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Attorneys for Manti Telephone Company

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF MANTI TELE-  
PHONE COMPANY'S APPLICATION  
FOR INCREASED USF ELIGIBILITY

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DOCKET 13-046-01

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REDACTED

DIRECT TESTIMONY

OF

TAMI HANSEN  
ON BEHALF OF

MANTI TELEPHONE COMPANY

1 Q. **Please state your name, occupation and business address.**

2 A. Tami Hansen. I am the Accounting Manager at Manti Telephone Company (“Manti” or  
3 “Company”). Manti’s business address is 40 West Union Street, Manti UT 84642.

4  
5 Q. **Please state your educational and professional background.**

6 A. I received a Bachelor of Science in Business Administration, a Bachelor of Science in  
7 Accounting, and a Masters of Accounting in Accounting from Utah State University. I  
8 have been a certified public accountant since 1998. Professionally, I have practiced  
9 accounting in the following industries: local government, construction, manufacturing,  
10 and now telecommunications. I have also worked as an auditor.

11

12 Q. **How long have you been employed by Manti?**

13 A. I have been employed by Manti since October 1, 2012.

14

15 Q. **Why are you qualified to offer testimony in this case?**

16 A. I have been employed by Manti since October 1, 2012. During that time I have become  
17 very familiar with the books and records and operations of Manti. My job duties involve  
18 accounts payable, billing, bank and general ledger reconciliations, reporting to state and  
19 federal regulatory agencies, toll processing, and maintaining property records. I have  
20 prepared preliminary financial statements, general ledger transactions, monthly, quarterly,  
21 and annual reports submitted to the FCC, IRS, NECA, Utah State Tax Commission, and  
22 the Public Service Commission. I have worked closely with the management of Manti as

23 well as the independent auditors, Hawkins, Cloward & Simister, LC. Additionally, my  
24 educational background and my professional experience have focused on accounting,  
25 income tax, payroll, human resources and consulting. I am familiar with the day to day  
26 operations of Manti and the accounting processes and procedures in my capacity as  
27 accounting manager.

28

29 **Q. What is the purpose of your testimony?**

30 A. The purpose of my testimony is to present the current financial position of Manti. My  
31 testimony will focus on the following Confidential Exhibits: Manti TH 1: 2013-11 Cash  
32 Flow.pdf; Manti TH 2: 2013-11 Income Statement.pdf; Manti TH 3: RTFC Schedule.pdf;  
33 Manti TH 4: Wages After Layoff.pdf; and Manti TH 5: 2012 Audited Financial  
34 Statements.pdf.

35

36 **Q. In your capacity as Accounting Manager have you formed an opinion on the**  
37 **financial position of Manti?**

38 A. Yes. [REDACTED]  
39 [REDACTED]

40

41 **Q. What evidence can you present in support of your statement [REDACTED]**  
42 **[REDACTED]?**

43 A. I will refer to Confidential Exhibits Manti TH 1: 2013-11 Cash Flow.pdf; Manti TH 2:  
44 2013-11 Income Statement.pdf, and Manti TH 3: RTFC Schedule.pdf; and Manti TH 5:  
45 2012 Audited Financial Statements.

46  
47 **Q: Can you explain Exhibit Manti TH 1: 2013-11 Cash Flow.pdf?**

48 A. Attached is the Manti 2013 cash flow statement as of November 30, 2013 that I prepared.  
49 The numbers are unaudited because they are current year (2013). However, I created this  
50 document by beginning with the ending numbers taken from the 2012 Audited Financial  
51 Statements, which are attached hereto as Confidential Exhibit Manti TH 5: 2012 Audited  
52 Financial Statements. [REDACTED]

53 [REDACTED]  
54 [REDACTED]  
55 [REDACTED]  
56 [REDACTED]  
57 [REDACTED]  
58 [REDACTED]  
59 [REDACTED]  
60 [REDACTED]

61  
62 **Q. You have provided Exhibit Manti TH 2: 2013-11 Income Statement.pdf with your**  
63 **testimony, can you please explain this Exhibit?**

64 A. Exhibit Manti TH 2: 2013-11 Income Statement is the 2013 unaudited income statement  
65 for Manti for the eleven months of 2013 ending with November 30, 2013 [REDACTED]

66 [REDACTED]

67 [REDACTED]

68 [REDACTED]

69

70 **Q. What amounts is Manti required to accrue for employee benefits?**

71 A. Manti's employee profit-sharing plan requires a minimum safe harbor contribution by the  
72 employer. This contribution is calculated by the auditing firm during the year end audit.

73 [REDACTED]

74 [REDACTED]

75 [REDACTED].

76

77 **Q. What amounts is Manti required to accrue for the year end audit?**

78 A. [REDACTED]

79 [REDACTED]

80 [REDACTED]

81 [REDACTED]

82

83 **Q. What amounts is Manti required to accrue for debt service?**

84 A. The debt service to RTFC was scheduled for quarterly payments of approximately

85 [REDACTED]. I have attached in Confidential Exhibit Manti TH 3 RTFC Schedule, which is

86 a breakdown of the required loan payments and [REDACTED]

87 [REDACTED]

88 [REDACTED]

89 [REDACTED]

90 [REDACTED]

91 [REDACTED]

92 [REDACTED]

93 [REDACTED]

94 [REDACTED]

95 [REDACTED]

96 [REDACTED]

97 [REDACTED]

98 [REDACTED]

99 [REDACTED]

100 [REDACTED]

101 [REDACTED]

102 [REDACTED]

103 [REDACTED]

104 [REDACTED]

105 [REDACTED]

106

107 **Q. How much is Manti required to reserve for property taxes?**

108 A. [REDACTED]  
109 [REDACTED]  
110 [REDACTED]

111  
112 Q. [REDACTED]  
113 [REDACTED]

114 [REDACTED]  
115 [REDACTED]  
116 [REDACTED]  
117 [REDACTED]  
118 [REDACTED]  
119 [REDACTED]  
120 [REDACTED]

121  
122 Q. **Have you reviewed the Manti 2012 Audited Financial Statements?**

123 A. Yes. [REDACTED]  
124 [REDACTED]  
125 [REDACTED]  
126 [REDACTED]  
127 [REDACTED]  
128 [REDACTED]  
129 [REDACTED]

130 [REDACTED]

131 [REDACTED]

132 [REDACTED]

133 [REDACTED]

134 [REDACTED]

135 [REDACTED]

136 [REDACTED]

137 [REDACTED]

138 [REDACTED]

139 [REDACTED]

140 [REDACTED]

141 [REDACTED]

142 [REDACTED]

143 [REDACTED]

144 [REDACTED]

145 [REDACTED]

146 [REDACTED]

147 [REDACTED]

148 [REDACTED]

149 [REDACTED]

150 Q. [REDACTED]



151 [REDACTED]

152 [REDACTED]

153 [REDACTED]

154 **Q. Do you have any issues relating to the Manti 2012 Audited Financial Statements that**  
155 **you believe need clarification?**

156 **A.** [REDACTED]

157 [REDACTED]

158 [REDACTED]

159 [REDACTED]

160 [REDACTED]

161 [REDACTED]

162 [REDACTED]

163 [REDACTED]

164 [REDACTED]

165 [REDACTED]

166 [REDACTED]

167 [REDACTED]

168 **Q. What cost cutting measures has the Company taken since receiving the**  
169 **Commission's December 28, 2012 Order?**

170 **A.** [REDACTED]

171 [REDACTED]

172 [REDACTED]

173 [REDACTED]

174 [REDACTED]

175 [REDACTED]

176 [REDACTED]

177 [REDACTED]

178 [REDACTED]

179 [REDACTED]

180 [REDACTED]

181 [REDACTED]

182 [REDACTED]

183 [REDACTED]

184 [REDACTED]

185 [REDACTED]

186 [REDACTED]

187 [REDACTED]

188 [REDACTED]

189 [REDACTED]

190 [REDACTED]

191 [REDACTED]

192 [REDACTED]

193 [REDACTED]

194 [REDACTED]

195 [REDACTED]

196 [REDACTED]

197 [REDACTED]

198

199 **Q. Is Manti currently receiving any UUSF Disbursements?**

200 A. [REDACTED]

201 [REDACTED]

202 [REDACTED]

203 [REDACTED]

204

205 **Q. What is the current financial situation at Manti?**

206 A. [REDACTED]

207 [REDACTED]

208 [REDACTED]

209 [REDACTED]

210 [REDACTED]

211 [REDACTED]

212 [REDACTED]

213

214 **Q. Were you involved in the previous rate case?**

215 A. No. I had only been with the company a few weeks when the rate case went to hearing.

216 [REDACTED]

217 [REDACTED]

218 [REDACTED]

219 [REDACTED]

220 [REDACTED]

221

222 **Q. Does this conclude your testimony?**

223 A. Yes.