	(2.7050)
48	DSCR ((31+26+10+11)/44)	0.4917	#DIV/0!	0.3051

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8, Inc. Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 1, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)
- (C) Corp. Op. Adj Exp. Reduction - See Exhibit 7 of Petition which takes () amount * 65% to Line 13a, Column C (Reduces total operating expense (L 14) and increases Operating Inc. (L15)

Explanation: Prior year numbers different from last years application because I entered all Part 64 adjustment this year and didn't include anything below Operating Income or Margins last year. Also, the corporate expense adjustment was not included in last years filing.

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Current Year Income Statement

Company Name: (Below)
Mashell Telecom, Inc.

Line #	Description	Current Year 2014 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2014 (C)
1	Local Network Services Revenues	630,448		630,448
2	Network Access Services Revenues	2,485,848		2,485,848
3	Long Distance Network Services Revenues	170,056		170,056
4	Carrier Billing and Collection Revenues	32		32
5	Miscellaneous Revenues	31,717		31,717
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(18,247)		(18,247)
7	Net Operating Revenues (1 thru 6)	3,299,854	0	3,299,854
8	Plant Specific Operations Expense	1,404,448	(8,353)	1,396,095
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	521,344	(115,375)	405,969
10	Depreciation Expense	378,474	76,917	455,391
11	Amortization Expense	27,252	(1,082)	26,170
12	Customer Operations Expense	879,042	(240,149)	638,893
13	Corporate Operations	1,263,579	8,353	1,271,932
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			(79,520)
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	1,263,579	8,353	1,192,412
14	Total Operations Expenses (8 thru 12 +13b)	4,474,139	(279,689)	4,114,930
15	Operating Income or Margins (7 less 14)	(1,174,285)	279,689	(815,076)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes			0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)			0
19	Other Taxes	196,714	1	196,715
20	Total Operating Taxes (17+18+19)	196,714	1	196,715
21	Net Operating Income or Margins (15+16-20)	(1,370,999)	279,688	(1,011,791)
22	Interest on Funded Debt	350,277	-313785	36,492
23	Interest Expense - Capital Leases	4,432	-4432	0
24	Other Interest Expense			0
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	354,709	(318,217)	36,492
27	Nonoperating Net Income	(104,528)	54005	(50,523)
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	1,255,097	(597,905)	657,192
31	Total Net Income or Margins (21+27+28+29+30-26)	(575,139)	54,005	(441,614)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(6,477,161)		(6,477,161)
34	Miscellaneous Credits Year-to-Date			0
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 End-of-Period ((31+33+34)-(35+36+37+38)(A2)	(7,052,300)	54,005	(6,918,775)
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	1,515,716		1,515,716
45	Cash Ratio ((14+20-10-11)/7)	1.2925	#DIV/0!	1.1607
46	Operating Accrual Ratio ((14+20+26)/7)	1.5230	#DIV/0!	1.3177
47	TIER ((31+26)/26)	(0.6214)	0.8303	(11.1017)
48	DSCR ((31+26+10+11)/44)	0.1222	#DIV/0!	0.0504

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8, Inc. Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 2, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)
- (C) Corp. Op. Adj Exp. Reduction - See Exhibit 7 of Petition which takes () amount * 65% to Line 13a, Column C (Reduces total operating expense (L 14) and increases Operating Inc. (L15)

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior and Current Year Income Statement

Company Name:

Line #	Description	Adjusted Prior Year 2013	Adjusted Current Year 2014
1	Local Network Services Revenues	652,675	630,448
2	Network Access Services Revenues	2,298,937	2,485,848
3	Long Distance Network Services Revenues	0	170,056
4	Carrier Billing and Collection Revenues	41	32
5	Miscellaneous Revenues	32,157	31,717
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(13,577)	(18,247)
7	Net Operating Revenues (1 thru 6)	2,970,233	3,299,854
8	Plant Specific Operations Expense	1,420,212	1,396,095
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	389,851	405,969
10	Depreciation Expense	504,687	455,391
11	Amortization Expense	27,434	26,170
12	Customer Operations Expense	642,077	638,893
13	Corporate Operations	1,292,144	1,271,932
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	(81,021)	(79,520)
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	1,211,123	1,192,412
14	Total Operations Expenses (8 thru 12 +13b)	4,195,384	4,114,930
15	Operating Income or Margins (7 less 14)	(1,225,151)	(815,076)
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	0
19	Other Taxes	242,528	196,715
20	Total Operating Taxes (17+18+19)	242,528	196,715
21	Net Operating Income or Margins (15+16-20)	(1,467,679)	(1,011,791)
22	Interest on Funded Debt	105,721	36,492
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	0	0
25	Allowance for Funds Used During Construction	0	0
26	Total Fixed Charges (22+23+24-25)	105,721	36,492
27	Nonoperating Net Income	(8,432)	(50,523)
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	1,190,132	657,192
31	Total Net Income or Margins (21+27+28+29+30-26)	(391,700)	(441,614)
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	(5,954,180)	(6,477,161)
34	Miscellaneous Credits Year-to-Date	0	0
35	Dividends Declared (Common)	0	0
36	Dividends Declared (Preferred)	0	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))	(6,345,880)	(6,918,775)
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	806,692	1,515,716
45	Cash Ratio ((14+20-10-11)/7)	1.3150	1.1607
46	Operating Accrual Ratio ((14+20+26)/7)	1.5297	1.3177
47	TIER ((31+26)/26)	(2.7050)	(11.1017)
48	DSCR ((31+26+10+11)/44)	0.31	0.0504

Footnote

2013

2014

(A1) S Corporation Effective Tax Rate (2 decimal places):

Note:

Adjusted Income Statement reflects Part 64 Adjustments (Regulated to Nonregulated).

State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)
Prior and Current Year Access Revenue Detail

Company Name: (Below)

Mashell Telecom, Inc.

Line #	Description	Part 32 Account	Prior Year 2013	Current Year 2014
1	End User Revenue (SLC, ARC, etc.)	5081	343,826	365,734
2	Switched Access (excluding USF):	5082		
2a	Intrastate		194,426	117,497
2b	Interstate (includes CAF)		827,914	933,637
3	Special Access:	5083		
3a	Intrastate		44,721	34,048
3b	Interstate		592,036	718,303
4	Federal USF (ICLS/HCL/SN)	Varies	242,541	227,426
5	State USF		53,473	89,203
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		2,298,937	2,485,848
8	Line 2 of Income Stmt.		2,298,937	2,485,848
9	Difference		0	0

Footnote:

* - if > than 5% of Access revenue total, provide description below.

State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)
Out-of-Period Adjustments

Description of Out-of-Period - 2014 (As Recorded)	Part 32 Account	
	Debit	Credit
Adjustment #1:		
Adjustment #2:		
Adjustment #3:		
Adjustment #4		

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Rate of Return and Consolidated Return on Equity

Company Name: (Below)

Mashell Telecom, Inc.

Line #	Description	2014
1	Rate Base (Jan. 1)	1,809,899
2	Rate Base (Dec 31)	1,389,232
3	Average Rate Base	1,599,566
4	Net Operating Income	(1,011,791)
5	Out-of-Period Adjustments Net of FIT (A)	
6	Adjusted Net Operating Income	(1,011,791)
7	Earned Regulated Rate of Return	-63.25%
8	Consolidated Equity (Jan 1)	4,659,426
9	Consolidated Equity (Dec 31)	1,098,104
10	Average Equity	2,878,765
11	Consolidated Net Income	(575,139)
12	Out-of-Period Adjustments Net of FIT (B)	
13	Adjusted Consolidated Net Income	(575,139)
14	Earned Return on Equity	-19.98%

Footnote:

- (A) Source: Line 31 from Out-of-Period Adjustment work sheet