

STATE USF FILING
FINANCIAL TEMPLATE
"S CORP" COMPANIES

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

EXHIBIT 4
FINANCIAL TEMPLATE

Company Name: (Below)
Hat Island 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	115,855		115,855	25. Accounts Payable	970		970
2. Cash-RUS Construction Fund			0	26. Notes Payable			0
3. Affiliates:				27. Advance Billings and Payments			0
a. Telecom, Accounts Receivable	3,271		3,271	28. Customer Deposits			0
b. Other Accounts Receivable	28,402		28,402	29. Current Mat. L/T Debt			0
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			0	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	2,721		2,721
c. Notes Receivable			0	34. Other Current Liabilities			0
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	3,691	0	3,691
6. Material-Regulated			0	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments	935		935	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	148,463	0	148,463	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			0
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development			0	46. Total Long-Term Debt (36 thru 45)	0	0	0
13. Nonregulated Investments (B1)		0	0	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets			0	47. Other Long-Term Liabilities			0
15. Deferred Charges			0	48. Other Deferred Credits (C)			0
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	0	0	0	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0	0
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	424,221		424,221	51. Cap. Stock Outstanding & Subscribed	4,000		4,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction			0	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(282,248)		(282,248)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	141,973	0	141,973	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	290,436	0	290,436	57. Retained Earnings or Margins (B2)	282,745	0	282,745
				58. Total Equity (51 thru 57)	286,745	-	286,745
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	290,436	0	290,436

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)
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Company Name: (Below)
Hat Island 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	25,928		25,928	25. Accounts Payable	312		312
2. Cash-RUS Construction Fund			0	26. Notes Payable			0
3. Affiliates:				27. Advance Billings and Payments	1,131		1,131
a. Telecom, Accounts Receivable	1,792		1,792	28. Customer Deposits			0
b. Other Accounts Receivable	148,229		148,229	29. Current Mat. L/T Debt			0
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			0	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	2,598		2,598
c. Notes Receivable			0	34. Other Current Liabilities			0
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	4,041	0	4,041
6. Material-Regulated			0	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes			0
8. Prepayments			0	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	175,949	0	175,949	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			0
a. Rural Development			0	45. Other Long-Term Debt			0
b. Nonrural Development			0	46. Total Long-Term Debt (36 thru 45)	0	0	0
13. Nonregulated Investments (B1)		0	0	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets			0	47. Other Long-Term Liabilities			0
15. Deferred Charges			0	48. Other Deferred Credits (C)			0
16. Jurisdictional Differences			0	49. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	0	0	0	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0	0
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	424,221		424,221	51. Cap. Stock Outstanding & Subscribed	4,000		4,000
19. Property Held for Future Use			0	52. Additional Paid-in-Capital			0
20. Plant Under Construction			0	53. Treasury Stock			0
21. Plant Adj., Nonop Plant & Goodwill			0	54. Membership and cap. Certificates			0
22. Accumulated Depreciation (CR.)	(298,400)		(298,400)	55. Other Capital			0
23. Net Plant (18 thru 21 less 22)	125,821	0	125,821	56. Patronage Capital Credits			0
24. TOTAL ASSETS (10+17+23)	301,770	0	301,770	57. Retained Earnings or Margins (B2)	293,729	0	293,729
				58. Total Equity (51 thru 57)	297,729	-	297,729
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	301,770	0	301,770

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)
Rate of Return and Consolidated Return on Equity

EXHIBIT 4
FINANCIAL TEMPLATE

Company Name: (Below)
Hat Island 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	115,855	25,928	25. Accounts Payable	970	312
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	1,131
a. Telecom, Accounts Receivable	3,271	1,792	28. Customer Deposits	0	0
b. Other Accounts Receivable	28,402	148,229	29. Current Mat. L/T Debt	0	0
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	0	0	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	2,721	2,598
c. Notes Receivable	0	0	34. Other Current Liabilities	0	0
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	3,691	4,041
6. Material-Regulated	0	0	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	935	0	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	148,463	175,949	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	0
a. Rural Development	0	0	45. Other Long-Term Debt	0	0
b. Nonrural Development	0	0	46. Total Long-Term Debt (36-45)	0	0
13. Nonregulated Investments	0	0	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Other Deferred Credits	0	0
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	0	0	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	424,221	424,221	51. Cap. Stock Outstanding & Subscribed	4,000	4,000
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	0	0	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(282,248)	(298,400)	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	141,973	125,821	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	290,436	301,770	57. Retained Earnings or Margins	282,745	293,729
			58. Total Equity (51 thru 57)	286,745	297,729
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	290,436	301,770

Footnote:
Adjusted Balances represents balances
after Part 64 adjustments

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EXHIBIT 4
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Company Name: (Below)
 Hat Island 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	424,221	424,221	424,221
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(282,248)	(298,400)	(290,324)
4	Total Regulated Materials & Supplies	6	0	0	0
5	Deferred Income Taxes (CR)				0
6	Total Regulated Rate Base		141,973	125,821	133,897

Footnotes:

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

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EXHIBIT 4
FINANCIAL TEMPLATE

Company Name: (Below)
Hat Island Telephone Company

Line #	Description	Prior Year End of Yr. Balance - 2013	Current Year End of Yr. Balance - 2014	Difference	% Change
	Access Lines:				
1	Residential	54	59	5	9.3%
2	Business	11	9	(2)	-18.2%
3	Total	65	68	3	4.6%

Company Name: (Below)
 Hat Island Telephone Company

Line #	Description	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013 (C)
1	Local Network Services Revenues	19,004		19,004
2	Network Access Services Revenues	25,012		25,012
3	Long Distance Network Services Revenues	0		0
4	Carrier Billing and Collection Revenues	2,225		2,225
5	Miscellaneous Revenues	2,447		2,447
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	71		71
7	Net Operating Revenues (1 thru 6)	48,759	0	48,759
8	Plant Specific Operations Expense	19,245		19,245
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	0		0
10	Depreciation Expense	19,764		19,764
11	Amortization Expense	0		0
12	Customer Operations Expense	7,839		7,839
13	Corporate Operations	17,504		17,504
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	17,504	0	17,504
14	Total Operations Expenses (8 thru 12 +13b)	64,352	0	64,352
15	Operating Income or Margins (7 less 14)	(15,593)	0	(15,593)
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes			0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes	6,432		6,432
20	Total Operating Taxes (17+18+19)	6,432	0	6,432
21	Net Operating Income or Margins (15+16-20)	(22,025)	0	(22,025)
22	Interest on Funded Debt			0
23	Interest Expense - Capital Leases			0
24	Other Interest Expense			0
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income			0
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	9,495	0	9,495
31	Total Net Income or Margins (21+27+28+29+30-26)	(12,530)	0	(12,530)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	298,330		298,330
34	Miscellaneous Credits Year-to-Date			0
35	Dividends Declared (Common)			0
36	Dividends Declared (Preferred)			0
37	Other Debits Year-to-Date	3,055		3,055
38	Transfers to Patronage Capital			0
39	Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38)(A2)	282,745	0	282,745
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			0
45	Cash Ratio ((14+20-10-11)/7)	1.0464	#DIV/0!	1.0464
46	Operating Accrual Ratio ((14+20+26)/7)	1.4517	#DIV/0!	1.4517
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

(C)

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8 Inc. Stmt Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 1, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) 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)
- (D) Note: Miscellaneous Revenue/Plant Nonspecific Operations Expense/Nonregulated Net Income do not match RUS Form 479 due to adjustment for Nonregulated Revenues and Expenses

Company Name: (Below)
Hat Island Telephone Company

Line #	Description	Current Year 2014 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2014 (C)
1	Local Network Services Revenues	18,604		18,604
2	Network Access Services Revenues	34,653		34,653
3	Long Distance Network Services Revenues	0		0
4	Carrier Billing and Collection Revenues	3,068		3,068
5	Miscellaneous Revenues	1,406		1,406
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(2)		(2)
7	Net Operating Revenues (1 thru 6)	57,729	0	57,729
8	Plant Specific Operations Expense	9,581		9,581
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)			0
10	Depreciation Expense	16,152		16,152
11	Amortization Expense	0		0
12	Customer Operations Expense	6,091		6,091
13	Corporate Operations	21,479		21,479
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	21,479	0	21,479
14	Total Operations Expenses (8 thru 12 +13b)	53,303	0	53,303
15	Operating Income or Margins (7 less 14)	4,426	0	4,426
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes			0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes	3,146		3,146
20	Total Operating Taxes (17+18+19)	3,146	0	3,146
21	Net Operating Income or Margins (15+16-20)	1,280	0	1,280
22	Interest on Funded Debt			0
23	Interest Expense - Capital Leases			0
24	Other Interest Expense			0
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income			0
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	9,704	0	9,704
31	Total Net Income or Margins (21+27+28+29+30-26)	10,984	0	10,984
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	282,745		282,745
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)	293,729	0	293,729
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			0
45	Cash Ratio ((14+20-10-11)/7)	0.6980	#DIV/0!	0.6980
46	Operating Accrual Ratio ((14+20+26)/7)	0.9778	#DIV/0!	0.9778
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

(C)

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8, Inc. Stmt Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 2, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) 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))
- (D) Note: Miscellaneous Revenue/Plant Nonspecific Operations Expense/Nonregulated Net Income do not match RUS Form 479 due to adjustment for Nonregulated Revenues and Expenses

Company Name:
Hat Island Telephone Company

Line #	Description	Adjusted Prior Year 2013	Adjusted Current Year 2014
1	Local Network Services Revenues	19,004	18,604
2	Network Access Services Revenues	25,012	34,653
3	Long Distance Network Services Revenues	0	0
4	Carrier Billing and Collection Revenues	2,225	3,068
5	Miscellaneous Revenues	2,447	1,406
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	71	(2)
7	Net Operating Revenues (1 thru 6)	48,759	57,729
8	Plant Specific Operations Expense	19,245	9,581
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	0	0
10	Depreciation Expense	19,764	16,152
11	Amortization Expense	0	0
12	Customer Operations Expense	7,839	6,091
13	Corporate Operations	17,504	21,479
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	17,504	21,479
14	Total Operations Expenses (8 thru 12 +13b)	64,352	53,303
15	Operating Income or Margins (7 less 14)	(15,593)	4,426
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)	0	0
19	Other Taxes	6,432	3,146
20	Total Operating Taxes (17+18+19)	6,432	3,146
21	Net Operating Income or Margins (15+16-20)	(22,025)	1,280
22	Interest on Funded Debt	0	0
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	0	0
25	Allowance for Funds Used During Construction	0	0
26	Total Fixed Charges (22+23+24-25)	0	0
27	Nonoperating Net Income	0	0
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	9,495	9,704
31	Total Net Income or Margins (21+27+28+29+30-26)	(12,530)	10,984
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	298,330	282,745
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	3,055	0
38	Transfers to Patronage Capital	0	0
39	Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38))	282,745	293,729
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	0	0
45	Cash Ratio ((14+20-10-11)/7)	1.0464	0.6980
46	Operating Accrual Ratio ((14+20+26)/7)	1.4517	0.9778
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!

Footnote	2013	2014
(A1) S Corporation Effective Tax Rate (2 decimal places):	10.00%	12.25%

Note:
Adjusted Income Statement reflects Part 64 Adjustments (Regulated to Nonregulated).

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
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EXHIBIT 4
 FINANCIAL TEMPLATE

Company Name: (Below)
Hat Island Telephone Company

Line #	Description	Part 32 Account	Prior Year 2013	Current Year 2014
1	End User Revenue (SLC, ARC, etc.)	5081	6,714	7,155
2	Switched Access (excluding USF):	5082		
2a	Intrastate		3,033	(104)
2b	Interstate (includes CAF)		(9,596)	2,207
3	Special Access:	5083		
3a	Intrastate		13,692	14,680
3b	Interstate		0	
4	Federal USF (ICLS/HCL/SN)	Varies	11,169	9,531
5	State USF			1,184
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		25,012	34,653
8	Line 2 of Income Stmt.		25,012	34,653
9	Difference		0	0

Footnote:

* - if > than 5% of Access revenue total,
 provide description below.

Description of Out-of-Period - 2014 (As Recorded)	Part 32 Account	
	Debit	Credit
Adjustment #1:		
Adjustment #2:		
Adjustment #3:		
Adjustment #4		

Company Name:
Hat Island Telephone Company

Line #	Source(A)	Net Operating Income Inputted FIT Calculation	2014		
1	Page 9, Line 21 (CY)	Adjusted Net Operating Income	1,280	(A)	
2		Out-of-Period Adjustments			
3	Page 9, Line 26 (CY)	Total Fixed Charges	-		
4	Sum	Adj. Taxable Operating Income (Line 1 + Line 2 - Line 3)	1,280		
5		Inputted S Corp. Tax Rate(B)	12.25%		
6	Calculated	inputted FIT (Line 4* Line 5)	157		
7	Sum	Adj. Net Operating income after FIT (Line 1 - Line 6)	1,123		(B)
NonOperating Income Inputted FIT Calculation					
8	Page 9, Line 27 (CY)	Nonoperating net income	-	(C)	
9	Page 9, Line 30 (CY)	Nonregulated net income	9,704		
10	Sum	Sub-Total (Line 27+Line 30)	9,704		
11		Inputted S Corp. Tax Rate(B)	12.25%		
12	Calculated	FIT (Line 10 * Line 11)	1,189		
13	Sum	Nonop/Nonreg income after FIT (Line 10 - Line 12)	8,515		
14	Sum	Adjusted Net Income w/inputted FIT	9,638		(B)+(C)-(A)
Sanity Check:					
15	Page 9, Line 31 (CY)	Line 31 as reported	10,984	(D)	
16		Out-of-Period Adjustments			
17		Total	10,984		
18		Inverse of effective tax rate (100%-Line 10 percent)	87.75%		
19	Calculated	Adjusted Net Income (Line 17*Line 18) = Line 14	9,638		
Regulated Rate of Return					
20	Page 5, Total (PY)	Regulated rate base Year End 2013	141,973	(E)	
21	Page 5, Total (CY)	Regulated rate base Year End 2014	125,821		
22	Sum	Total	267,794		
23	Calculated	Simple Avg.	133,897		
24	Line 7 (above)	Adj Operating Income after inputted FIT	1,123		
27	Calculated	Regulated rate of return	0.8%		(B)/(E)
Total Consolidated Company Return on Equity					
28	Audited FinStmts	Total Equity Year End 2013	286,745	(G)	
29	Audited FinStmts	Total Equity Year End 2014	297,729		
30	Sum	Total	584,474		
31	Calculated	Simple Avg.	292,237		
32	Audited FinStmts	Consolidated Net Income	10,984		
33	Line 2 above	Out-of-period adjustment	-		
34		Adjusted Consolidated Net Income	10,984		
35		Inputted S Corp Tax Rate	12.25%		
36		Inputted FIT (Line 34 * Line 35)	1,346		
37	Sum	Adj Consolidated Net Income after inputted FIT	9,638		(H)
38	Calculated	Total Adj. Consolidated Company Return on Equity	3.3%	(H)/(G)	

Footnotes:

(A) - Source is financial template in state USF petition

(B) - Company provided