

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)
 Kalama Telephone Company

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	598,846		598,846	25. Accounts Payable	178,707		178,707
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	181,200		181,200
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	31,572		31,572	32. Income Taxes Accrued			0
b. Other Accounts Receivable	267,457		267,457	33. Other Taxes Accrued	16,967		16,967
c. Notes Receivable			0	34. Other Current Liabilities	2,111,895		2,111,895
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	2,488,769	0	2,488,769
6. Material-Regulated	38,719		38,719	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments			0	37. Funded Debt-RTB Notes	811,146		811,146
9. Other Current Assets	62,775		62,775	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	999,369	0	999,369	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		0	42. Reacquired Debt			0
b. Nonrural Development	0		0	43. Obligations Under Capital Lease			0
12. Other Investments				44. Adv. From Affiliated Companies			0
a. Rural Development	0		0	45. Other Long-Term Debt			0
b. Nonrural Development			0	46. Total Long-Term Debt (36 thru 45)	811,146	0	811,146
13. Nonregulated Investments (B1)		3,705	3,705	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	6,723		6,723	47. Other Long-Term Liabilities			0
15. Deferred Charges	418,090	-579	417,511	48. Other Deferred Credits (C)			0
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	424,813	3,126	427,939	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0	0
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	17,719,333	(37,651)	17,681,682	51. Cap. Stock Outstanding & Subscribed	35,000		35,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction	177,357		177,357	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(14,883,809)	34,525	(14,849,284)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	3,012,881	(3,126)	3,009,755	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	4,437,063	0	4,437,063	57. Retained Earnings or Margins (B2)	1,102,148	0	1,102,148
				58. Total Equity (51 thru 57)	1,137,148	-	1,137,148
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,437,063	0	4,437,063

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)

Kalama Telephone Company

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	1,027,268		1,027,268	25. Accounts Payable	35,311		35,311
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	193,300		193,300
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	32,326		32,326	32. Income Taxes Accrued			0
b. Other Accounts Receivable	288,915		288,915	33. Other Taxes Accrued	16,516		16,516
c. Notes Receivable			0	34. Other Current Liabilities	85,990		85,990
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	331,117	0	331,117
6. Material-Regulated	42,517		42,517	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments			0	37. Funded Debt-RTB Notes	617,555		617,555
9. Other Current Assets	39,545		39,545	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	1,430,571	0	1,430,571	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			0
12. Other Investments				44. Adv. From Affiliated Companies	2,603,424		2,603,424
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development			0	46. Total Long-Term Debt (36 thru 45)	3,220,979	0	3,220,979
13. Nonregulated Investments (B1)		3,335	3,335	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	5,379		5,379	47. Other Long-Term Liabilities			0
15. Deferred Charges	510,396	-973	509,423	48. Other Deferred Credits (C)			0
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	515,775	2,362	518,137	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0	0
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	17,910,928	(34,404)	17,876,524	51. Cap. Stock Outstanding & Subscribed	35,000		35,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction	85,301		85,301	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(15,585,604)	32,042	(15,553,562)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	2,410,625	(2,362)	2,408,263	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	4,356,971	0	4,356,971	57. Retained Earnings or Margins (B2)	769,875	0	769,875
				58. Total Equity (51 thru 57)	804,875	-	804,875
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,356,971	0	4,356,971

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)
 Kalama Telephone Company

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	598,846	1,027,268	25. Accounts Payable	178,707	35,311
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	0	0
b. Other Accounts Receivable	0	0	29. Current Mat. L/T Debt	181,200	193,300
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	31,572	32,326	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	267,457	288,915	33. Other Taxes Accrued	16,967	16,516
c. Notes Receivable	0	0	34. Other Current Liabilities	2,111,895	85,990
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	2,488,769	331,117
6. Material-Regulated	38,719	42,517	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	0	0	37. Funded Debt-RTB Notes	811,146	617,555
9. Other Current Assets	62,775	39,545	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	999,369	1,430,571	39. Funded Debt-Other	0	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	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	2,603,424
a. Rural Development	0	0	45. Other Long-Term Debt	0	0
b. Nonrural Development	0	0	46. Total Long-Term Debt (36-45)	811,146	3,220,979
13. Nonregulated Investments	3,705	3,335	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	6,723	5,379	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	417,511	509,423	48. Other Deferred Credits	0	0
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	427,939	518,137	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	17,681,682	17,876,524	51. Cap. Stock Outstanding & Subscribed	35,000	35,000
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	177,357	85,301	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(14,849,284)	(15,553,562)	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	3,009,755	2,408,263	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	4,437,063	4,356,971	57. Retained Earnings or Margins	1,102,148	769,875
			58. Total Equity (51 thru 57)	1,137,148	804,875
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,437,063	4,356,971

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)
 Kalama Telephone Company _____

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	17,681,682	17,876,524	17,779,103
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(14,849,284)	(15,553,562)	(15,201,423)
4	Total Regulated Materials & Supplies	6	38,719	42,517	40,618
5	Deferred Income Taxes (CR)		417,070	509,331	463,201
6	Total Regulated Rate Base		3,288,187	2,874,810	3,081,499

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)
Kalama Telephone Company

Line #	Description	Prior Year End of Yr. Balance - 2013	Current Year End of Yr. Balance - 2014	Difference	% Change
	Access Lines:				
1	Residential	1,781	1,734	(47)	-2.6%
2	Business	531	518	(13)	-2.4%
3	Total	2,312	2,252	(60)	-2.6%

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

Company Name: (Below)
 Kalama Telephone Company

Line #	Description	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013 (C)
1	Local Network Services Revenues	533,443		533,443
2	Network Access Services Revenues	2,456,445		2,456,445
3	Long Distance Network Services Revenues			0
4	Carrier Billing and Collection Revenues	13,370		13,370
5	Miscellaneous Revenues	38,077		38,077
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(7,870)		(7,870)
7	Net Operating Revenues (1 thru 6)	3,033,465	0	3,033,465
8	Plant Specific Operations Expense	986,538	(6,683)	979,855
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	508,301		508,301
10	Depreciation Expense	1,064,182	(632)	1,063,550
11	Amortization Expense			0
12	Customer Operations Expense	235,441	(3,434)	232,007
13	Corporate Operations	588,548	(4,927)	583,621
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	588,548	(4,927)	583,621
14	Total Operations Expenses (8 thru 12 +13b)	3,383,010	(15,676)	3,367,334
15	Operating Income or Margins (7 less 14)	(349,545)	15,676	(333,869)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes	88,330	(147)	88,183
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(150,001)	6,346	(143,655)
19	Other Taxes			0
20	Total Operating Taxes (17+18+19)	(61,671)	6,199	(55,472)
21	Net Operating Income or Margins (15+16-20)	(287,874)	9,477	(278,397)
22	Interest on Funded Debt	70,359		70,359
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	1,345		1,345
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	71,704	0	71,704
27	Nonoperating Net Income	5,514		5,514
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	56,700	(9,477)	47,223
31	Total Net Income or Margins (21+27+28+29+30-26)	(297,364)	0	(297,364)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	1,399,512		1,399,512
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)	1,102,148	0	1,102,148
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	240,483		240,483
45	Cash Ratio ((14+20-10-11)/7)	0.7441	#DIV/0!	0.7412
46	Operating Accrual Ratio ((14+20+26)/7)	1.1185	#DIV/0!	1.1154
47	TIER ((31+26)/26)	(3.1471)	#DIV/0!	(3.1471)
48	DSCR ((31+26+10+11)/44)	3.4868	#DIV/0!	3.4842

(C)

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)

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

Company Name: (Below)
Kalama Telephone Company

Line #	Description	Current Year 2014 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2014 (C)
1	Local Network Services Revenues	529,241		529,241
2	Network Access Services Revenues	2,573,580		2,573,580
3	Long Distance Network Services Revenues			0
4	Carrier Billing and Collection Revenues	12,540		12,540
5	Miscellaneous Revenues	33,979		33,979
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(4,183)		(4,183)
7	Net Operating Revenues (1 thru 6)	3,145,157	0	3,145,157
8	Plant Specific Operations Expense	1,017,579	(8,766)	1,008,813
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	580,629		580,629
10	Depreciation Expense	1,105,895	(1,542)	1,104,353
11	Amortization Expense			0
12	Customer Operations Expense	234,006	(3,136)	230,870
13	Corporate Operations	594,132	(5,266)	588,866
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	594,132	(5,266)	588,866
14	Total Operations Expenses (8 thru 12 +13b)	3,532,241	(18,710)	3,513,531
15	Operating Income or Margins (7 less 14)	(387,084)	18,710	(368,374)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes	86,455	(132)	86,323
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(169,076)	5,955	(163,121)
19	Other Taxes			0
20	Total Operating Taxes (17+18+19)	(82,621)	5,823	(76,798)
21	Net Operating Income or Margins (15+16-20)	(304,463)	12,887	(291,576)
22	Interest on Funded Debt	58,993	-88	58,905
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	1,344		1,344
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	60,337	(88)	60,249
27	Nonoperating Net Income	8,263		8,263
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	24,264	(12,975)	11,289
31	Total Net Income or Margins (21+27+28+29+30-26)	(332,273)	0	(332,273)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	1,102,148		1,102,148
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)	769,875	0	769,875
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	240,484		240,484
45	Cash Ratio ((14+20-10-11)/7)	0.7452	#DIV/0!	0.7416
46	Operating Accrual Ratio ((14+20+26)/7)	1.1160	#DIV/0!	1.1119
47	TIER ((31+26)/26)	(4.5070)	1.0000	(4.5150)
48	DSCR ((31+26+10+11)/44)	3.4678	#DIV/0!	3.4611

(C)

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:
 Kalama Telephone Company

Line #	Description	Adjusted Prior Year 2013	Adjusted Current Year 2014
1	Local Network Services Revenues	533,443	529,241
2	Network Access Services Revenues	2,456,445	2,573,580
3	Long Distance Network Services Revenues	0	0
4	Carrier Billing and Collection Revenues	13,370	12,540
5	Miscellaneous Revenues	38,077	33,979
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(7,870)	(4,183)
7	Net Operating Revenues (1 thru 6)	3,033,465	3,145,157
8	Plant Specific Operations Expense	979,855	1,008,813
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	508,301	580,629
10	Depreciation Expense	1,063,550	1,104,353
11	Amortization Expense	0	0
12	Customer Operations Expense	232,007	230,870
13	Corporate Operations	583,621	588,866
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	583,621	588,866
14	Total Operations Expenses (8 thru 12 +13b)	3,367,334	3,513,531
15	Operating Income or Margins (7 less 14)	(333,869)	(368,374)
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	88,183	86,323
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(143,655)	(163,121)
19	Other Taxes	0	0
20	Total Operating Taxes (17+18+19)	(55,472)	(76,798)
21	Net Operating Income or Margins (15+16-20)	(278,397)	(291,576)
22	Interest on Funded Debt	70,359	58,905
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	1,345	1,344
25	Allowance for Funds Used During Construction	0	0
26	Total Fixed Charges (22+23+24-25)	71,704	60,249
27	Nonoperating Net Income	5,514	8,263
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	47,223	11,289
31	Total Net Income or Margins (21+27+28+29+30-26)	(297,364)	(332,273)
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	1,399,512	1,102,148
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))	1,102,148	769,875
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	240,483	240,484
45	Cash Ratio ((14+20-10-11)/7)	0.7412	0.7416
46	Operating Accrual Ratio ((14+20+26)/7)	1.1154	1.1119
47	TIER ((31+26)/26)	(3.1471)	(4.5150)
48	DSCR ((31+26+10+11)/44)	3.48	3.4611

Footnote
 (A1) S Corporation Effective Tax Rate (2 decimal places):
 Note:
 Adjusted Income Statement reflects Part 64 Adjustments (Regulated to Nonregulated).

2013 2014

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

Company Name: (Below)
Kalama Telephone Company

Line #	Description	Part 32 Account	Prior Year 2013	Current Year 2014
1	End User Revenue (SLC, ARC, etc.)	5081	292,573	301,715
2	Switched Access (excluding USF):	5082		
2a	Intrastate		186,025	159,191
2b	Interstate (includes CAF)		60,546	656,072
3	Special Access:	5083		
3a	Intrastate		10,354	7,005
3b	Interstate		588,402	414,386
4	Federal USF (ICLS/HCL/SN)	Varies	1,318,545	940,185
5	State USF			95,026
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		2,456,445	2,573,580
8	Line 2 of Income Stmt.		2,456,445	2,573,580
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)
Kalama Telephone Company

Line #	Description	2014
1	Rate Base (Jan. 1)	3,288,187
2	Rate Base (Dec 31)	2,874,810
3	Average Rate Base	<u>3,081,499</u>
4	Net Operating Income	(291,576)
5	Out-of-Period Adjustments Net of FIT (A)	
6	Adjusted Net Operating Income	<u>(291,576)</u>
7	Earned Regulated Rate of Return	-9.46%
8	Consolidated Equity (Jan 1)	20,411,895
9	Consolidated Equity (Dec 31)	20,361,099
10	Average Equity	<u>20,386,497</u>
11	Consolidated Net Income	(50,796)
12	Out-of-Period Adjustments Net of FIT (B)	
13	Adjusted Consolidated Net Income	<u>(50,796)</u>
14	Earned Return on Equity	-0.25%

Footnote:

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