

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)  
The Toledo Telephone Company, INC.

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)
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
1. Cash and Equivalents	205,788		205,788	25. Accounts Payable	902,603		902,603
2. Cash-RUS Construction Fund	7,721,948		7,721,948	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	237,123		237,123
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	620		620
b. Other Accounts Receivable	0		0	29. Current Mat. L/T Debt	1,275,692		1,275,692
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	48,694		48,694	32. Income Taxes Accrued	155,573		155,573
b. Other Accounts Receivable	671,655		671,655	33. Other Taxes Accrued	14,637		14,637
c. Notes Receivable	0		0	34. Other Current Liabilities	196,733		196,733
5. Interest and Dividends Receivable	0		0	35. Total Current Liabilities (25 thru 34)	2,782,981	0	2,782,981
6. Material-Regulated	145,595		145,595	<b>LONG-TERM DEBT</b>			
7. Material-Nonregulated	186,086		186,086	36. Funded Debt-RUS Notes	2,412,384		2,412,384
8. Prepayments	129,351		129,351	37. Funded Debt-RTB Notes	85,905		85,905
9. Other Current Assets	1,702,373		1,702,373	38. Funded Debt-FFB Notes	8,638,473		8,638,473
10. Total Current Assets (1 Thru 9)	10,811,490	0	10,811,490	39. Funded Debt-Other	0		0
				40. Funded Debt-Rural Develop. Loan	0		0
<b>NONCURRENT ASSETS</b>				41. Premium (Discount) on L/T Debt	0		0
11. Investment in Affiliated Companies				42. Recquired Debt	0		0
a. Rural Development	0		0	43. Obligations Under Capital Lease	0		0
b. Nonrural Development	461,417		461,417	44. Adv. From Affiliated Companies	0		0
12. Other Investments				45. Other Long-Term Debt	0		0
a. Rural Development	0		0	46. Total Long-Term Debt (36 thru 45)	11,156,762	0	11,156,762
b. Nonrural Development	533,330		533,330	<b>OTHER LIAB. &amp; DEF. CREDITS</b>			
13. Nonregulated Investments (B1)	119,727	82,693	202,420	47. Other Long-Term Liabilities	0	(43,200)	0
14. Other Noncurrent Assets	0		0	48. Other Deferred Credits (C)	750,403		707,203
15. Deferred Charges	0		0	49. Other Jurisdictional Differences	0		0
16. Jurisdictional Differences	0		0	50. Total Other Liab. & Def. Credits (47 thru 49)	750,403	(43,200)	707,203
17. Total noncurrent Assets (11 thru 16)	1,114,474	82,693	1,197,167	<b>EQUITY</b>			
				51. Cap. Stock Outstanding & Subscribed	10,670		10,670
<b>PLANT, PROPERTY AND EQUIPMENT</b>				52. Additional Paid-in-Capital	0		0
18. Telecom Plant-In-Service	21,496,249	(373,752)	21,122,497	53. Treasury Stock	0		0
19. Property Held for Future Use	0		0	54. Membership and cap. Certificates	0		0
20. Plant Under Construction	2,339,721		2,339,721	55. Other Capital	197,992		197,992
21. Plant Adj., Monop Plant & Goodwill	0		0	56. Patronage Capital Credits	0		0
22. Accumulated Depreciation (CR.)	(14,823,216)	291,059	(14,532,157)	57. Retained Earnings or Margins (B2)	6,039,910	43,200	6,083,110
23. Net Plant (18 thru 21 less 22)	9,012,754	(82,693)	8,930,061	58. Total Equity (51 thru 57)	6,248,572	43,200	6,291,772
<b>24. TOTAL ASSETS (10+17+23)</b>	<b>20,938,718</b>	<b>0</b>	<b>20,938,718</b>	<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	<b>20,938,718</b>	<b>0</b>	<b>20,938,718</b>

Footnotes:  
(A) - As reported on RUS Form 479  
(B) - Part 64 adjustments from regulated to nonregulated.  
(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)  
The Toledo Telephone Company, 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)
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
1. Cash and Equivalents	\$ 246,413		246,413	25. Accounts Payable	441,933		441,933
2. Cash-RUS Construction Fund	1,004,043		1,004,043	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	23,075		23,075
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	450		450
b. Other Accounts Receivable	(3,470)		(3,470)	29. Current Mat. L/T Debt	939,876		939,876
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	113,922		113,922	32. Income Taxes Accrued	-52,508		(52,508)
b. Other Accounts Receivable	409,933		409,933	33. Other Taxes Accrued	17,240		17,240
c. Notes Receivable	0		0	34. Other Current Liabilities	36,087		36,087
5. Interest and Dividends Receivable	0		0	35. Total Current Liabilities (25 thru 34)	1,406,153	0	1,406,153
6. Material-Regulated	183,818		183,818	<b>LONG-TERM DEBT</b>			
7. Material-Nonregulated	351,414	-351,414	0	36. Funded Debt-RUS Notes	1,111,493		1,111,493
8. Prepayments	93,477		93,477	37. Funded Debt-RTB Notes	37,259		37,259
9. Other Current Assets	2,382,504		2,382,504	38. Funded Debt-FFB Notes	9,068,286		9,068,286
10. Total Current Assets (1 Thru 9)	4,782,054	(351,414)	4,430,640	39. Funded Debt-Other	0		0
<b>NONCURRENT ASSETS</b>				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	643,079		643,079	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	438,869		438,869	46. Total Long-Term Debt (36 thru 45)	10,217,038	0	10,217,038
13. Nonregulated Investments (B1)	65,877	518,830	584,707	<b>OTHER LIAB. &amp; DEF. CREDITS</b>			
14. Other Noncurrent Assets	0		0	47. Other Long Term Liabilities	0		0
15. Deferred Charges	0		0	48. Other Deferred Credits (C)	786,160	6,540	792,700
16. Jurisdictional Differences	0		0	49. Other Jurisdictional Differences	0		0
17. Total noncurrent Assets (11 thru 16)	1,147,825	518,830	1,666,655	50. Total Other Liab. & Def. Credits (47 thru 49)	786,160	6,540	792,700
<b>PLANT, PROPERTY AND EQUIPMENT</b>				<b>EQUITY</b>			
18. Telecom Plant-In-Service	21,576,491	(671,445)	20,905,046	51. Cap. Stock Outstanding & Subscribed	10,670		10,670
19. Property Held for Future Use	0		0	52. Additional Paid-in-Capital	0		0
20. Plant Under Construction	6,689,601	(9,002)	6,680,599	53. Treasury Stock	0		0
21. Plant Adj., Nonop Plant & Goodwill	0		0	54. Membership and cap. Certificates	0		0
22. Accumulated Depreciation (CR.)	(15,138,103)	513,031	(14,625,072)	55. Other Capital	144,742		144,742
23. Net Plant (18 thru 21 less 22)	13,127,989	(167,416)	12,960,573	56. Patronage Capital Credits	0		0
				57. Retained Earnings or Margins (B2)	6,493,105	(6,540)	6,486,565
				58. Total Equity (51 thru 57)	6,648,517	(6,540)	6,641,977
<b>24. TOTAL ASSETS (10+17+23)</b>	<b>19,057,868</b>	<b>0</b>	<b>19,057,868</b>	<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	<b>19,057,868</b>	<b>0</b>	<b>19,057,868</b>

Footnotes:  
(A) - As reported on RUS Form 479  
(B) - Part 64 adjustments from regulated to nonregulated.  
(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)  
The Toledo Telephone Company, INC.

ASSETS	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	205,788	246,413	25. Accounts Payable	902,603	441,933
2. Cash-RUS Construction Fund	7,721,948	1,004,043	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	237,123	23,075
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	620	450
b. Other Accounts Receivable	0	(3,470)	29. Current Mat. L/T Debt	1,275,692	939,876
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	48,694	113,922	32. Income Taxes Accrued	155,573	(52,508)
b. Other Accounts Receivable	671,655	409,933	33. Other Taxes Accrued	14,637	17,240
c. Notes Receivable	0	0	34. Other Current Liabilities	196,733	36,087
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	2,782,981	1,406,153
6. Material-Regulated	145,595	183,818	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	186,086	0	36. Funded Debt-RUS Notes	2,412,384	1,111,493
8. Prepayments	129,351	93,477	37. Funded Debt-RTB Notes	85,905	37,259
9. Other Current Assets	1,702,373	2,382,504	38. Funded Debt-FFB Notes	8,658,473	9,068,286
10. Total Current Assets (1 Thru 9)	10,811,490	4,430,640	39. Funded Debt-Other	0	0
<b>NONCURRENT ASSETS</b>			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	461,417	643,079	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	533,330	438,869	46. Total Long-Term Debt (36-45)	11,156,762	10,217,038
13. Nonregulated Investments	202,420	584,707	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Other Deferred Credits	707,203	792,700
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	1,197,167	1,666,655	50. Total Other Liab. & Def. Credits (47 thru 49)	707,203	792,700
<b>PLANT, PROPERTY AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom Plant-in-Service	21,122,497	20,905,046	51. Cap. Stock Outstanding & Subscribed	10,670	10,670
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	2,339,721	6,680,599	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(14,532,157)	(14,625,072)	55. Other Capital	197,992	144,742
23. Net Plant (18 thru 21 less 22)	8,930,061	12,960,573	56. Patronage Capital Credits	0	0
			57. Retained Earnings or Margins	6,083,110	6,486,565
			58. Total Equity (51 thru 57)	6,291,772	6,641,977
<b>24. TOTAL ASSETS (10-17+23)</b>	<b>20,938,718</b>	<b>19,057,868</b>	<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	<b>20,938,718</b>	<b>19,057,868</b>

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)  
 The Toledo Telephone Company, INC.

Line #	Description	B/S Line #	Adj. Balance End of Year 2013	Adj. Balance End of Year 2014	Average Adj End of Year Balance
<b>Average Rate Base:</b>					
1	Total Regulated Adjusted Telecom Plant-In-service	18	21,122,497	20,905,046	21,013,772
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(14,532,157)	(14,625,072)	(14,578,615)
4	Total Regulated Materials & Supplies	6	145,595	183,818	164,707
5	Deferred Income Taxes (CR)		(792,700)	(707,203)	(749,952)
6	<b>Total Regulated Rate Base</b>		<b>5,943,235</b>	<b>5,756,589</b>	<b>5,849,912</b>

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)  
 The Toledo Telephone Company, INC.

Line #	Description	Prior Year End of Yr. Balance - 2013	Current Year End of Yr. Balance - 2014	Difference	% Change
1	Access Lines: Residential	1,390	1,425	35	2.5%
2	Business	285	269	(16)	-5.6%
3	Total	1,675	1,694	19	1.1%

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

Company Name: (Below)  
 The Toledo Telephone Company, INC.

Line #	Description	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013 (C)
1	Local Network Services Revenues	425,670		425,670
2	Network Access Services Revenues	3,516,845	28,688	3,545,533
3	Long Distance Network Services Revenues	0		0
4	Carrier Billing and Collection Revenues	8,343	(7,926)	417
5	Miscellaneous Revenues	51,923		51,923
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(9,371)		(9,371)
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>3,993,410</b>	<b>20,762</b>	<b>4,014,172</b>
8	Plant Specific Operations Expense	973,006	1,448	974,454
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	312,486	(58,983)	253,503
10	Depreciation Expense	965,638	(8,757)	956,881
11	Amortization Expense	0		0
12	Customer Operations Expense	327,734	(38,428)	289,306
13	Corporate Operations	783,262	(26,174)	757,088
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ( )			0
13b	<b>Adjusted Corporate Operations Expense (Line 13 minus Line 13a)</b>	<b>783,262</b>	<b>(26,174)</b>	<b>757,088</b>
14	<b>Total Operations Expenses (8 thru 12 +13b)</b>	<b>3,362,126</b>	<b>(130,894)</b>	<b>3,231,232</b>
15	Operating Income or Margins (7 less 14)	631,284	151,656	782,940
16	Other Operating Income and Expenses ( )	0		0
17	State and Local Taxes	0	115,525	115,525
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	250,951	(64,228)	186,723
19	Other Taxes	120,148	(115,983)	4,165
20	<b>Total Operating Taxes (17+18+19)</b>	<b>371,099</b>	<b>(64,686)</b>	<b>306,413</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>260,185</b>	<b>216,342</b>	<b>476,527</b>
22	Interest on Funded Debt	296,143		296,143
23	Interest Expense - Capital Leases	0		0
24	Other Interest Expense	6		6
25	Allowance for Funds Used During Construction (CR)	(18,245)		(18,245)
26	<b>Total Fixed Charges (22+23+24-25)</b>	<b>277,904</b>	<b>0</b>	<b>277,904</b>
27	Nonoperating Net Income	62,053		62,053
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		0
30	Nonregulated Net Income (B1)	355,275	(216,342)	138,933
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>399,609</b>	<b>0</b>	<b>399,609</b>
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	5,640,301		5,640,301
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	<b>Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)</b>	<b>6,039,910</b>	<b>0</b>	<b>6,039,910</b>
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments	1,368,605		1,368,605
45	Cash Ratio ((14+20-10-11)/7)	0.6930	(8.9983)	0.6429
46	Operating Accrual Ratio ((14+20+26)/7)	1.0044	(9.4201)	0.9505
47	TIER ((31+26)/26)	2.4379	#DIV/0!	2.4379
48	DSCR ((31+26+10+11)/44)	1.2006	#DIV/0!	1.1942

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)  
The Toledo Telephone Company, INC.

Line #	Description	Current Year 2014 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2014 (C)
1	Local Network Services Revenues	429,238		429,238
2	Network Access Services Revenues	3,555,904	22,542	3,578,446
3	Long Distance Network Services Revenues			0
4	Carrier Billing and Collection Revenues	8,085	(7,747)	338
5	Miscellaneous Revenues	52,453	507	52,960
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(111,055)		(111,055)
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>3,934,625</b>	<b>15,302</b>	<b>3,949,927</b>
8	Plant Specific Operations Expense	893,341	(33,345)	859,996
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	380,341	(89,306)	291,035
10	Depreciation Expense	966,580	(13,268)	953,312
11	Amortization Expense	0		0
12	Customer Operations Expense	269,753	(779)	268,974
13	Corporate Operations	811,944	(11,641)	800,303
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ( )			0
13b	<b>Adjusted Corporate Operations Expense (Line 13 minus Line 13a)</b>	<b>811,944</b>	<b>(11,641)</b>	<b>800,303</b>
14	<b>Total Operations Expenses (8 thru 12 +13b)</b>	<b>3,321,959</b>	<b>(148,339)</b>	<b>3,173,620</b>
15	Operating Income or Margins (7 less 14)	612,666	163,641	776,307
16	Other Operating Income and Expenses ( )	0		0
17	State and Local Taxes	0		0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	161,909	(75,350)	86,559
19	Other Taxes	272,246	(6,329)	265,917
20	<b>Total Operating Taxes (17+18+19)</b>	<b>434,155</b>	<b>(81,679)</b>	<b>352,476</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>178,511</b>	<b>245,320</b>	<b>423,831</b>
22	Interest on Funded Debt	377,868	-128876	248,992
23	Interest Expense - Capital Leases	0		0
24	Other Interest Expense	0		0
25	Allowance for Funds Used During Construction (CR)	(59,349)		(59,349)
26	<b>Total Fixed Charges (22+23+24-25)</b>	<b>318,519</b>	<b>(128,876)</b>	<b>189,643</b>
27	Nonoperating Net Income	244,732	0	244,732
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	<b>Nonregulated Net Income (B1)</b>	<b>348,471</b>	<b>(374,196)</b>	<b>(25,725)</b>
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>453,195</b>	<b>0</b>	<b>453,195</b>
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	6,039,910		6,039,910
34	Miscellaneous Credits Year-to-Date		-6,540	(6,540)
35	Dividends Declared (Common)			0
36	Dividends Declared (Preferred)			0
37	Other Debits Year-to-Date			0
38	Transfers to Patronage Capital			0
39	<b>Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)</b>	<b>6,493,105</b>	<b>(6,540)</b>	<b>6,486,565</b>
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments	1,654,577		1,654,577
45	Cash Ratio ((14+20-10-11)/7)	0.7090	(14.1648)	0.6513
46	Operating Accrual Ratio ((14+20+26)/7)	1.0356	(23.4541)	0.9407
47	TIER ((31+26)/26)	2.4228	1.0000	3.3897
48	DSCR ((31+26+10+11)/44)	1.0506	#DIV/0!	0.9647

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
- (I) 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:  
 The Toledo Telephone Company, INC.

Line #	Description	Adjusted Prior Year 2013	Adjusted Current Year 2014
1	Local Network Services Revenues	425,670	429,238
2	Network Access Services Revenues	3,545,533	3,578,446
3	Long Distance Network Services Revenues	0	0
4	Carrier Billing and Collection Revenues	417	338
5	Miscellaneous Revenues	51,923	52,960
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(9,371)	(111,055)
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>4,014,172</b>	<b>3,949,927</b>
8	Plant Specific Operations Expense	974,454	859,996
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	253,503	291,035
10	Depreciation Expense	956,881	953,312
11	Amortization Expense	0	0
12	Customer Operations Expense	289,306	268,974
13	Corporate Operations	757,088	800,303
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ( )	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	757,088	800,303
14	<b>Total Operations Expenses (8 thru 12 +13b)</b>	<b>3,231,232</b>	<b>3,173,620</b>
15	Operating Income or Margins (7 less 14)	782,940	776,307
16	Other Operating Income and Expenses ( )	0	0
17	State and Local Taxes	115,525	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	186,723	86,559
19	Other Taxes	4,165	265,917
20	<b>Total Operating Taxes (17+18+19)</b>	<b>306,413</b>	<b>352,476</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>476,527</b>	<b>423,831</b>
22	Interest on Funded Debt	296,143	248,992
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	6	0
25	Allowance for Funds Used During Construction	(18,245)	(59,349)
26	<b>Total Fixed Charges (22+23+24-25)</b>	<b>277,904</b>	<b>189,643</b>
27	Nonoperating Net Income	62,053	244,732
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	138,933	(25,725)
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>399,609</b>	<b>453,195</b>
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	5,640,301	6,039,910
34	Miscellaneous Credits Year-to-Date	0	(6,540)
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	<b>Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38))</b>	<b>6,039,910</b>	<b>6,486,565</b>
40	Patronage Capital Beginning-of-Year	0	0
41	Transfers to Patronage Capital	0	0
42	Patronage Capital Credits Retired	0	0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments	1,368,605	1,654,577
45	Cash Ratio ((14+20-10-11)/7)	0.6429	0.6513
46	Operating Accrual Ratio ((14+20+26)/7)	0.9505	0.9407
47	TIER ((31+26)/26)	2.4379	3.3897
48	DSCR ((31+26+10+11)/44)	1.19	0.9647

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)  
 The Toledo Telephone Company, INC.

Line #	Description	Part 32 Account	Prior Year 2013	Current Year 2014
1	End User Revenue (SLC, ARC, etc.)	5081	212,039	245,865
2	Switched Access (excluding USF):	5082	437,307	386,330
2a	Intrastate		1,529,425	1,618,479
2b	Interstate (includes CAF)			
3	Special Access:	5083	0	0
3a	Intrastate		465,586	651,683
3b	Interstate		901,176	558,363
4	Federal USF (CLS/HCL/SN)	Varies		117,726
5	State USF			
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		3,545,533	3,578,446
8	Line 2 of Income Stmt.		3,545,533	3,578,446
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)  
 Rate of Return and Consolidated Return on Equity

Company Name: (Below)  
 The Toledo Telephone Company, INC.

Line #	Description	2014
1	Rate Base (Jan. 1)	5,943,235
2	Rate Base (Dec 31)	5,756,589
3	<b>Average Rate Base</b>	5,849,912
4	Net Operating Income	423,831
5	Out-of-Period Adjustments Net of FIT (A)	
6	<b>Adjusted Net Operating Income</b>	423,831
7	<b>Earned Regulated Rate of Return</b>	7.25%
8	Consolidated Equity (Jan 1)	6,248,572
9	Consolidated Equity (Dec 31)	6,648,517
10	<b>Average Equity</b>	6,448,545
11	Consolidated Net Income	453,195
12	Out-of-Period Adjustments Net of FIT (B)	
13	<b>Adjusted Consolidated Net Income</b>	453,195
14	<b>Earned Return on Equity</b>	7.03%

Footnote:

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

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

Description of Out-of-Period - 2014 (As Recorded)

	Part 3Z Account	
	Debit	Credit

Adjustment #1:

Adjustment #2:

Adjustment #3:

Adjustment #4