

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2018

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2021
<030> Contact Name: Person USAC should contact with questions about this data	Richard Buechel
<035> Contact Telephone Number: Number of the person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address: Email of the person identified in data line <030>	rbuechel@hcc.net
Form Type	54.313 and 54.422

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
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<035>	Contact Telephone Number - Number of person identified in data line	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line	rbuechel@hcc.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	
<410>	Complaints per 1000 customers for fixed voice	
<420>	Complaints per 1000 customers for mobile voice	

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection FormFCC Form 481
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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<515>	Certify compliance with applicable minimum service standards	

**(600) Functionality in Emergency Situations
Data Collection Form**FCC Form 481
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<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	522419wa610.pdf

Line 610
Statement Demonstrating Functionality
In Emergency Situations

At line 600 of FCC Form 481, Hood Canal Telephone Co., Inc. (“Hood Canal”) certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(2). This means that Hood Canal has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Hood Canal is prepared to ensure continued service in an emergency situation.

Hood Canal has battery back-up with a minimum of an eight hour run time for its central office. In addition, it has a back-up generator for the central office and operations center and portable generators available for remote sites.

Hood Canal has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

Hood Canal's outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Hood Canal is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Hood Canal maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Hood Canal's emergency service equipment is located within its exchange and requires very little time to dispatch.

**(900) Tribal Lands Reporting
Data Collection Form**

**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
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<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

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<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<1210> Terms & Conditions of Voice Telephony Lifeline Plans	<div style="border: 1px solid black; width: 100%; height: 80px; margin-bottom: 5px;">522419wa1210.pdf</div> Name of Attached Document
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<1220> Link to Public Website	HTTP https://www.hcc.net/phone/
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“Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

PUBLIC NOTICE

Advertisement

HOOD CANAL COMMUNICATIONS

Hood Canal Communications has been the local telecommunications company serving the Union, Washington area since 1934. Since its inception, the company has been dedicated to developing and operating a modern, state-of-the-art communications network that provides high quality customer services and products at reasonable rates. The company has accomplished these objectives, notwithstanding the higher costs of serving rural areas in the State of Washington and when few, if any, other telephone companies were interested in serving our communities. It has served, and intends to continue to serve both residential and business customers in our service area with high quality telecommunications services at rates that are competitive and affordable. In addition to our basic telephone services, Hood Canal Communications offers advanced telecommunications services to its rural communities, including broadband services, special calling features and voice mail service. Such basic services are comprised of several components, which at a minimum include: Monthly Charge * Services Offered Residence Business Single-party, voice grade access to the \$18.00**/** \$19.50** public switched network, including an unlimited amount of local calling Charge * Touch calling (dual tone multi-frequency There is no charge by Hood Canal signaling, or its functional equivalent) Communications for this capability. Access to operator services There is

Affidavit of Publication

STATE OF WASHINGTON }
COUNTY OF MASON } SS.

David Pierik, being first duly sworn on oath deposes and says that he is the **Clerk** of the SHELTON-MASON COUNTY JOURNAL, a weekly newspaper. That said newspaper is a legal newspaper and it is now and has been for more than six months prior to the date of the publication hereinafter referred to, published in the English language continuously as a weekly newspaper in SHELTON, Mason County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the said SHELTON-MASON COUNTY JOURNAL was on the 9th day of August, 1941, approved as a legal newspaper by the Superior Court of said Mason County.

That the annexed is a true copy of a **Public Notice of ETC Advertisement Hood Canal Communications**

2247

as it was published in regular issues and not in supplement form of said newspaper once each week for a period of One week, commencing on the 17th day of October, 2019 and ending on the 17th day of October, 2019, all dates inclusive, and that such newspaper was regularly distributed to its subscribers during all of the said period. That the full amount of the fee charged for the foregoing publication is the sum of \$435.00

David Pierik

(David Pierik, Clerk)

Subscribed and sworn to before me this 17th day of October, 2019

Donna Kinnaird

(Donna Kinnaird, Notary Public)
Notary Public in and for the State of Washington
Residing at Shelton, Washington

My commission expires **March 14, 2020**

DONNA KINNAIRD
NOTARY PUBLIC
STATE OF WASHINGTON
My Commission Expires Mar. 14, 2020

227 W. Cota Street, P.O. Box 430, Shelton, WA 98584
Phone 360-426-4412, Fax 360-426-9399
e-mail: legals@masoncounty.com

Total

no additional charge by Hood Canal Communications to end user customers for the ability to call the operator. However, the call may involve a charge depending on the service requested and the rates of the company whose operator handled the call. Access to Emergency 911 service There is no additional charge by Hood Canal Communications to end user customers for the ability to access Emergency 911 service.*** Access to Directory Assistance There is no additional charge by Hood Canal Communications to end user customers for the ability to call Directory Assistance. However, the call may involve a Directory Assistance charge, the amount of which depends on the area called and the rates of the company whose operator provided the directory information. Access to interexchange (long There is no additional charge by Hood Canal distance) service provider(s) Communications to end user customers for the ability to place and receive toll calls through long distance networks of long distance carriers that offer service through the company's local network. However, toll calls may involve a charge from the long distance carrier depending on the type of call. Toll limitation service for qualifying There is no additional charge by Hood Canal low-income customers Communications to qualifying low-income customers for toll blocking service. Qualifying low-income customers are generally participating in the Lifeline program. * The charges set forth are subject to change and in some instances are subject to change without notice. Certain non-recurring charges may also apply to installation or change of service.** In addition to these charges, a Federally-mandated end user surcharge and other Federal, state and county taxes and surcharges apply. *** Discounts off of this rate are available to qualifying low-income customers. **** State and county taxes apply (currently \$0.95 per line, per month) to fund the provision of this capability. Hood Canal Communications participates in the Federal Lifeline and Link-Up Programs. Under these programs, Hood Canal Communications offers to qualifying low-income customers a discount off the monthly rate for basic residential exchange service or broadband service. Hood Canal Communications offers a monthly discount of \$9.25 off of the published rates for Lifeline residential telephone or broadband service. Currently the rate for Lifeline telephone service is \$8.75 per month and is subject to the standard subscriber line charge. These services are available to all qualifying customers of Hood Canal Communications. The charges associated with these services are reflected each month on the regular telephone bill along with other charges for services provided by the company. Other telecommunications services are available by contacting the Hood Canal Communications Business Office at (360) 898-2481 or 1-800-356-9989 if calling from outside the company's local calling area.

2247 October 17 1t

Affidavit of Publication

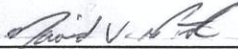
STATE OF WASHINGTON }
COUNTY OF MASON } SS.

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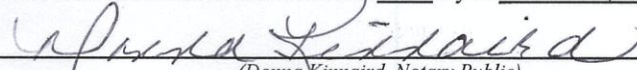
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as it was published in regular issues and not in supplement form of said newspaper once each week for a period of One week, commencing on the 17th day of October, 2019 and ending on the 17th day of October, 2019, all dates inclusive, and that such newspaper was regularly distributed to its subscribers during all of the said period. That the full amount of the fee charged for the foregoing publication is the sum of \$435.00



(David Pierik, Clerk)

Subscribed and sworn to before me this 17th day of October, 2019



(Donna Kinnaird, Notary Public)
Notary Public in and for the State of Washington
Residing at Shelton, Washington

My commission expires **March 14, 2020**

HOOD CANAL TELEPHONE CO., INC.
522419

Line 1222 Details on the number of minutes provided as part of the plan.

Hood Canal only provides its lifeline customers a flat rate local service. There is no measured local service provided, so the number of minutes provided is not necessary.

Line 1223 Additional charges for toll calls, and rates for each such plan.

Hood Canal does provide access to toll service providers to its lifeline customers. The lifeline customer has to choose its own toll service provider, so no additional charges are noted or required by Hood Canal.

(2005) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2018.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

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(3007) Does this filing retain a Cost Consultant and/or Firm, or other Third Party to prepare financial and operations data disclosures submitted to the National Exchange Carrier Association (NECA), USAC, or the Administrator? Yes

(3007a)	(3007b)
Name of Consultant	Name of Consultant Firm/Third Party
RJ Del Mese	Moss Adams
Jenifer Wasnock	Johnson, Stone & Pagano

CAF BLS Reporting

(3008A)	Please indicate whether new locations were deployed during the prior calendar year.	(Yes/No)	Yes
(3008B)	Please enter the number of newly deployed locations in the prior calendar year associated with each of the following speed tiers.		
(3008B1)	Number of newly deployed locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.		0
(3008B2)	Number of newly deployed locations with access to broadband speeds of 25/3 Mbps or higher.		34
(3008C)	Please provide the percentage of deployment across the entire study area.		96

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Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)} 522419wa3010b.pdf

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} No - No New Community Anchors

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information 522419wa3017.pdf

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or

(2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information



HoodCanal
COMMUNICATIONS

Cable TV - Voice - Broadband - Computer Repair

July 1, 2020

To: Commission Secretary, Office of Secretary
Federal Communications Commission
445 – 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: FCC Form 481
47 CFR 54.313(f)(1)(i)
Milestone Certification
Hood Canal Telephone Co., Inc.
Union, Washington
Study Area Code 522419

Hood Canal Telephone Co., Inc., SAC 522419, hereby certifies as required by 47 CFR 54.313 (f)(1)(i) for the FCC Form 481 program year 2021 that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 25 Mbps downstream/3 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such services are met within a reasonable amount of time.

By: Richard Buechel
Richard Buechel
President

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Hood Canal Telephone Co., Inc.</p> <p style="text-align: center;">(Prepared with Audited Data)</p>
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<p><i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i></p>	<p>PERIOD ENDING December 2019</p>	<p>BORROWER DESIGNATION WA0541</p>
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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.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,502,837	1,772,669	25. Accounts Payable	420,471	354,414
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	75,682	81,627
b. Other Accounts Receivable	121,363	156,772	29. Current Mat. L/T Debt	174,829	74,482
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	498,752	434,922	32. Income Taxes Accrued		
b. Other Accounts Receivable		350,000	33. Other Taxes Accrued	137,516	102,287
c. Notes Receivable	19,300	10,700	34. Other Current Liabilities	669,448	778,504
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,477,946	1,391,314
6. Material-Regulated	262,116	229,897	LONG-TERM DEBT		
7. Material-Nonregulated	682,894	525,808	36. Funded Debt-RUS Notes	703,036	614,271
8. Prepayments	141,178	225,313	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	3,228,440	3,706,081	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	161,265	166,328	46. Total Long-Term Debt (36 thru 45)	703,036	614,271
13. Nonregulated Investments	4,095,996	4,963,866	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	558,887	337,068	47. Other Long-Term Liabilities		458,179
15. Deferred Charges			48. Other Deferred Credits	92,657	45,664
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	4,816,148	5,467,262	50. Total Other Liabilities and Deferred Credits (47 thru 49)	92,657	503,843
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	9,443,150	9,222,002	51. Cap. Stock Outstand. & Subscribed	50,000	50,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	351,082	384,107	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	7,792,262	7,692,369	55. Other Capital	515,689	515,689
23. Net Plant (18 thru 21 less 22)	2,001,970	1,913,740	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	7,207,230	8,011,966
	10,046,558	11,087,083	58. Total Equity (51 thru 57)	7,772,919	8,577,655
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	10,046,558	11,087,083

Total Equity = 77.37% % of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0541

PERIOD ENDING

December 2019

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	198,608	184,898
2. Network Access Services Revenues	1,556,314	2,101,552
3. Long Distance Network Services Revenues	254,948	294,402
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	18,460	17,963
6. Uncollectible Revenues	4,713	7,184
7. Net Operating Revenues (1 thru 5 less 6)	2,023,617	2,591,631
8. Plant Specific Operations Expense	1,605,519	1,802,577
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	240,398	250,086
10. Depreciation Expense	201,754	527,488
11. Amortization Expense	6,560	6,560
12. Customer Operations Expense	641,892	676,982
13. Corporate Operations Expense	803,666	880,305
14. Total Operating Expenses (8 thru 13)	3,499,789	4,143,998
15. Operating Income or Margins (7 less 14)	(1,476,172)	(1,552,367)
16. Other Operating Income and Expenses		
17. State and Local Taxes	103,137	138,374
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)	103,137	138,374
21. Net Operating Income or Margins (15+16-20)	(1,579,309)	(1,690,741)
22. Interest on Funded Debt	31,753	22,158
23. Interest Expense - Capital Leases		
24. Other Interest Expense	2,308	2,542
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	34,061	24,700
27. Nonoperating Net Income	18,139	7,679
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	2,969,339	3,070,677
31. Total Net Income or Margins (21+27+28+29+30-26)	1,374,108	1,362,915
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	5,833,122	7,207,230
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		100,000
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		458,179
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	7,207,230	8,011,966
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	0
44. Annual Debt Service Payments	318,352	220,865
45. Cash Ratio [(14+20-10-11) / 7]	1.6775	1.4463
46. Operating Accrual Ratio [(14+20+26) / 7]	1.7973	1.6619
47. TIER [(31+26) / 26]	41.3426	56.1787
48. DSCR [(31+26+10+11) / 44]	5.0777	8.7006

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December 2019

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Union	19.50	18.00	152	468	620	127.70	30.65
Route Mileage Outside Exchange Area						374.38	287.38
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			152	468	620	502.08	318.03
No. Exchanges	2						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December 2019

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Union	693	1,055	26	6,000	768	39.95	StandAlone	
Route Mileage Outside Exchange Area								
Total	693	1,055						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
	PERIOD ENDING December 2019

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees 18	2. No. Other Employees 24	3. Square Miles Served 16	4. Access Lines per Square Mile 38.75	5. Subscribers per Route Mile 1.23
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PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)			
a. 522419	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
b. _____				
c. _____	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
d. _____				
e. _____				
f. _____				
g. _____				
h. _____				
i. _____				
j. _____				

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	2,138,855
6. Salvaged Materials	6,500
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	2,145,355

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS
**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0541

PERIOD ENDING

December 2019

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	16.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	17.31%
7. Land and support assets - General purpose computers	18.00%
8. Central Office Switching - Digital	9.59%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	11.19%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.59%
19. Cable and wire facilities - Aerial cable - Metal	20.40%
20. Cable and wire facilities - Aerial cable - Fiber	7.11%
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.35%
26. Cable and wire facilities - Other	

USDA-RUS

BORROWER DESIGNATION

WA0541

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December 2019

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,502,837
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	1,362,915
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	527,488
4. Add: Amortization	6,560
5. Other (Explain) Reclassification of depreciation, deposits, deferred credits, advances, etc.	712,512
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	(321,579)
7. Decrease/(Increase) in Materials and Inventory	189,305
8. Decrease/(Increase) in Prepayments and Deferred Charges	(84,135)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	(66,057)
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	73,827
13. Net Cash Provided/(Used) by Operations	2,400,836
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	8,600
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	5,945
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(189,112)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	411,186
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20. Less: Payment of Dividends	(100,000)
21. Less: Patronage Capital Credits Retired	0
22. Other (Explain) Reclassification of deposit, deferred credits, dividend declared and change in investment note.	(325,731)
23. Net Cash Provided/(Used) by Financing Activities	(189,112)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	188,123
25. Other Long-Term Investments	(872,933)
26. Other Noncurrent Assets & Jurisdictional Differences	221,819
27. Other (Explain) Remove retirements and trfs from line 24, reclassification of depreciation, salvage, advances, etc.	(1,478,901)
28. Net Cash Provided/(Used) by Investing Activities	(1,941,892)
29. Net Increase/(Decrease) in Cash	269,832
30. Ending Cash	1,772,669

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December 2019
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December 2019
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

Operating Report Checks

Borrower Name: Hood Canal Telephone Co., Inc.

Year: 2019

Borrower ID: WA0541

Period: December

Part C: Subscriber (Access Line), Route Mile, & High Speed Data Information

Type	Check Key	Description
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Warning	1370	Total Number of Exchanges changed significantly from prior year. <i>Borrower Explanation: Prior year report wasn't able to input Outside Exchange Mileage</i>
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Warning	1390	Total miles changed significantly from prior year. Values and rules checked: 126.69 (Yr: 2018) = 502.08 (Yr: 2019). Tolerance percentage: 15% <i>Borrower Explanation: Prior year report wasn't able to input Outside Exchange Mileage</i>
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Warning	1396	Row 1, Column 4(g), Broadband Service - Type of Technology, should be completed if Number of Subscribers (c) is greater than zero.
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(3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2018

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2021
<030> Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext. 204
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

Financial Data Summary

(3027) Revenue	2591631
(3028) Operating Expenses	4143998
(3029) Net Income	1362915
(3030) Telephone Plant In Service(TPIS)	9222002
(3031) Total Assets	11087083
(3032) Total Debt	688753
(3033) Total Equity	8577655
(3034) Dividends	0

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide a list of newly served community anchor institutions.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information

(6005) Phase II Auction Reporting**Data Collection**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

April 2020

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<6010> Total amount of Phase II auction support,
if any, the phase II Auction recipient carrier used
for capital expenditures in the previous calendar year

<6011> Phase II Auction recipient performance requirements certification (Yes/No)

(7005) Phase-Down Support Reporting
Data Collection

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

April 2020

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<7010> Price Cap Carrier and Fixed Competitive Eligible Telecommunications Carrier Phase-Down support requirement certification (Yes/No)

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I certify that (Name of Agent) <u>Johnson, Stone & Pagano</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.</p>	
Name of Authorized Agent:	<u>Johnson, Stone & Pagano</u>
Name of Reporting Carrier:	<u>HOOD CANAL TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/17/2020</u>
Printed name of Authorized Officer:	<u>Richard Buechel</u>
Title or position of Authorized Officer:	<u>President</u>
Telephone number of Authorized Officer:	<u>3608982481 ext.204</u>
Study Area Code of Reporting Carrier:	<u>522419</u> Filing Due Date for this form: <u>07/01/2020</u>
<p style="font-size: small;">Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</p>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.</p>	
Name of Reporting Carrier:	<u>HOOD CANAL TEL CO</u>
Name of Authorized Agent Firm:	<u>Johnson, Stone & Pagano</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/17/2020</u>
Name of Authorized Agent Employee:	<u>Jenifer Wasnock</u>
Title or position of Authorized Agent or Employee of Agent	<u>Manager Consultant/Audit</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>2535667070 ext.278</u>
Study Area Code of Reporting Carrier:	<u>522419</u> Filing Due Date for this form: <u>07/01/2020</u>
<p style="font-size: small;">Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</p>	