

**INLAND TELEPHONE COMPANY - SAC 522423 WA
ATTACHMENTS TO THE FCC FORM 481**

**LINE 510 - COMPLIANCE WITH SERVICE QUALITY STANDARDS AND
CONSUMER PROTECTION RULES**

(522423 WA 510 SERVICE QUALITY AND CPNI CERTIFICATION.pdf)

(522423 WA 510 ITC CPNI PROCEDURES.pdf)

LINE 610 - FUNCTIONALITY IN EMERGENCY SITUATIONS

(522423 WA FINCTIONAL IN EMERGENCIES CERTIFICATION LN 610.pdf)

Ability to Remain Functional in Emergencies Certification
§54.313(a)(1)

ETCs must demonstrate that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

§54.202(a)(2) Demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.


I, James K. Brooks, being of lawful age, state that I am Treasurer/Controller of Inland Telephone Company ("Company")(SAC 522423), that I am authorized to execute this certification on behalf of the Company, and that the facts set forth in this certification are true to the best of my knowledge, information and belief.

On this basis, the Company certifies that it maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g) and in 47 C.F.R. §54.202(a)(2), as such standards relate to functionality of wireline carriers in emergency situations. The Company further certifies that it maintains back-up power to ensure functionality without an external power source in the forms of auxiliary generators and batteries in its central offices as well as adequate battery back-up in its subscriber carrier cabinets. For its fiber-to-the-premise deployment, the Company mounted at each premises a universal power source ("UPS") capable of eight hours of back-up power for all optical network terminals and offers for sale, additional batteries for the UPS unit. The Company's switching capability is more than adequate to manage the traffic of its subscribers.

For calls within the exchange of Uniontown, depending upon where a cut is made, there exists redundant toll routing however, the other exchanges have no redundant toll routing. In all exchanges, customers can continue to make calls within the exchange should the interexchange interconnected facilities become disconnected. The Company does not have ring technology at this time however; the Company is always looking for redundant routing alternatives.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 29th day of June, 2018 in Roslyn, Washington.

By: 

James K. Brooks
Treasurer/Controller
Inland Telephone Company

LINE 1010 - VOICE SERVICE RATE COMPARABILITY COMPLIANCE

(522423 WA VOICE RATE COMPARABILITY CERTIFICATION LN 1010.pdf)

Voice Services Rate Comparability Certification §54.313(a)(2)

Any recipient of high-cost support shall provide the following: A certification that the pricing of the company's voice services is not more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau, Wireless Telecommunications Bureau, and Office of Engineering and Technology.

PUBLIC NOTICE DA 17-1093 – Voice Rates. Based on the survey results, the 2018 urban average monthly rate (the rate floor) is \$22.50. Therefore, the reasonable comparability benchmark for voice services, two standard deviations above the urban average, is \$45.38. Under the Commission's rules, each ETC, including competitive ETCs providing fixed voice services, must certify in the FCC Form 481 filed no later than July 1, 201[8] that the pricing of its basic residential voice services is no more than \$45.38.

I, James K. Brooks, being of lawful age, state that I am Treasurer/Controller of Inland Telephone Company ("Company"), Study Area Code 522423, that I am authorized to execute this certification on behalf of the Company, and that the facts set forth in this certification are true to the best of my knowledge, information and belief.

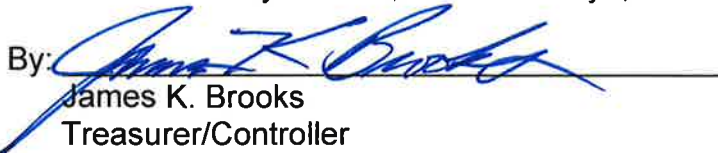
On this basis, the Company certifies, pursuant to 47 C.F.R. § 54.313(a)(10), that the Company's pricing of its voice services is no more than \$45.38.

The Company further submits, as support, the following residential service lines and rates; excluding the Federal Subscriber Line Charge of \$6.50 and below \$22.50:

Exchange	Rate Type	Count	Base Res. Rate	State SLC	State USF Fee	Mand. EAS Charge	Total Per Res.
DEWATTO (372)	Residential	284	22.00	0	0	0	22.00
DEWATTO (372)	Res-Message	2	18.00	0	0	0	18.00
PRESCOTT (849)	Residential	95	18.00	0	0	0	18.00
PRESCOTT (849)	Res-Message	2	18.00	0	0	0	18.00
ROSLYN (649)	Residential	1,225	18.00	0	0	0	18.00
ROSLYN (649)	Res-Message	6	18.00	0	0	0	18.00
UNIONTOWN (229)	Residential	271	18.00	0	0	0	18.00
UNIONTOWN (229)	Res-Message	7	18.00	0	0	0	18.00

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 29th day of June, 2018 in Roslyn, Washington.

By: 
James K. Brooks
Treasurer/Controller
Inland Telephone Company

LINE 1030 - BROADBAND COMPARABILITY COMPLIANCE

(522423 WA BROADBAND RATE COMPARABILITY CERTIFICATION LN 1030.pdf)

Broadband Services Rate Comparability Certification
§54.313(a)(3)

Any recipient of high-cost support shall provide the following: A certification that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.

PUBLIC NOTICE DA 17-1093 – Broadband Rates. Recipients of high-cost and/or Connect America Fund support that are subject to broadband performance obligations are required to offer broadband service at rates that are at or below the relevant reasonable comparability benchmark. Carriers subject to the Alaska Plan are required to meet Alaska-specific benchmarks and to certify that they are meeting the relevant reasonable comparability benchmark for their broadband service offering in the FCC Form 481 filed no later than July 1, 2018.

I, James K. Brooks, being of lawful age, state that I am Treasurer/Controller of Inland Telephone Company ("Company"), Study Area Code 522423, that I am authorized to execute this certification on behalf of the Company, and that the facts set forth in this certification are true to the best of my knowledge, information and belief.

The Company offers at least one broadband service plan that meets the relevant metrics in all of its exchanges; pricing benchmark for the minimum speed standard of 10 Mbps downstream and 1 Mbps upstream. The Company's rate for a 10 Mbps downstream and 1 Mbps upstream service is \$75.00; the benchmark is \$88.13. On this basis, the Company certifies that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark announced in Public Notice DA 17-1093; compliant pursuant to 47 C.F.R. § 54.313(a)(3).

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 29th day of June, 2018 in Roslyn, Washington.

By: 

James K. Brooks
Treasurer/Controller
Inland Telephone Company

**LINE 1210 - TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE
PLANS**

(522423 WA LIFELINE ASSISTANCE LN 1210.pdf)



LIFELINE ASSISTANCE

From Inland Telephone Company Do you qualify for discounted monthly telephone service?

Lifeline Discounts

Inland Telephone Company (d/b/a Inland Networks) customers may be eligible to currently save \$9.25 per month through the Federal Lifeline Program and, for Idaho residents, an additional \$2.50 per month through the Idaho Telecommunications Service Assistance Program (ITSAP), administered through the Community Action Partnership Association of Idaho (CAPAI).

Qualifying for Federal Lifeline

Customers may qualify for Federal Lifeline assistance if they are currently participating in one or more of the following assistance programs:

- Medicaid
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance (FPHA)
- Supplemental Nutrition Assistance Program (SNAP)(Food Stamps)
- Veterans Pension and Survivors Benefit

Additionally, customers may qualify for Federal Lifeline if their total household income is at or below 135% of the Federal Poverty Guideline (Income Eligibility).

Customers who are also residents of federally recognized Tribal Lands may qualify for additional Federal Lifeline support of up to \$25 per month and may qualify for Lifeline under the assistance programs listed above or if they currently participate in one or more of the following assistance programs:

- Bureau of Indian Affairs General Assistance
- Tribally Administered Temporary Assistance for Needy Families (TTANF)
- Head Start (must satisfy income qualifying standard)
- Food Distribution Program on Indian Reservations (FDPIR)

Signing-Up for Lifeline Service

If you believe that you may qualify for Federal assistance, you must complete an application that

can be obtained from a Customer Service Representative at 1-800-462-4578.

For State assistance, Inland Telephone Company still asks that you complete an application however, for State assistance please contact the applicable State agency; CAPAI for Idaho residents.

Additional Information

For additional information about the Federal Lifeline program, please visit www.usac.org/li.

Important Information

Lifeline assistance is a government assistance program that provides only eligible consumers with discounted service that is non-transferable and is available for **only one discount per household**. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals living at the same address that share income and expenses. The Lifeline assistance is only available in areas where the company has Eligible Telecommunications Carrier status. The Federal Communications Commission has mandated that all recipients of Federal Lifeline certify their eligibility annually.

“Your Hometown Connection”
(an Inland Networks Family Company)

INLAND TELEPHONE COMPANY

103 S. 2ND Street
P.O. Box 171
Roslyn, WA 98941

(509) 649-2211; (800) 462-4578
Fax: (509) 649-2555
Email: custserv@inlandnet.com

CERTIFICATION BY CUSTOMER IN ORDER TO RECEIVE FEDERAL LIFELINE SUPPORT

Please respond completely. **Inaccurate or incomplete responses may cause your application to be rejected.** Information provided should be that of the **account holder**.

Customer Name: _____ Telephone Number: _____

Service Address: _____ City: _____ State: _____

Billing Address: _____ City: _____ State: _____

Last 4 Digits of Social Security Number: _____ Date of Birth: _____

If I qualify for Federal Lifeline Support, I would like the Lifeline Support to be applied to my (Please select one):

- Telephone Service
- Internet Service (Must subscribe to at least a 10/1 service level)

INCOME ELIGIBILITY (DOCUMENTATION REQUIRED)

I certify that my household income is at or below 135% of the federal poverty guidelines and therefore I qualify for Lifeline Support under the federal income requirements and have provided proof of my qualifications.

PLEASE CHECK the corresponding box for the number of household members.

<input type="checkbox"/>	1	\$16,281	<input type="checkbox"/>	5	\$38,853	
<input type="checkbox"/>	2	\$21,924	<input type="checkbox"/>	6	\$44,496	
<input type="checkbox"/>	3	\$27,567	<input type="checkbox"/>	7	\$50,139	
<input type="checkbox"/>	4	\$33,210	<input type="checkbox"/>	8	\$55,782	
	For each additional household member add		<input type="checkbox"/>	#	\$5,643	# of Additional: _____

NOTE: THE ABOVE AMOUNTS ARE 2017 FEDERAL POVERTY LEVELS; SUBJECT TO CHANGE ANNUALLY.

FEDERAL PROGRAM ELIGIBILITY (DOCUMENTATION REQUIRED)

I certify that I qualify for Lifeline Support and am currently participating in one or more of the programs listed that I have checked below and am providing a copy of my benefit or program participation card or award letter. (Please check all applicable boxes)

- Supplemental Nutrition Assistance Program (SNAP)(f/k/a Food Stamps)
- Medicaid
- Federal Public Housing Assistance (FPHA)
- Veterans Pension and Survivors Benefit
- Supplemental Security Income (SSI)

TRIBAL LIFELINE ELIGIBILITY (DOCUMENTATION REQUIRED)

I certify that I qualify for tribal Lifeline Support, as I reside on land that meets the Bureau of Indian Affairs definition of "reservation" (any federally recognized Indian tribe's reservation, Pueblo, or Colony including former reservations in Oklahoma, Alaska Native regions, Hawaiian Home Lands and Indian Allotments) **AND** participate in one or more of the programs listed that I have checked below and am providing a copy of my benefit or program participation card or award letter. (Please check all applicable boxes)

- Supplemental Nutrition Assistance Program (SNAP)(f/k/a Food Stamps)
- Tribal Administered Temporary Assistance for Needy Families (TTANF)
- Federal Public Housing Assistance (FPHA)
- Bureau of Indian Affairs General Assistance
- Supplemental Security Income (SSI)
- Head Start (Income eligible)
- Medicaid
- Food Distribution Program on Indian Reservations (FDPIR)
- Veterans Pension and Survivors Benefit
- Income Eligibility (See above **Income Eligibility**)

Tribal Identification Number: _____

SUBSCRIBER CERTIFICATION

It is understood that by participating in the Lifeline program, the support that I receive is not actual payment to me but a discount on my monthly billed service. Participating in Lifeline does not protect me from collection procedures if I do not pay my telephone or Internet bill. I fully understand that this discount, as well as the criteria for participation in the Lifeline Program, may change and I may no longer qualify, or the amount of support may increase or decrease.

INLAND TELEPHONE COMPANY

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P.O. Box 171
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As the Certifying Subscriber, I certify that, (i) the service is for me and not a member of the household; (ii) I am not listed as a dependent on someone else’s tax return; and, (iii) the service address is my primary residence. I further certify that the service that I receive from Inland Telephone Company is my main service line and neither I nor anyone in my household receives Lifeline Support for any other telecommunications service. Further, I understand that Lifeline is a federal benefit program that provides a monthly discount on either home or mobile service and **ONLY ONE** Lifeline discount is allowed per household. Members of a household are not permitted to receive Lifeline Support from multiple telecommunications providers. I understand that violation of the one-per-household requirement will result in de-enrollment from the program and possible fines and imprisonment. As the Certifying Subscriber claiming income eligibility, I certify that the documentation I have provided accurately represents: (i) my household income and the number of persons in my household; or, (ii) proof of participation in an eligible program.

I certify that I will notify Inland Telephone Company within 30 days,(i) if for any reason I should no longer participate in any of the eligible programs or qualify by income, and or (ii) if I move from the address provided on this form. If my address listed above is temporary, I certify that I will verify my address to Inland Telephone Company every 90 days. I understand that if I fail to respond to an attempt to verify my address within 30 days, my Lifeline support may be terminated. I understand that if I fail to give notice as required, I am subject to penalties, including de-enrollment, being barred from the program and fines and imprisonment.

I understand that Lifeline Support is not transferrable and that I may not transfer my service to any individual, including another eligible Lifeline Support recipient. I further understand that if my service goes unused for 60 days, my service will be suspended subject to a 30 day period in which I may use the service or contact Inland Telephone Company to confirm that I want to continue receiving the service.

Further, I fully understand that in order to continue to receive this support, I must annually, or more often, certify my eligibility and provide proof of eligibility. I understand that my failure to timely re-certify will result in de-enrollment and termination of my Lifeline benefits.

I fully understand that the Lifeline Program is administered by the Universal Service Administration Company (USAC) under the guidance and authority of the Federal Communications Commission (FCC)and that all of the information that I have supplied pertaining to my eligibility will be shared with USAC and the FCC and I give my consent to do so.

I certify that the information provided on this form is true and correct to the best of my knowledge under penalty of perjury and if I have provided any misleading statements in order to receive support, I will be liable for any support received, my service may be discontinued, it may result in de-enrollment and my being barred from the program and I would be subject to state and federal fines and imprisonment.

SIGNATURE OF APPLICANT _____

DATE _____

APPLICANT (PRINTED) _____

Inland Telephone Company will keep the information contained in this form confidential, except as required by federal or state law.ALL INFORMATION COMPLETED ON THIS FORM IS SUBJECT TO STATE AND FEDERAL PERJURY PENALTIES.****

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LIFELINE HOUSEHOLD WORKSHEET

Your **household** is everyone who lives together at your address as one economic unit (including children and people who are not related to you).

The **adults** you live with are part of your **economic unit** if they contribute to and share in the income and expenses of the household. An **adult** is any person 18 years of age or older, or an emancipated minor (a person under age 18 who is legally considered to be an adult). **Household expenses** include food, health care expenses (such as medical bills) and the cost of renting or paying a mortgage on your place of residence (a house or apartment, for example) and utilities (including water, heat and electricity). **Income includes** salary, public assistance benefits, social security payments, pensions, unemployment compensation, veteran’s benefits, inheritances, alimony, child support payments, worker’s compensation benefits, gifts, and lottery winnings

Spouses and domestic partners are considered to be part of the same household. Children under the age of 18 living with their parents or guardians are considered to be part of the same household as their parents or guardians. If an adult has no income, or minimal income, and lives with someone who provides financial support to that adult, both people are considered part of the same household.

You have been asked to complete this Worksheet because someone else may currently receive a Lifeline-supported service at your address. This other person may or may not be a part of your household. Answer the questions below to determine whether there is more than one household residing at your address.

1) Does your spouse or domestic partner (that is, someone you are married to or in a relationship with) already receive a Lifeline-discounted phone? (check NO if you do not have a spouse or partner)

YES NO

- > If you checked **YES**, you may not sign up for Lifeline because someone in your household already receives Lifeline. **Only ONE** Lifeline discount is allowed per household.
- > If you checked **NO**, please answer question #2.

2) Other than a spouse or partner, do other adults (people over the age of 18 or emancipated minors) who live with you at your address already receive Lifeline-discounted service? (check NO for all options if NO other adults live at your address)

- A. A parent YES NO
- B. An adult son or daughter YES NO
- C. Another adult relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc..) YES NO
- D. An adult roommate YES NO
- E. Other _____ YES NO

- > If you checked **NO** for each statement above, you do not need to answer the remaining questions. **Please initial line B**, below under CERTIFICATION, and sign and date the worksheet.
- > If you checked **YES**, please answer question #3.

3) Do you share living expenses (bills, food, etc.) and share income (either your income, the other person’s income or both incomes together) with at least one of the adults listed above in question #2?

YES NO

- > If you checked **NO**, then your address includes **more than one household**. **Please initial lines A and B below**, and sign and date the worksheet.
- > If you checked **YES**, then your address includes **only one household**. You **may not** sign up for Lifeline because someone in your household already receives Lifeline.

CERTIFICATION

Please initial the certification below and sign and date this worksheet which must accompany your Lifeline application.

- A. I certify that I live at an address occupied by multiple households.
- B. I understand that violation of the **one-per-household** requirement is against the Federal Communications Commission’s rules and may result in me losing my Lifeline benefits, and potentially, prosecution by the United States Government.

SIGNATURE OF APPLICANT _____

DATE _____

APPLICANT (PRINTED) _____

**LINE 3010B - CERTIFICATE OF PUBLIC INTEREST {47 CFR §
54.313(f)(1)(i)}**

(522423 WA CERTIFICATE OF PUBLIC INTEREST OBLIGATIONS LN 3010B.pdf)

Public Interest Obligations - Broadband Certification
§54.313(f)(1)(i)

Rate-of-Return ETCs are required to provide certain certifications and other details related to their broadband obligations.

I, James K. Brooks, being of lawful age, state that I am Treasurer/Controller of Inland Telephone Company ("Company"), Study Area Code 522423, that I am authorized to execute this certification on behalf of the Company, and that the facts set forth in this certification are true to the best of my knowledge, information and belief.

On this basis, the Company certifies, pursuant to 47 C.F.R. § 54.313(f)(1)(i), that it has taken reasonable steps to provide upon reasonable request, broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 29th day of June, 2018 in Roslyn, Washington.

By:  _____
James K. Brooks
Treasurer/Controller
Inland Telephone Company

**LINE 3017 - RUS ANNUAL REPORT AND ALL REQUIRED
DOCUMENTATION**

(522423 WA RUS ANNUAL REPORT LN 3017.pdf)

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Inland Telephone Company

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2017

BORROWER DESIGNATION

WA0534

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Gregory Maras

3/23/2018

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE		LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	391,052	311,540	25. Accounts Payable	260,605	195,519
2. Cash-RUS Construction Fund	707,373	1,068,000	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	0
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	2,640	2,706
b. Other Accounts Receivable	0	0	29. Current Mat. L/T Debt	1,132,800	1,100,063
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	376,357	729,180	32. Income Taxes Accrued	20	0
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	83,701	68,435
c. Notes Receivable	0	0	34. Other Current Liabilities	519,318	561,570
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 thru 34)	1,999,084	1,928,293
6. Material-Regulated	270,709	271,274	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	51,428	22,713
8. Prepayments	88,993	145,154	37. Funded Debt-RTB Notes	51	0
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	14,380,555	13,309,236
10. Total Current Assets (1 Thru 9)	1,834,484	2,525,148	39. Funded Debt-Other	(3,715)	(3,904)
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	808,606	1,989,282	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	236,241	248,764	46. Total Long-Term Debt (36 thru 45)	14,428,319	13,328,045
13. Nonregulated Investments	2,071,788	1,179,166	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	250	250	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Other Deferred Credits	1,304,210	2,057,272
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total Noncurrent Assets (11 thru 16)	3,116,885	3,417,462	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,304,210	2,057,272
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	37,510,983	35,417,418	51. Cap. Stock Outstand. & Subscribed	93,150	93,150
19. Property Held for Future Use	312,104	10,213	52. Additional Paid-in-Capital	7,175	7,175
20. Plant Under Construction	380,098	653,102	53. Treasury Stock	0	0
21. Plant Adj., Nonop. Plant & Goodwill	0	0	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	18,990,699	17,221,627	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	19,212,486	18,859,106	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	6,331,917	7,387,781
	24,163,855	24,801,716	58. Total Equity (51 thru 57)	6,432,242	7,488,106
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	24,163,855	24,801,716

Total Equity = 30.19% % of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0534

PERIOD ENDING

December, 2017

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	706,702	718,349
2. Network Access Services Revenues	4,791,978	4,668,180
3. Long Distance Network Services Revenues	510	87
4. Carrier Billing and Collection Revenues	46,965	38,553
5. Miscellaneous Revenues	42,002	56,082
6. Uncollectible Revenues	2,437	3,325
7. Net Operating Revenues (1 thru 5 less 6)	5,585,720	5,477,926
8. Plant Specific Operations Expense	1,453,646	1,659,523
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	446,603	515,400
10. Depreciation Expense	1,312,366	1,531,366
11. Amortization Expense	182	182
12. Customer Operations Expense	561,806	560,447
13. Corporate Operations Expense	943,198	921,830
14. Total Operating Expenses (8 thru 13)	4,717,801	5,188,748
15. Operating Income or Margins (7 less 14)	867,919	289,178
16. Other Operating Income and Expenses	0	0
17. State and Local Taxes	159,343	195,199
18. Federal Income Taxes	200,367	(872,180)
19. Other Taxes	0	0
20. Total Operating Taxes (17+18+19)	359,710	(676,981)
21. Net Operating Income or Margins (15+16-20)	508,209	966,159
22. Interest on Funded Debt	288,365	326,008
23. Interest Expense - Capital Leases	0	0
24. Other Interest Expense	3,580	21
25. Allowance for Funds Used During Construction	109,525	9,259
26. Total Fixed Charges (22+23+24-25)	182,420	316,770
27. Nonoperating Net Income	9,067	315,874
28. Extraordinary Items	0	0
29. Jurisdictional Differences	0	0
30. Nonregulated Net Income	(11,540)	90,309
31. Total Net Income or Margins (21+27+28+29+30-26)	323,316	1,055,572
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	6,004,561	6,331,917
34. Miscellaneous Credits Year-to-Date	4,040	292
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
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	6,331,917	7,387,781
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
44. Annual Debt Service Payments	1,069,871	1,459,019
45. Cash Ratio [(14+20-10-11) / 7]	0.6740	0.5440
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9417	0.8815
47. TIER [(31+26) / 26]	2.7724	4.3323
48. DSCR [(31+26+10+11) / 44]	1.6995	1.9903

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0534

PERIOD ENDED

December, 2017

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
DEWATTO	27.00	22.00	14	288	300	157.60	53.42
PRESCOTT	26.50	18.00	38	97	135	208.09	53.15
ROSLYN	24.00	18.00	212	1,231	1,443	220.00	96.38
UNIONTOWN	25.00	18.00	123	278	401	309.21	64.25
LEON	40.68	25.76	1	25	26	20.37	13.14
LENORE	40.68	25.76	18	200	218	178.34	12.00
MobileWireless					0		
Route Mileage Outside Exchange Area						6.47	6.47
Total			406	2,117	2,523	1,100.08	298.81
No. Exchanges	6						

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**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
DEWATTO	300	235	34	768	512	39.95	Package	DSL
PRESCOTT	135	60	13	768	512	39.95	Package	DSL
ROSLYN	1,443	1,189	164	6,000	1,500	49.95	Package	DSL
UNIONTOWN	401	232	158	6,000	1,500	49.95	Package	DSL
LEON	26	21	14	6,000	1,500	49.95	Package	DSL
LENORE	218	119	59	768	512	39.95	Package	DSL
Total	2,523	1,856						

**OPERATING REPORT FOR
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INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees 18	2. No. Other Employees 40	3. Square Miles Served 463	4. Access Lines per Square Mile 5.45	5. Subscribers per Route Mile 2.29
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 472423 b. 522423 c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)			
	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	1,302,430
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	1,302,430

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	1,180,676		1,989,282		1,989,282
2. Investment in Affiliated Companies - Nonrural Development					

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

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PERIOD ENDING

December, 2017

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	16.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	15.00%
7. Land and support assets - General purpose computers	25.00%
8. Central Office Switching - Digital	9.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	13.00%
12. Central Office Transmission - Circuit equipment	11.19%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.59%
19. Cable and wire facilities - Aerial cable - Metal	42.06%
20. Cable and wire facilities - Aerial cable - Fiber	5.00%
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0534	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED	
		December, 2017	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		1,098,425	
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income		1,055,572	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation		1,531,366	
4. Add: Amortization		182	
5. Other (Explain) SEE NOTES SECTION		(672,861)	
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable		(352,823)	
7. Decrease/(Increase) in Materials and Inventory		(565)	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(56,161)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(65,086)	
11. Increase/(Decrease) in Advance Billings & Payments		0	
12. Increase/(Decrease) in Other Current Liabilities		26,966	
13. Net Cash Provided/(Used) by Operations		1,466,590	
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable		0	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		66	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(1,133,011)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		753,062	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0	
20. Less: Payment of Dividends		0	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain) SEE NOTES SECTION		(753,128)	
23. Net Cash Provided/(Used) by Financing Activities		(1,133,011)	
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)		2,122,452	
25. Other Long-Term Investments		(300,577)	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) SEE NOTES SECTION		(1,874,339)	
28. Net Cash Provided/(Used) by Investing Activities		(52,464)	
29. Net Increase/(Decrease) in Cash		281,115	
30. Ending Cash		1,379,540	

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0534
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2017

NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INLAND TELEPHONE COMPANY

CASH FLOW RECONCILING EXPLANATIONS

RUS OPERATING REPORT 2017

Description	Amount
Line 5 Other	
Depreciation and amortization on nonregulated investments	94,002.00
Change in deposits	66.00
Cash surrender value of life insurance	(7,739.00)
Less plant in AP	66,899.00
Deferred FIT	(872,159.00)
Building Sale	(322,562.00)
Affiliate	369,113.00
Deposit for Building	5,200.00
Non-cash stock dividend	(5,681.00)
Total Amount of Adjustment	(672,861.00)
Line 22 Other	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0534
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2017
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
Operating deferred FIT on Investments	1,190.00
Non-cash transfer of deferred FIT	(1,626,411.00)
Change in deposits	(66.00)
Operating deferred FIT	872,159.00
Total Amount of Adjustment	(753,128.00)
Line 27 Other	
Retirements/Transfers in Net Plant	(3,300,620.00)
Other comprehensive income - unrealized gain	292.00
Cash surrender value of life insurance	7,739.00
Non-cash stock dividend	5,681.00
Affiliate	(369,113.00)
Building Sale	317,362.00
Deferred FIT on investments	(1,190.00)
Plant in AP	(66,899.00)
Non-cash transfer of deferred FIT	1,626,411.00
Operating depreciation on long-term investments	(94,002.00)
Total Amount of Adjustment	(1,874,339.00)

**INLAND TELEPHONE COMPANY
CASH FLOW RECONCILING EXPLANATIONS
RUS OPERATING REPORT 2017**

Description	Amount
Line 5 Other	
Depreciation and amortization on nonregulated investments	94,002.00
Change in deposits	66.00
Cash surrender value of life insurance	(7,739.00)
Less plant in AP	66,899.00
Deferred FIT	(872,159.00)
Building Sale	(322,562.00)
Affiliate	369,113.00
Deposit for Building	5,200.00
Non-cash stock dividend	<u>(5,681.00)</u>
Total Amount of Adjustment	<u><u>(672,861.00)</u></u>
Line 22 Other	
Operating deferred FIT on Investments	1,190.00
Non-cash transfer of deferred FIT	(1,626,411.00)
Change in deposits	(66.00)
Operating deferred FIT	<u>872,159.00</u>
Total Amount of Adjustment	<u><u>(753,128.00)</u></u>
Line 27 Other	
Retirements/Transfers in Net Plant	(3,300,620.00)
Other comprehensive income - unrealized gain	292.00

Cash surrender value of life insurance	7,739.00
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