

STATE USF FILING
FINANCIAL TEMPLATE
"S CORP" COMPANIES

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

Company Name: (Below)
 HOOD CANAL TELEPHONE CO., 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	755,017		755,017	25. Accounts Payable	201,450		201,450
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	65,671		65,671
b. Other Accounts Receivable	97,315		97,315	29. Current Mat. L/T Debt	265,000		265,000
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	403,030		403,030	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	61,503		61,503
c. Notes Receivable	9,600		9,600	34. Other Current Liabilities	516,546		516,546
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	1,110,170	0	1,110,170
6. Material-Regulated	150,988		150,988	LONG-TERM DEBT			
7. Material-Nonregulated	350,590		350,590	36. Funded Debt-RUS Notes	1,187,879		1,187,879
8. Prepayments	97,785		97,785	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	1,864,325	0	1,864,325	39. Funded Debt-Other			0
NONCURRENT ASSETS				40. Funded Debt-Rural Develop. Loan	595,391		595,391
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			0
12. Other Investments				44. Adv. From Affiliated Companies			0
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development	126,858		126,858	46. Total Long-Term Debt (36 thru 45)	1,783,270	0	1,783,270
13. Nonregulated Investments (B1)	4,400,728	452,544	4,853,272	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	388,566		388,566	47. Other Long-Term Liabilities			0
15. Deferred Charges			0	48. Other Deferred Credits (C)	276,214	(26,827)	249,387
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	4,916,152	452,544	5,368,696	50. Total Other Liab. & Def. Credits (47 thru 49)	276,214	(26,827)	249,387
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	7,194,981	(729,986)	6,464,995	51. Cap. Stock Outstanding & Subscribed	50,000		50,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction	323,561	(318,705)	4,856	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(6,233,303)	596,147	(5,637,156)	55. Other Capital	515,689		515,689
23. Net Plant (18 thru 21 less 22)	1,285,239	(452,544)	832,695	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	8,065,716	0	8,065,716	57. Retained Earnings or Margins (B2)	4,330,373	26,827	4,357,200
				58. Total Equity (51 thru 57)	4,896,062	26,827	4,922,889
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,065,716	0	8,065,716

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)
Current Year Balance Sheet

Company Name: (Below)
HOOD CANAL TELEPHONE CO., INC.

ASSETS	Balance End of Year 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	834,550		834,550	25. Accounts Payable	315,681		315,681
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	69,265		69,265
b. Other Accounts Receivable	92,007		92,007	29. Current Mat. L/T Debt	275,300		275,300
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	352,376		352,376	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	92,725		92,725
c. Notes Receivable	9,800		9,800	34. Other Current Liabilities	544,396		544,396
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	1,297,367	0	1,297,367
6. Material-Regulated	199,209		199,209	LONG-TERM DEBT			
7. Material-Nonregulated	199,487		199,487	36. Funded Debt-RUS Notes	1,054,853		1,054,853
8. Prepayments	114,288		114,288	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	1,801,717	0	1,801,717	39. Funded Debt-Other			0
NONCURRENT ASSETS				40. Funded Debt-Rural Develop. Loan	433,411		433,411
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			0
12. Other Investments				44. Adv. From Affiliated Companies			0
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development	135,232		135,232	46. Total Long-Term Debt (36 thru 45)	1,488,264	0	1,488,264
13. Nonregulated Investments (B1)	4,371,870	497,045	4,868,915	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	378,790		378,790	47. Other Long-Term Liabilities			0
15. Deferred Charges			0	48. Other Deferred Credits (C)	230,940	(24,481)	206,459
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	4,885,892	497,045	5,382,937	50. Total Other Liab. & Def. Credits (47 thru 49)	230,940	(24,481)	206,459
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	7,577,200	(859,305)	6,717,895	51. Cap. Stock Outstanding & Subscribed	50,000		50,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction	322,515	(310,451)	12,064	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(6,372,069)	672,711	(5,699,358)	55. Other Capital	515,689		515,689
23. Net Plant (18 thru 21 less 22)	1,527,646	(497,045)	1,030,601	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	8,215,255	0	8,215,255	57. Retained Earnings or Margins (B2)	4,632,995	24,481	4,657,476
				58. Total Equity (51 thru 57)	5,198,684	24,481	5,223,165
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,215,255	0	8,215,255

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)
 HOOD CANAL TELEPHONE CO., INC.

ASSETS	Adjusted Prior Year Balance 2014	Adjusted Current Year Balance 2015	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2014	Adjusted Current Year Balance 2015
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	755,017	834,550	25. Accounts Payable	201,450	315,681
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	0	0	28. Customer Deposits	65,671	69,265
b. Other Accounts Receivable	97,315	92,007	29. Current Mat. L/T Debt	265,000	275,300
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	403,030	352,376	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	61,503	92,725
c. Notes Receivable	9,600	9,800	34. Other Current Liabilities	516,546	544,396
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	1,110,170	1,297,367
6. Material-Regulated	150,988	199,209	LONG-TERM DEBT		
7. Material-Nonregulated	350,590	199,487	36. Funded Debt-RUS Notes	1,187,879	1,054,853
8. Prepayments	97,785	114,288	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)	1,864,325	1,801,717	39. Funded Debt-Other	0	0
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	595,391	433,411
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	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	126,858	135,232	46. Total Long-Term Debt (36-45)	1,783,270	1,488,264
13. Nonregulated Investments	4,853,272	4,868,915	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	388,566	378,790	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Other Deferred Credits	249,387	206,459
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	5,368,696	5,382,937	50. Total Other Liab. & Def. Credits (47 thru 49)	249,387	206,459
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	6,464,995	6,717,895	51. Cap. Stock Outstanding & Subscribed	50,000	50,000
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	4,856	12,064	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(5,637,156)	(5,699,358)	55. Other Capital	515,689	515,689
23. Net Plant (18 thru 21 less 22)	832,695	1,030,601	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	8,065,716	8,215,255	57. Retained Earnings or Margins	4,357,200	4,657,476
			58. Total Equity (51 thru 57)	4,922,889	5,223,165
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,065,716	8,215,255

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)
 HOOD CANAL TELEPHONE CO., INC.

Line #	Description	B/S Line #	Adj. Balance End of Year 2014	Adj. Balance End of Year 2015	Average Adj End of Year Balance
Average Rate Base:					
1	Total Regulated Adjusted Telecom Plant-In-service	18	6,464,995	6,717,895	6,591,445
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(5,637,156)	(5,699,358)	(5,668,257)
4	Total Regulated Materials & Supplies	6	150,988	199,209	175,099
5	Deferred Income Taxes (CR)		(103,757)	(155,354)	(129,556)
6	Total Regulated Rate Base		875,070	1,062,392	968,731

Footnotes:

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

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

Company Name: (Below)

HOOD CANAL TELEPHONE CO., INC.

Line #	Description	Prior Year End of Yr. Balance - 2014	Current Year End of Yr. Balance - 2015	Difference	% Change
	Access Lines:				
1	Residential	627	613	(14)	-2.2%
2	Business	222	224	2	0.9%
3	Total	849	837	(12)	-1.4%

Note: If 2014 does not equal last year's petition and template, explain.

PETITION OF HOOD CANAL TELEPHONE CO., INC.
 TO RECEIVE SUPPORT FROM STATE UNIVERSAL
 COMMUNICATIONS SERVICES PROGRAM -
 EXHIBIT 4-6

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

Company Name: (Below)
 HOOD CANAL TELEPHONE CO., INC.

Line #	Description	Prior Year 2014 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2014 (C)
1	Local Network Services Revenues	185,015		185,015
2	Network Access Services Revenues	1,451,034		1,451,034
3	Long Distance Network Services Revenues	194,216	(159,235)	34,981
4	Carrier Billing and Collection Revenues	377		377
5	Miscellaneous Revenues	20,660		20,660
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	1,798		1,798
7	Net Operating Revenues (1 thru 6)	1,853,100	(159,235)	1,693,865
8	Plant Specific Operations Expense	1,248,392	(299,621)	948,771
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	127,367	67,313	194,680
10	Depreciation Expense	373,431	(65,269)	308,162
11	Amortization Expense	6,560	(6,560)	0
12	Customer Operations Expense	657,386	(218,852)	438,534
13	Corporate Operations	792,919	(118,457)	674,462
14	Total Operations Expenses (8 thru 12 +13b)	3,206,055	(641,446)	2,564,609
15	Operating Income or Margins (7 less 14)	(1,352,955)	482,211	(870,744)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes	116,726	10,423	127,149
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes			0
20	Total Operating Taxes (17+18+19)	116,726	10,423	127,149
21	Net Operating Income or Margins (15+16-20)	(1,469,681)	471,788	(997,893)
22	Interest on Funded Debt	74,505	(69,376)	5,129
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	4,880		4,880
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	79,385	(69,376)	10,009
27	Nonoperating Net Income	13,146		13,146
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	1,861,557	(541,164)	1,320,393
31	Total Net Income or Margins (21+27+28+29+30-26)	325,637	0	325,637
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	4,004,736		4,004,736
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)	4,330,373	0	4,330,373
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	352,825		352,825
45	Cash Ratio ((14+20-10-11)/7)	1.5880	3.5118	1.4072
46	Operating Accrual Ratio ((14+20+26)/7)	1.8359	4.3985	1.5950
47	TIER ((31+26)/26)	5.1020	1.0000	33.5344
48	DSCR ((31+26+10+11)/44)	2.2249	#DIV/0!	1.8247

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9 Inc. Stmt 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) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

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

Company Name: (Below)
HOOD CANAL TELEPHONE CO., INC.

Line #	Description	Current Year 2015 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2015 (C)
1	Local Network Services Revenues	197,205		197,205
2	Network Access Services Revenues	1,609,461		1,609,461
3	Long Distance Network Services Revenues	204,176	(171,676)	32,500
4	Carrier Billing and Collection Revenues	0		0
5	Miscellaneous Revenues	20,582		20,582
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	1,536		1,536
7	Net Operating Revenues (1 thru 6)	2,032,960	(171,676)	1,861,284
8	Plant Specific Operations Expense	1,236,062	(297,911)	938,151
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	141,765	35,738	177,503
10	Depreciation Expense	265,637	(79,801)	185,836
11	Amortization Expense	6,560	(6,560)	0
12	Customer Operations Expense	647,884	(226,030)	421,854
13	Corporate Operations	855,139	(115,053)	740,086
14	Total Operations Expenses (8 thru 12 +13b)	3,153,047	(689,617)	2,463,430
15	Operating Income or Margins (7 less 14)	(1,120,087)	517,941	(602,146)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes	169,689	(11,751)	157,938
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes			0
20	Total Operating Taxes (17+18+19)	169,689	(11,751)	157,938
21	Net Operating Income or Margins (15+16-20)	(1,289,776)	529,692	(760,084)
22	Interest on Funded Debt	65,565	(58,276)	7,289
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	6,744		6,744
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	72,309	(58,276)	14,033
27	Nonoperating Net Income	10,563		10,563
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	2,078,439	(587,968)	1,490,471
31	Total Net Income or Margins (21+27+28+29+30-26)	726,917	0	726,917
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	4,330,373		4,330,373
34	Miscellaneous Credits Year-to-Date			0
35	Dividends Declared (Common)	424,295		424,295
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)	4,632,995	0	4,632,995
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	350,781		350,781
45	Cash Ratio ((14+20-10-11)/7)	1.5005	3.5824	1.3085
46	Operating Accrual Ratio ((14+20+26)/7)	1.6700	4.4249	1.4159
47	TIER ((31+26)/26)	11.0529	1.0000	52.8005
48	DSCR ((31+26+10+11)/44)	3.0544	#DIV/0!	2.6421

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9, Inc. Stmt 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) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

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

Company Name: (Below)
 HOOD CANAL TELEPHONE CO., INC.

Line #	Description	Adjusted Prior Year 2014	Adjusted Current Year 2015
1	Local Network Services Revenues	185,015	197,205
2	Network Access Services Revenues	1,451,034	1,609,461
3	Long Distance Network Services Revenues	34,981	32,500
4	Carrier Billing and Collection Revenues	377	0
5	Miscellaneous Revenues	20,660	20,582
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	1,798	1,536
7	Net Operating Revenues (1 thru 6)	1,693,865	1,861,284
8	Plant Specific Operations Expense	948,771	938,151
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	194,680	177,503
10	Depreciation Expense	308,162	185,836
11	Amortization Expense	0	0
12	Customer Operations Expense	438,534	421,854
13	Corporate Operations	674,462	740,086
14	Total Operations Expenses (8 thru 12 +13b)	2,564,609	2,463,430
15	Operating Income or Margins (7 less 14)	(870,744)	(602,146)
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	127,149	157,938
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	0
19	Other Taxes	0	0
20	Total Operating Taxes (17+18+19)	127,149	157,938
21	Net Operating Income or Margins (15+16-20)	(997,893)	(760,084)
22	Interest on Funded Debt	5,129	7,289
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	4,880	6,744
25	Allowance for Funds Used During Construction	0	0
26	Total Fixed Charges (22+23+24-25)	10,009	14,033
27	Nonoperating Net Income	13,146	10,563
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	1,320,393	1,490,471
31	Total Net Income or Margins (21+27+28+29+30-26)	325,637	726,917
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	4,004,736	4,330,373
34	Miscellaneous Credits Year-to-Date	0	0
35	Dividends Declared (Common)	0	424,295
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))	4,330,373	4,632,995
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	352,825	350,781
45	Cash Ratio ((14+20-10-11)/7)	1.4072	1.3085
46	Operating Accrual Ratio ((14+20+26)/7)	1.5950	1.4159
47	TIER ((31+26)/26)	33.5344	52.8005
48	DSCR ((31+26+10+11)/44)	1.82	2.6421

Footnote	2014	2015
(A1) S Corporation Effective Tax Rate (2 decimal places):	17.25%	28.22%

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)
HOOD CANAL TELEPHONE CO., INC.

Line #	Description	Part 32 Account	Prior Year 2014	Current Year 2015
1	End User Revenue (SLC, ARC, etc.)	5081	99,563	101,921
2	Switched Access (excluding USF):	5082		
2a	Intrastate		84,536	65,232
2b	Interstate (includes CAF)		314,036	349,046
3	Special Access:	5083		
3a	Intrastate		796	120
3b	Interstate		225,631	189,794
4	Federal USF (ICLS/HCL/SN)	Varies	676,854	795,123
5	State USF		49,618	108,225
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		1,451,034	1,609,461
8	Line 2 of Income Stmt.		1,451,034	1,609,461
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 and Pro Forma Adjustments

Company Name: (Below)

HOOD CANAL TELEPHONE CO., INC.

Description of Out-of-Period - 2015 (As Recorded) OR Pro Forma (PF) Adjustments for Current Year or Reversing from Prior Year	Year	OOP or PDF?	Part 32 Account	
			Debit	Credit
Adjustment #1:				
Adjustment #2:				
Adjustment #3:				
Adjustment #4				
Adjustment #5				

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

Company Name:
HOOD CANAL TELEPHONE CO., INC.

Line #	Source(A)	Net Operating Income Inputted FIT Calculation	2015	
1	Page 9, Line 21 (CY)	Adjusted Net Operating Income	(760,084)	
2		Out-of-Period or Pro Forma Adjustments		
3	Page 9, Line 26 (CY)	Total Fixed Charges	14,033	(A)
4	Sum	Adj. Taxable Operating Income (Line 1 + Line 2 - Line 3)	(774,117)	
5		Inputted S Corp. Tax Rate(B)	28.22%	
6	Calculated	inputted FIT (Line 4* Line 5)	(218,456)	
7	Sum	Adj. Net Operating income after FIT (Line 1 - Line 6)	(541,628)	(B)
NonOperating Income Inputted FIT Calculation				
8	Page 9, Line 27 (CY)	Nonoperating net income	10,563	
9	Page 9, Line 30 (CY)	Nonregulated net income	1,490,471	
10	Sum	Sub-Total (Line 27+Line 30)	1,501,034	
11		Inputted S Corp. Tax Rate(B)	28.22%	
12	Calculated	FIT (Line 10 * Line 11)	423,592	
13	Sum	Nonop/Nonreg income after FIT (Line 10 - Line 12)	1,077,442	(C)
14	Sum	Adjusted Net Income w/inputted FIT	521,781	(B)+(C)-(A)
Sanity Check:				
15	Page 9, Line 31 (CY)	Line 31 as reported	726,917	
16		Out-of-Period or Pro Forma Adjustments	-	
17		Total	726,917	
18		Inverse of effective tax rate (100%-Line 10 percent)	71.78%	
19	Calculated	Adjusted Net Income (Line 17*Line 18) = Line 14	521,781	(D)
Regulated Rate of Return				
20	Page 5, Total (PY)	Regulated rate base Year End 2014	875,070	
21	Page 5, Total (CY)	Regulated rate base Year End 2015	1,062,392	
22	Sum	Total	1,937,462	
23	Calculated	Simple Avg.	968,731	(E)
24	Line 7 (above)	Adj Operating Income after inputted FIT	(541,628)	
27	Calculated	Regulated rate of return	-55.9%	(B)/(E)
Total Consolidated Company Return on Equity				
28	Audited FinStmts	Total Equity Year End 2014	5,341,626	
29	Audited FinStmts	Total Equity Year End 2015	5,975,421	
30	Sum	Total	11,317,047	
31	Calculated	Simple Avg.	5,658,524	(G)
32	Audited FinStmts	Consolidated Net Income	731,110	
33	Line 2 above	Out-of-period or Pro Forma Adjustments	-	
34		Adjusted Consolidated Net Income	731,110	
35		Inputted S Corp Tax Rate	28.22%	
36		Inputted FIT (Line 34 * Line 35)	206,319	
37	Sum	Adj Consolidated Net Income after inputted FIT	524,791	(H)
38	Calculated	Total Adj. Consolidated Company Return on Equity	9.3%	(H)/(G)

Footnotes:

Lines 2, 16 & 33 will be completed by Staff

Lines 28, 29 & 32 to be completed by the Company