STATE USF FILING FINANCIAL TEMPLATE "S CORP" COMPANIES

Company Name: (Below) Hat Island Telephone Company

nd of Year 2014 (A) 25,928 1,792 148,229	Adj to NonReg 2014 (B)	End of Year 2014 (C) 25,928 0 1,792 148,229 0 0 0 0 0 0 0 0 0 0	LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES 25. Accounts Payable 26. Notes Payable 27. Advance Billings and Payments 28. Customer Deposits 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt 30. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 34. Other Current Liabilities	End of Year 2014 (A) 312 1,131 2,598	Adj to NonReg 2014 (B)	End of Year 2014 (C) 312 0 1,131 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
25,928	2014 (B)	25,928 0 1,792 148,229 0 0 0 0 0 0	 Accounts Payable Notes Payable Advance Billings and Payments Customer Deposits Current Mat. L/T Debt Current Mat. L/T Debt Rur. Dev. Current Mat Capital Leases Income Taxes Accrued Other Taxes Accrued 	312 1,131	2014 (B)	312 0 1,131 0 0 0 0 0
25,928		25,928 0 1,792 148,229 0 0 0 0 0 0	 Accounts Payable Notes Payable Advance Billings and Payments Customer Deposits Current Mat. L/T Debt Current Mat. L/T Debt Rur. Dev. Current Mat Capital Leases Income Taxes Accrued Other Taxes Accrued 	312 1,131		312 0 1,131 0 0 0 0 0
1,792		0 1,792 148,229 0 0 0 0 0 0 0	 26. Notes Payable 27. Advance Billings and Payments 28. Customer Deposits 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt Rur. Dev. 31. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 	1,131		0 1,131 0 0 0 0
1,792		0 1,792 148,229 0 0 0 0 0 0 0	 26. Notes Payable 27. Advance Billings and Payments 28. Customer Deposits 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt Rur. Dev. 31. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 			1,131 0 0 0 0
		148,229 0 0 0 0 0	 28. Customer Deposits 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt Rur. Dev. 31. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 			0 0 0
		148,229 0 0 0 0 0	 28. Customer Deposits 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt Rur. Dev. 31. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 			0 0 0
		148,229 0 0 0 0 0	 29. Current Mat. L/T Debt 30. Current Mat. L/T Debt Rur. Dev. 31. Current Mat Capital Leases 32. Income Taxes Accrued 33. Other Taxes Accrued 	2,598		0 0
		0 0 0 0	 Current Mat. L/T Debt Rur. Dev. Current Mat Capital Leases Income Taxes Accrued Other Taxes Accrued 	2,598		0
		0 0	 Current Mat Capital Leases Income Taxes Accrued Other Taxes Accrued 	2,598		-
		0 0	 32. Income Taxes Accrued 33. Other Taxes Accrued 	2,598		0
		0 0	33. Other Taxes Accrued	2,598		
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		0	35. Total Current Liabilities (25 thru 34)	4,041	0	4,041
		0	LONG-TERM DEBT	.,	-	.,=
		0	36. Funded Debt-RUS Notes			0
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(200 400)		Ŭ		202 220	0	0
					0	293,729
125,821	0	125,821	58. Total Equity (51 thru 57)	297,729	-	297,729
301,770	0	301,770	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	301,770	0	301,770
	175,949 0 424,221 (298,400) 125,821 301,770	0 0 424,221 (298,400) 125,821 0	0 0 175,949 0 175,949 175,949 0 175,949 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 125,821 0 125,821	0 37. Funded Debt-RTB Notes 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 175,949 175,949 0 12,944 175,949 0 14,945 175,949 0 143,051 175,949 0 144,40,17 175,949 0 146,704 175,949 0 17,051 17,051 10 10,704 17,051 </td <td>175,949 0 175,949 37. Funded Debt-RTB Notes 175,949 0 175,949 38. Funded Debt-Other 175,949 0 175,949 39. Funded Debt-Rtra Develop. Loan 175,949 0 175,949 39. Funded Debt-Rtra Develop. Loan 175,949 0 175,949 40. Funded Debt-Rtra Develop. Loan 11 Premium (Discount) on L/T Debt 42. Reacquired Debt 43. Obligations Under Capital Lease 11 1 Premium (Discount) on L/T Debt 44. Adv. From Affiliated Companies 11 1 40 43. Obligations Under Capital Lease 11 1 1 1 1 11 1 1 1 1 1 11 1 1 1 1 1 1 11 1</td> <td>175,949 0 175,949 37. Funded Debt-RTB Notes 18. Funded Debt-FFB Notes 175,949 0 175,949 39. Funded Debt-Other 10. Funded Debt-Rural Develop. Loan 10 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Funded Debt-Ru</td>	175,949 0 175,949 37. Funded Debt-RTB Notes 175,949 0 175,949 38. Funded Debt-Other 175,949 0 175,949 39. Funded Debt-Rtra Develop. Loan 175,949 0 175,949 39. Funded Debt-Rtra Develop. Loan 175,949 0 175,949 40. Funded Debt-Rtra Develop. Loan 11 Premium (Discount) on L/T Debt 42. Reacquired Debt 43. Obligations Under Capital Lease 11 1 Premium (Discount) on L/T Debt 44. Adv. From Affiliated Companies 11 1 40 43. Obligations Under Capital Lease 11 1 1 1 1 11 1 1 1 1 1 11 1 1 1 1 1 1 11 1	175,949 0 175,949 37. Funded Debt-RTB Notes 18. Funded Debt-FFB Notes 175,949 0 175,949 39. Funded Debt-Other 10. Funded Debt-Rural Develop. Loan 10 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10. Funded Debt-Rural Develop. Loan 10 10. Funded Debt-Rural Develop. Funded Debt-Ru

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

Company Name: (Below) Hat Island Telephone Company

	Balance	Part 64	Adj. Balance		Balance	Part 64	Adj. Balance
ASSETS	End of Year	Adj to NonReg	End of Year	LIABILITIES AND STOCKHOLDERS' EQUITY	End of Year	Adj to NonReg	End of Year
	2015 (A)	2015 (B)	2015 (C)		2015 (A)	2015 (B)	2015 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	20,537		20,537	25. Accounts Payable	1,275		1,275
2. Cash-RUS Construction Fund			0	26. Notes Payable	,		0
3. Affiliates:				27. Advance Billings and Payments			0
a. Telecom, Accounts Receivable	2,344		2,344	28. Customer Deposits			0
b. Other Accounts Receivable	169,593		169,593	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	2,707		2,707
c. Notes Receivable			0	34. Other Current Liabilities	,		0
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	3,982	0	3,982
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)	192,474	0	192,474	39. Funded Debt-Other			0
· · · ·			,	40. Funded Debt-Rural Develop. Loan			0
NONCURRENT ASSETS				41. Premium (Discount) on L/T Debt			0
11. Investment in Affiliated Companies				42. Reacquired Debt			0
a. Rural Development			0	43. Obligations Under Capital Lease			0
b. Nonrural Development			0	44. Adv. From Affiliated Companies			0
12. Other Investments			-	45. Other Long-Term Debt			0
a. Rural Development			0	46. Total Long-Term Debt (36 thru 45)	0	0	0
b. Nonrural Development			0	OTHER LIAB. & DEF. CREDITS		-	-
13. Nonregulated Investments (B1)		0	0	47. Other Long-Term Liabilities			0
14. Other Noncurrent Assets			0	48. Other Deferred Credits (C)	1,385		1,385
15. Deferred Charges			0	49. Other Jurisdictional Differences			0
16. Jurisdictional Differences			0	50. Total Other Liab. & Def. Credits (47 thru 49)	1,385	0	1,385
17. Total noncurrent Assets (11 thru 16)	0	0	0	EQUITY	,	-	,
	-		-	51. Cap. Stock Outstanding & Subscribed	4,000		4,000
PLANT, PROPERTY AND EQUIPMENT				52. Additional Paid-in-Capital	,		0
18. Telecom Plant-In-Service	428,516		428,516	53. Treasury Stock			0
19. Property Held for Future Use	,		0	54. Membership and cap. Certificates			0
20. Plant Under Construction			0	55. Other Capital			0
21. Plant Adj.,Nonop Plant & Goodwill			0	56. Patronage Capital Credits			0
22. Accumulated Depreciation (CR.)	(311,480)		(311,480)	57. Retained Earnings or Margins (B2)	300,143	0	300,143
23. Net Plant (18 thru 21 less 22)	117,036	0	117,036	58. Total Equity (51 thru 57)	304,143	-	304,143
24. TOTAL ASSETS (10+17+23)	309,510	0	309,510	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	309,510	0	309,510

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

Company Name: (Below) Hat Island Telephone Company

	Adjusted	Adjusted		Adjusted	Adjusted
ASSETS	Prior Year	Current Year	LIABILITIES AND STOCKHOLDERS' EQUITY	Prior Year	Current Year
	Balance 2014	Balance 2015		Balance 2014	Balance 2015
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	25,928	20,537	25. Accounts Payable	312	1,275
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	1,131	0
a. Telecom, Accounts Receivable	1,792	2,344	28. Customer Deposits	0	0
b. Other Accounts Receivable	148,229	169,593	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	2,598	2,707
c. Notes Receivable	0	0	34. Other Current Liabilities	0	0
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	4,041	3,982
6. Material-Regulated	0	0	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	0	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)	175,949	192,474	39. Funded Debt-Other	0	0
			40. Funded Debt-Rural Develop. Loan	0	0
NONCURRENT ASSETS			41. Premium (Discount) on L/T Debt	0	0
11. Investment in Affiliated Companies			42. Reacquired Debt	0	0
a. Rural Development	0	0	43. Obligations Under Capital Lease	0	0
b. Nonrural Development	0	0	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 (36-45)	0	0
b. Nonrural Development	0	0	OTHER LIAB. & DEF. CREDITS		
13. Nonregulated Investments	0	0	47. Other Long-Term Liabilities	0	0
14. Other Noncurrent Assets	0	0	48. Other Deferred Credits	0	1,385
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)	0	1,385
17. Total noncurrent Assets (11 thru 16)	0	0	EQUITY		
			51. Cap. Stock Outstanding & Subscribed	4,000	4,000
PLANT, PROPERTY AND EQUIPMENT			52. Additional Paid-in-Capital	0	0
18. Telecom Plant-in-Service	424,221	428,516	53. Treasury Stock	0	0
19. Property Held for Future Use	0	0	54. Membership and cap. Certificates	0	0
20. Plant Under Construction	0	0	55. Other Capital	0	0
21. Plant Adj.,Nonop Plant & Goodwill	0	0	56. Patronage Capital Credits	0	0
22. Accumulated Depreciation (CR.)	(298,400)	(311,480)	57. Retained Earnings or Margins	293,729	300,143
23. Net Plant (18 thru 21 less 22)	125,821	117,036	58. Total Equity (51 thru 57)	297,729	304,143
24. TOTAL ASSETS (10+17+23)	301,770	309,510	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	301,770	309,510

Footnote:

Adjusted Balances represents balances after Part 64 adjustments

Company Name: (Below) Hat Island Telephone Company

		B/S	Adj. Balance	Adj. Balance	Average
Line #	Description	Line	End of Year	End of Year	Adj End of Year
		#	2014	2015	Balance
	Average Rate Base:				
1	Total Regulated Adjusted Telecom Plant-In-service	18	424,221	428,516	426,369
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(298,400)	(311,480)	(304,940)
4	Total Regulated Materials & Supplies	6	0	0	0
5	Deferred Income Taxes (CR)		(9,362)	(8,017)	(8,690)
6	Total Regulated Rate Base		116,459	109,019	112,739

Footnotes:

1. Normal balance of deferred income taxes and

accumulated depreciation is a credit.

2. Adjusted balance includes Part 64 adjustments

Company Name: (Below) Hat Island Telephone Company

		Prior Year	Current Year		
Line #	Description	End of Yr.	End of Yr.	Difference	%
		Balance - 2014	Balance - 2015		Change
	Access Lines:				
1	Residential	59	55	(4)	-6.8%
2	Business	9	11	2	22.2%
3	Total	68	66	(2)	-2.9%

Note: If 2014 does not equal last year's petition and template, explain.

Company Name: (Below)

Hat Island Telephone Company

		Prior Year	Part 64	Prior Year
Line #	Description	2014	Adj. to NonReg	Adjusted
Line #	Description	(A)	(B)	2014 (C)
1	Local Network Services Revenues	18,604	(6)	18,604
2	Network Access Services Revenues	34,653		34,653
3	Long Distance Network Services Revenues	0,055		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	⁽²⁾ 57,729
8	Plant Specific Operations Expense	9,581	U	9,581
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	5,581		5,581
10	Depreciation Expense	16,152		16,152
10	Amortization Expense	10,132		10,132
11		6,091	0	6,091
12	Customer Operations Expense		0	21,479
13	Corporate Operations	21,479	0	
	Total Operations Expenses (8 thru 12 +13b)	53,303	0	53,303
15 16	Operating Income or Margins (7 less 14)	4,426	0	4,426
-	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	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		0
23	Interest Expense - Capital Leases	0		0
24	Other Interest Expense	0		0
25	Allowance for Funds Used During Construction (CR)	0		0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income	0		0
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		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		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 End-of-Period ((31+33+34)-(35+36+37+38)(A2)	293,729	0	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	0
44	Annual Debt Service Payments	0		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!

Footnotes:

(A) As reported on RUS Form 479

(A1) S Corps provide effective tax rate from Cost study on Page 9 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) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

Company Name: (Below)

Hat Island Telephone Company

Line #Current YearPart 64Line #Description(A)Adj. to NonReg1Local Network Services Revenues19,7652Network Access Services Revenues29,6123Long Distance Network Services Revenues04Carrier Billing and Collection Revenues1,3295Miscellaneous Revenues (Normal Balance is debit or in brackets)06Uncollectible Revenues (Normal Balance is debit or in brackets)07Net Operating Revenues (1thru 6)52,11108Plant Specific Operations Expense13,3929Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)010Depreciation Expense012Customer Operations Expense (excluding Depreciation & Amort.)013Corporate Operations Expense012Customer Operations Expense (stru 12+13b)57,19313Corporate Operations Expenses (stru 12+13b)57,19314Total Operating Income or Margins (7 less 14)(5,082)15Operating Income and Expenses ()117State and Local Taxes2,31918Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)019Other Taxes2,319021Interest on Funded Debt122Interest on Funded Debt123Interest Expense - Capital Leases224Other Interest Expense225Allowance for Funds Used During Construction (CR)<	2015 (C)
Image: Construction of the con	2015 (C)
1 Local Network Services Revenues 19,765 2 Network Access Services Revenues 29,612 3 Long Distance Network Services Revenues 0 4 Carrier Billing and Collection Revenues 1,329 5 Miscellaneous Revenues 1,405 0 Uncollectible Revenues (Normal Balance is debit or in brackets) 0 7 Net Operating Revenues (1 thru 6) 52,111 0 8 Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 0 12 Customer Operations Expense 6,017 1,740 13 Corporate Operations Expenses (8 thru 12 + 13b) 57,193 (620 14 Total Operations Expenses (8 thru 12 + 13b) 57,193 (620 15 Operating Income and Expenses () 5 1 7 14 Total Operations Expenses () 5 6 1 0 15 Operating Income and Expenses () 5 5 6 2 1 15 State and Local Tax	
2 Network Access Services Revenues 29,612 3 Long Distance Network Services Revenues 0 4 Carrier Billing and Collection Revenues 1,329 5 Miscellaneous Revenues 1,405 6 Uncollectible Revenues (Normal Balance is debit or in brackets) 0 7 Net Operating Revenues (1 thru 6) 52,111 8 Plant Specific Operations Expense 13,080 10 Depreciation Expense 0 11 Amortization Expense 0 12 Customer Operations Expense 6,017 13 Corporate Operations Expenses 0 14 Total Operating Income or Margins (7 less 14) (5,082) 16 Other Operating Income and Expenses () 1 17 State and Local Taxes 2,319 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 19 Other Taxes 2,319 10 Net Operating Income or Margins (15+16-20) (7,401) 12 Interest on Funded Debt 1 14 Total Operating Income or Margins (15+16-20) (7,401) 15 Other Taxes 2,319 0 16 Other operating Income or Margins (15+16-20) (7,401) <t< td=""><td>10 707</td></t<>	10 707
3 Long Distance Network Services Revenues 0 4 Carrier Billing and Collection Revenues 1,329 5 Miscellaneous Revenues 1,405 6 Uncollectible Revenues (Normal Balance is debit or in brackets) 0 7 Net Operating Revenues (1 thru 6) 52,111 0 8 Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 6,017 1,740 13 Corporate Operations Expenses (8 thru 12 +13b) 57,193 (620 14 Total Operating Income or Margins (7 less 14) (5,082) 620 15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () 1 1 17 State and Local Taxes 2,319 0 19 Otter Taxes 2,319 0 10 Total Operating Toxee (17+18+19) 2,319 0 10	19,765
4 Carrier Billing and Collection Revenues 1,329 5 Miscellaneous Revenues 1,405 6 Uncollectible Revenues (Normal Balance is debit or in brackets) 0 7 Net Operating Revenues (1 thru 6) 52,111 0 8 Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 6,017 13 Corporate Operations Expenses (8 thru 12 + 13b) 57,193 14 Total Operating Income on Margins (7 less 14) (5,082) 16 Other Operating Income and Expenses () 1 17 State and Local Taxes 2,319 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 19 Other Taxes 2,319 10 Total Operating Taxes (17+18+19) 2,319 11 Net Operating Income or Margins (15+16-20) (7,401) 12 Interest Expense Applicate Ass 24 Other Interest Expense 2 25 Allowance for Funds Used During Construction (CR) 1	29,612
Miscellaneous Revenues 1,405 Miscellaneous Revenues (Normal Balance is debit or in brackets) 0 Net Operating Revenues (1 thru 6) 52,111 Plant Specific Operations Expense 15,392 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 Depreciation Expense 13,080 Amortization Expense 0 Customer Operations Expense 6,017 Corporate Operations Expenses (8 thru 12+13b) 57,193 Operating Income or Margins (7 less 14) (5,082) Operating Income or Margins (7 less 14) (5,082) Operating Taxes 2,319 Total Operating Taxes (11+18+19) 2,319 Other Taxes 2,319 Interest on Funded Debt (7,401) Interest expense (7,401) Interest expense 2 Att Operating Income or Margins (15+16-20) (7,401) Att Operating Income or Margins (15+16-20) (7,401) Met Operating Income or Margins (15+16-20) 1 Met Operating Income or Margins (15+16-20) 1 Met Operating Income or Margins (15+16-20) 1 Net Operating Income or Margins (15+16-20) 1 Met Operating Income or Margins (15+16-20) 1 Met Operating Income or Margins (15+16-20) 1	0
6 Uncollectible Revenues (Normal Balance is debit or in brackets) 0 7 Net Operating Revenues (1 thru 6) 52,111 0 8 Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 6,017 13 Corporate Operations Expenses 6,017 14 Total Operations Expenses 22,704 15 Operating Income or Margins (7 less 14) (5,082) 16 Other Operating Income and Expenses () 57,193 17 State and Local Taxes 1 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 19 Other Taxes 2,319 0 11 Net Operating Income or Margins (15+16-20) (7,401) 620 12 Interest on Funded Debt 1 1 620 13 Interest Expense C,319 0 0 14 Total Operating Income or Margins (15+16-20) (1,329
Net Operating Revenues (1 thru 6) 52,111 0 8 Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 0 12 Customer Operations Expense 6,017 1,740 13 Corporate Operations 22,704 (2,360 14 Total Operating Income or Margins (7 less 14) (5,082) 620 15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () 17 State and Local Taxes 2,319 00 19 Other Taxes 2,319 00 00 01 17.431 620 19 Other Taxes 2,319 0 00 01 00 10 Total Operating Income or Margins (15+16-20) (7,401) 620 01 020 020 020 00 00	1,405
Plant Specific Operations Expense 15,392 9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,3080 11 Amortization Expense 0 12 Customer Operations Expense 6,017 13 Corporate Operations Expense 6,017 14 Total Operations Expense 6,017 15 Operating Income or Margins (7 less 14) (5,082) 16 Other Operating Income and Expenses () 57,193 17 State and Local Taxes	0
9 Plant Nonspecific Operations Expense (excluding Depreciation & Amort.) 0 10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 6,017 1,740 13 Corporate Operations Expense 6,017 1,740 14 Total Operations Expenses (8 thru 12 +13b) 57,193 (620 15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () 57,193 (620 17 State and Local Taxes 2,219 0 19 Other Taxes 2,319 0 10 Total Operating Income or Margins (15+16-20) (7,401) 620 11 Net Operating Income or Margins (15+16-20) (7,401) 620 12 Interest on Funded Debt 1 1 620 12 Interest Expense Capital Leases 2 4 0 620 14 Interest Expense Approx (17+18+19) 2,319 0 620 620 12 Interest Expense - Capital Leases 4	52,111
10 Depreciation Expense 13,080 11 Amortization Expense 0 12 Customer Operations Expense 0 13 Corporate Operations Expense 6,017 14 Total Operations Expenses 22,704 15 Operating Income or Margins (7 less 14) (5,082) 16 Other Operating Income and Expenses () 57,193 17 State and Local Taxes 2,319 19 Other Taxes 2,319 10 Total Operating Taxes (17+18+19) 2,319 00 11 Net Operating Income or Margins (15+16-20) (7,401) 620 12 Interest on Funded Debt 11 11 620 12 Interest Expense - Capital Leases 2 10 620 13 Interest Expense - Capital Leases 2 10 620 14 Test Expense - Capital Leases 2 10 620	15,392
11 Amortization Expense 0 12 Customer Operations Expense 6,017 1,740 13 Corporate Operations Expense 6,017 1,740 14 Total Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () (5,082) 620 17 State and Local Taxes	0
12 Customer Operations Expense 6,017 1,740 13 Corporate Operations 22,704 (2,360 14 Total Operations Expenses (8 thru 12 +13b) 57,193 (620 15 Operating Income on Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () (5,082) 620 17 State and Local Taxes	13,080
13 Corporate Operations 22,704 (2,360 14 Total Operations Expenses (8 thru 12 +13b) 57,193 (620 15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () (5,082) 620 17 State and Local Taxes (1,000) (1,000) 00 19 Other Taxes 2,319 00 00 10 Total Operating Income or Margins (15+16-20) (7,401) 620 020 10 Interest on Funded Debt 1 1 00 00 020 0	0
Total Operations Expenses (8 thru 12 +13b) 57,193 (620 15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () (5,082) 620 17 State and Local Taxes (5,082) 620 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 0 19 Other Taxes 2,319 0 20 Total Operating Income or Margins (15+16-20) (7,401) 620 21 Interest on Funded Debt 1 1 620 23 Interest Expense - Capital Leases 2 4 0 620 25 Allowance for Funds Used During Construction (CR) 1 620 1 620	7,757
15 Operating Income or Margins (7 less 14) (5,082) 620 16 Other Operating Income and Expenses () (5,082) 620 17 State and Local Taxes (5,082) 620 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 0 19 Other Taxes 2,319 0 10 Total Operating Taxes (17+18+19) 2,319 0 20 Total Operating Income or Margins (15+16-20) (7,401) 620 21 Net Operating Income or Margins (15+16-20) (7,401) 620 23 Interest on Funded Debt 2 1 24 Other Interest Expense 2 4 25 Allowance for Funds Used During Construction (CR) 4 4	
16 Other Operating Income and Expenses () 17 State and Local Taxes 18 Federal Income Taxes (A) - (LINE IS ZERO IF COMPANY IS S CORP) 19 Other Taxes 20 Total Operating Taxes (17+18+19) 21 Net Operating Income or Margins (15+16-20) 22 Interest on Funded Debt 23 Interest Expense - Capital Leases 24 Other Interest Expense 25 Allowance for Funds Used During Construction (CR)	
17 State and Local Taxes 0 18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 19 Other Taxes 2,319 20 Total Operating Income or Margins (15+16-20) (7,401) 620 21 Interest on Funded Debt 1 1 23 Interest Expense - Capital Leases 2 1 24 Other Interest Expense 2 1 25 Allowance for Funds Used During Construction (CR) 1 1	(4,462)
18 Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP) 0 19 Other Taxes 2,319 20 Total Operating Taxes (17+18+19) 2,319 21 Interest on Funded Debt (7,401) 23 Interest Expense - Capital Leases 4 24 Other Interest Expense 4 25 Allowance for Funds Used During Construction (CR) 4	0
19 Other Taxes 2,319 20 Total Operating Taxes (17+18+19) 2,319 21 Net Operating Income or Margins (15+16-20) (7,401) 22 Interest on Funded Debt (7,401) 23 Interest Expense - Capital Leases 4 24 Other Interest Expense 4 25 Allowance for Funds Used During Construction (CR) 4	0
20 Total Operating Taxes (17+18+19) 2,319 0 21 Net Operating Income or Margins (15+16-20) (7,401) 620 22 Interest on Funded Debt 1 1 23 Interest Expense - Capital Leases 2 4 24 Other Interest Expense 2 25 Allowance for Funds Used During Construction (CR) 4	0
21 Net Operating Income or Margins (15+16-20) (7,401) 620 22 Interest on Funded Debt	2,319
22 Interest on Funded Debt 23 Interest Expense - Capital Leases 24 Other Interest Expense 25 Allowance for Funds Used During Construction (CR)	2,319
23 Interest Expense - Capital Leases 24 Other Interest Expense 25 Allowance for Funds Used During Construction (CR)	(6,781)
24 Other Interest Expense 25 Allowance for Funds Used During Construction (CR)	0
25 Allowance for Funds Used During Construction (CR)	0
	0
26 Total Fixed Charges (22+23+24-25) 0 0	0
	0
27 Nonoperating Net Income	0
28 Extraordinary Items	0
29 Jurisdictional Differences	0
30 Nonregulated Net Income (B1) 13,815 (620	13,195
31 Total Net Income or Margins (21+27+28+29+30-26) 6,414 0	6,414
32 Total Taxes Based on Income	
33 Retained Earning or Margins Beginning-of-Year 293,729	293,729
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) 300,143 0	300,143
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	0
45 Cash Ratio ((14+20-10-11)/7) 0.8910 #DIV/0!	0.8791
46 Operating Accrual Ratio ((14+20+26)/7) 1.1420 #DIV/0!	1.1301
47 TIER ((31+26)/26) #DIV/0! #DIV/0!	#DIV/0!
48 DSCR ((31+26+10+11)/44) #DIV/0! #DIV/0!	
	#DIV/0!

Footnotes:

(A) As reported on RUS Form 479

(A1) S Corps provide effective tax rate from Cost study on Page 9, 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) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

Company Name: (Below)

Hat Island Telephone Company

		Adjusted	Adjusted
Line #	Description	Prior Year	Current Year
		2014	2015
1	Local Network Services Revenues	18,604	19,765
2	Network Access Services Revenues	34,653	29,612
3	Long Distance Network Services Revenues	0	25,012
4	Carrier Billing and Collection Revenues	3,068	1,329
5	Miscellaneous Revenues	1,406	1,405
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(2)	2,105
7	Net Operating Revenues (1 thru 6)	57,729	52,111
8	Plant Specific Operations Expense	9,581	15,392
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	0	10,002
10	Depreciation Expense	16,152	13,080
11	Amortization Expense	10,132	13,000
12	Customer Operations Expense	6,091	7,757
13	Corporate Operations	21,479	20,344
14	Total Operations Expenses (8 thru 12 +13b)	53,303	56,573
15	Operating Income or Margins (7 less 14)	4,426	(4,462)
16	Other Operating Income and Expenses ()	4,420	(4,402)
10	State and Local Taxes	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	0
19	Other Taxes	3,146	2,319
	Total Operating Taxes (17+18+19)	3,146	2,319
20	Net Operating Income or Margins (15+16-20)	1.280	(6,781)
21	Interest on Funded Debt	0	0,731
22	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
-	Jurisdictional Differences	0	0
-	Nonregulated Net Income	9,704	13,195
31	Total Net Income or Margins (21+27+28+29+30-26)	10,984	6,414
32	Total Taxes Based on Income	10,504	0,414
33	Retained Earning or Margins Beginning-of-Year	282,745	293,729
34	Miscellaneous Credits Year-to-Date	0	233,725
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)	293,729	300,143
40	Patronage Capital Beginning-of-Year	0	0
41	Transfers to Patronage Capital	0	0
41	Patronage Capital Credits Retired	0	0
42	Patronage Capital End-of-Year (40+41-42)	0	0
44	Annual Debt Service Payments	0	0
44	Cash Ratio ((14+20-10-11)/7)	0.6980	0.8791
45	Operating Accrual Ratio ((14+20+26)/7)	0.0980	1.1301
40 47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!
47	DSCR ((31+26)/26)	#DIV/0!	#DIV/0!

Footnote

2014

(A1) S Corporation Effective Tax Rate (2 decimal places):

014 2015 12.25% 11.90%

Note:

Adjusted Income Statement reflects Part 64 Adustments (Regulated to Nonregulated).

Company Name: (Below) Hat Island Telephone Company

			Prior Year	Current Year
Line #	Description	Part 32	2014	2015
		Account		
1	End User Revenue (SLC, ARC, etc.)	5081	7,155	7,514
2	Switched Access (excluding USF):	5082		
2a	Intrastate		(104)	1,759
2b	Interstate (includes CAF)		2,207	(3,460)
3	Special Access:	5083		
3a	Intrastate		14,680	12,058
3b	Interstate		0	0
4	Federal USF (ICLS/HCL/SN)	Varies	9,531	9,881
5	State USF		1,184	1,860
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		34,653	29,612
8	Line 2 of Income Stmt.		34,653	29,612
9	Difference		0	0

Footnote:

* - if > than 5% of Access revenue total,

provide description below.

Company Name: (Below)

Hat Island Telephone Company

Description of Out-of-Period - 2015 (As Recorded) OR	Year		Part 32	Account
Pro Forma (PF) Adjustments for Current Year or Reversing from Prior Year		OOP or PDF?	Debit	Credit
Adjustment #1:				
Adjustment #2				
Adjustment #2:				
Adjustment #3:				
Adjustment #4				
Adjustment #5				

Company Name:

|--|

			2015	
Line #	Source(A)	Net Operating Income Inputted FIT Calculation	2010	
1	Page 9, Line 21 (CY)	Adjusted Net Operating Income	(6,781)	
2		Out-of-Period or Pro Forma Adjustments		
3	Page 9, Line 26 (CY)	Total Fixed Charges	-	(A)
4	Sum	Adj. Taxable Operating Income (Line 1 + Line 2 - Line 3)	(6,781)	
5		Inputted S Corp. Tax Rate(B)	11.90%	
6	Calculated	inputted FIT (Line 4* Line 5)	(807)	
7	Sum	Adj. Net Operating income after FIT (Line 1 - Line 6)	(5,974)	(B)
Line #	Source(A)	NonOperating Income Inputted FIT Calculation		
8	Page 9, Line 27 (CY)	Nonoperating net income	-	
9	Page 9, Line 30 (CY)	Nonregulated net income	13,195	
10	Sum	Sub-Total (Line 27+Line 30)	13,195	
11		Inputted S Corp. Tax Rate(B)	11.90%	
12	Calculated	FIT (Line 10 * Line 11)	1,570	
13	Sum	Nonop/Nonreg income after FIT (Line 10 - Line 12)	11,625	(C)
14	Sum	Adjusted Net Income w/inputted FIT	5,651	(B)+(C)-(A)
	-			
Line #	Source(A)	Sanity Check:		
15	Page 9, Line 31 (CY)	Line 31 as reported	6,414	
16		Out-of-Period or Pro Forma Adjustments	-	
17		Total	6,414	
18		Inverse of effective tax rate (100%-Line 10 percent)	88.10%	
19	Calculated	Adjusted Net Income (Line 17*Line 18) = Line 14	5,651	(D)
	r			
Line #		Regulated Rate of Return		
20	Page 5, Total (PY)	Regulated rate base Year End 2014	116,459	
21	Page 5, Total (CY)	Regulated rate base Year End 2015	109,019	
22	Sum	Total	225,478	
23	Calculated	Simple Avg.	112,739	(E)
24	Line 7 (above)	Adj Operating Income after inputted FIT	(5,974)	
27	Calculated	Regulated rate of return	-5.3%	(B)/(E)
	r			
Line #		Total Consolidated Company Return on Equity		
28	Audited FinStmts	Total Equity Year End 2014	297,729	
29	Audited FinStmts	Total Equity Year End 2015	304,143	
30	Sum	Total	601,872	
31	Calculated	Simple Avg.	300,936	(G)
32	Audited FinStmts	Consolidated Net Income	6,414	
33	Line 2 above	Out-of-period or Pro Forma Adjustments	-	
34		Adjusted Consolidated Net Income	6,414	
35		Inputted S Corp Tax Rate	11.90%	
36		Inputted FIT (Line 34 * Line 35)	763	
37	Sum	Adj Consolidated Net Income after inputted FIT	5,651	(H)
38	Calculated	Total Adj. Consolidated Company Return on Equity	1.9%	(H)/(G)
		Footnotes:		
		Toothotes.		

Lines 2, 16 & 33 will be completed by Staff Lines 28, 29 & 32 to be completed by the Company