

WASHINGTON 534 & 530											
INLAND TELEPHONE COMPANY											
BALANCE SHEET - RECONCILIATION											
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2014											
Line #		Total Prior Year 2013	Total Idaho Prior Year 2013	Total Washington Prior Year 2013	Part 64 Adj. to NonReg	Prior Year Adjusted 2013	Total This Year 2014	Total Idaho This Year 2014	Total Washington This Year 2014	Part 64 Adj. to NonReg	This Year Adjusted 2014
ASSETS											
CURRENT ASSETS											
1	Cash and Equivalents	298,416		298,416		298,416	114,840		114,840		114,840
2	Cash-RUS Construction Fund	395,813		395,813		395,813	75,774		75,774		75,774
3	Affiliates:										
	a. Telecom. Accounts Receivable	84,486	(505)	84,991		84,991	0		0		0
	b. Other Accounts Receivable			0		0			0		0
	c. Notes Receivable			0		0			0		0
4	Non-Affiliates										
	a. Telecom. Accounts Receivable	636,441	77,298	559,143		559,143	538,193		538,193		538,193
	b. Other Accounts Receivable			0		0			0		0
	c. Notes Receivable			0		0			0		0
5	Interest and Dividends Receivable			0		0			0		0
6	Materials - Regulated	269,547		269,547		269,547	241,005		241,005		241,005
7	Materials - Nonregulated			0		0			0		0
8	Prepayments	38,205		38,205		38,205	42,366		42,366		42,366
9	Other Current Assets			0		0			0		0
10	Total Current Assets (1 thru 9)	1,722,908	76,793	1,646,115	0	1,646,115	1,012,178	0	1,012,178	0	1,012,178
NONCURRENT ASSETS											
11	Investments in Affiliated Companies										
	a. Rural Development	51,709		51,709		51,709	733,101		733,101		733,101
	b. Nonrural Development	0		0		0			0		0
12	Other Investments										
	a. Rural Development	0		0		0			0		0
	b. Nonrural Development	190,106		190,106		190,106	201,491		201,491		201,491
13	Nonregulated Investment	1,821,312	357,239	1,464,073	322,634	1,786,707	1,606,179		1,606,179	273,688	1,879,867
14	Other Noncurrent Assets	250		250		250	250		250		250
15	Deferred Charges	0		0		0			0		0
16	Jurisdictional Differences	0		0		0			0		0
17	Total Noncurrent Assets (11 thru 16)	2,063,377	357,239	1,706,138	322,634	2,028,772	2,541,021	0	2,541,021	273,688	2,814,709
PLANT, PROPERTY, AND EQUIPMENT											
18	Telecom. Plant-in-Service	22,848,876	3,946,548	18,902,328	(1,062,900)	17,839,428	27,004,739	3,882,059	23,122,680	(862,147)	22,260,533
19	Property Held for Future Use	0		0		0	0		0		0
20	Plant Under Construction	2,578,522	90,014	2,488,508	(25,373)	2,463,135	2,292,893	62,056	2,230,837	(101,298)	2,129,539
21	Plant Adj., Nonop. Plant & Goodwill	0		0		0	0		0		0
22	Less: Accumulated Depreciation (CR)	(16,940,466)	(2,895,003)	(14,045,463)	765,639	(13,279,824)	(17,846,483)	(2,979,121)	(14,867,362)	689,757	(14,177,605)
23	Net Plant (18 thru 22)	8,486,932	1,141,559	7,345,373	(322,634)	7,022,739	11,451,149	964,994	10,486,155	(273,688)	10,212,467
24	TOTAL ASSETS (10 + 17 + 23)	12,273,217	1,575,591	10,697,626	0	10,697,626	15,004,348	964,994	14,039,354	0	14,039,354

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LIABILITIES AND STOCKHOLDERS' EQUITY											
CURRENT LIABILITIES											
25	Accounts Payable	1,134,728		1,134,728		1,134,728	872,782		872,782		872,782
26	Notes Payable	0		0		0	0		0		0
27	Advance Billings and Payments	0		0		0	0		0		0
28	Customer Deposits	2,539	498	2,041		2,041	2,329	416	1,913		1,913
29	Current Mat. L/T Debt	389,000	67,265	321,735	(17,128)	304,607	448,400	19,832	428,568	(15,297)	413,271
30	Current Mat. L/T Debt-Rural Dev	0		0		0	0		0		0
31	Current Mat. L/T Debt-Capital Lease	0		0		0	0		0		0
32	Income Taxes Accrued	60,011		60,011		60,011	20		20		20
33	Other Taxes Accrued	142,940		142,940		142,940	98,938		98,938		98,938
34	Other Current Liabilities	815,571		815,571		815,571	356,671		356,671		356,671
35	Total Current Liabilities (25 thru 34)	2,544,789	67,763	2,477,026	(17,128)	2,459,898	1,779,140	20,248	1,758,892	(15,297)	1,743,595
LONG-TERM DEBT											
36	Funded Debt-RUS Notes	231,678	40,061	191,617	(10,201)	181,416	168,166	21,732	146,434	(5,227)	141,207
37	Funded Debt-RTB Notes	65,936	11,401	54,535	(2,903)	51,632	45,278	5,851	39,427	(1,407)	38,020
38	Funded Debt-FFB Notes	2,816,944		2,816,944		2,816,944	6,229,991	158,112	6,071,879	(216,731)	5,855,148
39	Funded Debt-Other	(2,655)		(2,655)		(2,655)	(3,363)		(3,363)		(3,363)
40	Funded Debt-Rural Development Loan			0		0			0		0
41	Premium (Discount) on L/T Debt			0		0			0		0
42	Reacquired Debt			0		0			0		0
43	Obligations Under Capital Lease			0		0			0		0
44	Adv. From Affiliated Companies			0		0			0		0
45	Other Long-Term Debt			0		0			0		0
46	Total Long-Term Debt (36 thru 45)	3,111,903	51,462	3,060,441	(13,104)	3,047,337	6,440,072	185,695	6,254,377	(223,365)	6,031,012
OTHER LIAB. & DEF. CREDITS											
47	Other Long-Term Liabilities	0		0		0	0		0		0
48	Other Deferred Credits	528,126	121,248	406,878	(26,917)	379,961	578,942	106,341	472,601	(36,179)	436,422
49	Other Jurisdictional Differences	0		0		0	0		0		0
50	Total Other Liab & Def Credits (47 thru 49)	528,126	121,248	406,878	(26,917)	379,961	578,942	106,341	472,601	(36,179)	436,422
EQUITY											
51	Cap. Stock Outstand. & Subscribed	93,150		93,150		93,150	93,150		93,150		93,150
52	Additional Paid-in-Capital	7,175		7,175		7,175	7,175		7,175		7,175
53	Treasury Stock	0		0		0	0		0		0
54	Membership and Cap. Certificates	0		0		0	0		0		0
55	Other Capital	0		0		0	0		0		0
56	Patronage Capital Credits	0		0		0	0		0		0
57	Retained Earnings	5,988,074	1,335,118	4,652,956	57,149	4,710,105	6,105,869	652,710	5,453,159	274,841	5,728,000
58	Total Equity (51 thru 57)	6,088,399	1,335,118	4,753,281	57,149	4,810,430	6,206,194	652,710	5,553,484	274,841	5,828,325
59	TOTAL LIABILITIES & EQUITY (35+46+50+58)	12,273,217	1,575,591	10,697,626	0	10,697,626	15,004,348	964,994	14,039,354	0	14,039,354

WASHINGTON 534 & 530											
INLAND TELEPHONE COMPANY											
INCOME STATEMENT - RECONCILIATION											
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2014											
Line #	Item	Total Prior Year 2013	Total Idaho Prior Year 2013	Total Washington Prior Year 2013	Part 64 Adj. to NonReg	Prior Year Adjusted 2013	Total This Year 2014	Total Idaho This Year 2014	Total Washington This Year 2014	Part 64 Adj. to NonReg	This Year Adjusted 2014
1	Local Network Service Revenues	668,600	106,011	562,589		562,589	675,461	104,830	570,631		570,631
2	Network Access Service Revenues	4,213,114	761,217	3,451,897		3,451,897	4,179,688	588,993	3,590,695		3,590,695
3	Long Distance Network Services Revenues	(788)	62	(850)		(850)	(1,216)	(59)	(1,157)		(1,157)
4	Carrier Billing and Collection Revenues	55,958	5,408	50,550		50,550	51,445	5,081	46,364		46,364
5	Miscellaneous Revenues	52,563	4,485	48,078		48,078	70,664	1,747	68,917		68,917
6	Uncollectible Revenues	(6,272)	(429)	(5,843)		(5,843)	(7,139)	(456)	(6,683)		(6,683)
7	Net Operating Revenues (1 thru 6)	4,983,175	876,754	4,106,421	0	4,106,421	4,968,903	700,136	4,268,767	0	4,268,767
8	Plant Specific Operations Expense	2,001,657	396,579	1,605,078	(137,268)	1,467,810	1,762,438	288,058	1,474,380	(104,606)	1,369,774
9	Plant Nonspecific Operations (ex Depr. & Amort.)	333,319	45,443	287,876		287,876	396,535	57,106	339,429		339,429
10	Depreciation Expense	1,316,875	189,508	1,127,367	(69,821)	1,057,546	1,346,798	162,795	1,184,003	(57,758)	1,126,245
11	Amortization Expense	182	0	182		182	182	0	182		182
12	Customer Operations Expense	549,599	65,717	483,882	(59,233)	424,649	595,029	66,774	528,255	(82,227)	446,028
13	Corporate Operations Expense	1,011,766	144,470	867,296	(12,176)	855,120	951,200	131,831	819,369	(13,202)	806,167
13a	Less: Corporate Op Adjustment (FCC 36.621)	0	0	0	0	0	0	0	0	0	0
13b	Adjusted Corporate Operations Expense	1,011,766	144,470	867,296	(12,176)	855,120	951,200	131,831	819,369	(13,202)	806,167
14	Total Operating Expenses (8 thru 12 + 13b)	5,213,398	841,717	4,371,681	(278,498)	4,093,183	5,052,182	706,564	4,345,618	(257,793)	4,087,825
15	Operating Income or Margin (7 less 14)	(230,223)	35,037	(265,260)	278,498	13,238	(83,279)	(6,428)	(76,851)	257,793	180,942
16	Other Operating Income and Expenses	0	0	0	0	0	0	0	0	0	0
17	State and Local Taxes	126,725	25,027	101,698	(11,441)	90,257	139,873	24,528	115,345	(4,207)	111,138
18	Federal Income Taxes	(167,547)	31,344	(198,891)	11,150	(187,741)	(120,071)	(182,715)	62,644	(3,949)	58,695
19	Other Taxes	0	0	0	0	0	0	0	0	0	0
20	Total Operating Taxes (17+18+19)	(40,822)	56,371	(97,193)	(291)	(97,484)	19,802	(158,187)	177,989	(8,156)	169,833
21	Net Operating Income or Margin (15+16-20)	(189,401)	(21,334)	(168,067)	278,789	110,722	(103,081)	151,759	(254,840)	265,949	11,109
22	Interest on Funded Debt	75,452	13,047	62,405	(2,750)	59,655	144,819	22,741	122,078	(5,020)	117,058
23	Interest Expense - Capital Leases	0	0	0	0	0	0	0	0	0	0
24	Other Interest Expense	19,260	314	18,946		18,946	10,098	1,589	8,509		8,509
25	Allowance for Funds Used During Construction	0	0	0	0	0	(30,457)	(4,783)	(25,674)	1,002	(24,672)
26	Total Fixed Charges (22 thru 25)	94,712	13,361	81,351	(2,750)	78,601	124,460	19,547	104,913	(4,018)	100,895
27	Nonoperating Net Income(Expense)	14,982	1,057	13,925		13,925	(2,287)	(299)	(1,988)		(1,988)
28	Extraordinary Items	0	0	0	0	0	0	0	0	0	0
29	Jurisdictional Differences	0	0	0	0	0	0	0	0	0	0
30	Nonregulated Net Income (Loss)	(3,308)	196,342	(199,650)	(281,539)	(481,189)	348,954	(166,268)	515,222	(269,967)	245,255
31	Total Net Income or Margin (21+27+28+29+30-26)	(272,439)	162,704	(435,143)	0	(435,143)	119,126	(34,355)	153,481	0	153,481
32	Total Taxes Based on Income	(165,487)	30,844	(196,331)	11,587	(184,744)	51,562	(11,082)	62,644	(3,932)	58,712
33	Retained Earnings or Margins Beginning-of-Year	6,286,883		6,286,883		6,286,883	5,988,074		5,988,074		5,988,074
34	Miscellaneous Credits Year-to-Date	3,594		3,594		3,594			0		0
35	Dividends Declared (Common)	0		0		0	0		0		0
36	Dividends Declared (Preferred)	0		0		0	0		0		0
37	Other Debits Year-to-Date	0		0		0	1,331		1,331		1,331
38	Transfers to Patronage Capital	0		0		0	0		0		0
39	Retained Earnings or Margins End-of-Period (31+33+34)-(35+36+37+38)	6,018,038	162,704	5,855,334	0	5,855,334	6,105,869	(34,355)	6,140,224	0	6,140,224
40	Patronage Capital Beginning-of-Year	0		0		0	0		0		0
41	Transfers of Patronage Capital	0		0		0	0		0		0
42	Patronage Capital Credits Retired	0		0		0	0		0		0
43	Patronage Capital End-of-Year (40+41-42)	0		0		0	0		0		0
44	Annual Debt Service Payments	780,069	134,887	645,182	(34,348)	610,834	643,649	45,457	598,192	(21,352)	576,840
45	Cash Ratio (14+20-10-11)/7	0.7737					0.7497				
46	Operating Accrual Ratio (14+20+26)/7	1.0570					1.0458				
47	TIER (31+26)/26	(1.8765)					1.9571				
48	DSCR (31+26+10+11)/44	1.4606					2.4712				