

# EXHIBIT 4

STATE USF FILING  
FINANCIAL TEMPLATE  
NON-"S CORP" COMPANIES

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

Company Name: (Below)  
 McDaniel Telephone Company

ASSETS	Balance End of Year 2017 (A)	Part 64 Adj to NonReg 2017 (B)	Adj. Balance End of Year 2017 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2017 (A)	Part 64 Adj to NonReg 2017 (B)	Adj. Balance End of Year 2017 (C)
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
1. Cash and Equivalents	252,236	-	252,236	25. Accounts Payable	540,559	-	540,559
2. Cash-RUS Construction Fund	0	-	0	26. Notes Payable	0	-	0
3. Affiliates:				27. Advance Billings and Payments	50,717	-	50,717
a. Telecom, Accounts Receivable	0	-	0	28. Customer Deposits	0	-	0
b. Other Accounts Receivable	204,260	-	204,260	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	137,988	-	137,988	32. Income Taxes Accrued	91,033	-	91,033
b. Other Accounts Receivable	76,783	-	76,783	33. Other Taxes Accrued	21,642	-	21,642
c. Notes Receivable	0	-	0	34. Other Current Liabilities	19,574	-	19,574
5. Interest and Dividends Receivable	0	-	0	35. Total Current Liabilities (25 thru 34)	723,525	0	723,525
6. Material-Regulated	32,245	-	32,245	<b>LONG-TERM DEBT</b>			
7. Material-Nonregulated	0	-	0	36. Funded Debt-RUS Notes	0	-	0
8. Prepayments	6,464	-	6,464	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)	709,976	0	709,976	39. Funded Debt-Other	0	-	0
<b>NONCURRENT ASSETS</b>				40. Funded Debt-Rural Develop. Loan	0	-	0
11. Investment in Affiliated Companies				41. Premium (Discount) on L/T Debt	0	-	0
a. Rural Development	0	-	0	42. Reacquired Debt	0	-	0
b. Nonrural Development	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 thru 45)	0	0	0
13. Nonregulated Investments (B1)	4,700	37,552	42,252	<b>OTHER LIAB. &amp; DEF. CREDITS</b>			
14. Other Noncurrent Assets	18,790	-	18,790	47. Other Long-Term Liabilities	(879)	-	(879)
15. Deferred Charges	0	-	0	48. Deferred Income Taxes	471,176	0	471,176
16. Jurisdictional Differences	0	-	0	49. Other Deferred Credits (D)	0	-	0
17. Total noncurrent Assets (11 thru 16)	23,490	37,552	61,042	50. Other Jurisdictional Differences	0	-	0
<b>PLANT, PROPERTY AND EQUIPMENT</b>				51. Total Other Liab. & Def. Credits (47 thru 50)	470,297	0	470,297
18. Telecom Plant-in-Service	15,173,737	(50,416)	15,123,321	<b>EQUITY</b>			
19. Property Held for Future Use	0	0	0	52. Cap. Stock Outstanding & Subscribed	26,200		26,200
20. Plant Under Construction	1,287,186	0	1,287,186	53. Additional Paid-in-Capital	0		0
21. Plant Adj., Nonop Plant & Goodwill	27,122	0	27,122	54. Treasury Stock	0		0
22. Accumulated Depreciation (CR.)	(12,825,243)	12,864	(12,812,379)	55. Membership and Capital Certificates	0		0
23. Net Plant (18 thru 21 less 22)	3,662,802	(37,552)	3,625,250	56. Other Capital	4,705		4,705
<b>24. TOTAL ASSETS (10+17+23)</b>	<b>4,396,268</b>	<b>0</b>	<b>4,396,268</b>	57. Patronage Capital Credits	0		0
				58. Retained Earnings or Margins (B2)	3,171,541	0	3,171,541
				59. Total Equity (52 thru 58)	3,202,446	-	3,202,446
				<b>60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)</b>	<b>4,396,268</b>	<b>0</b>	<b>4,396,268</b>

Footnotes:  
 (A) - As reported on RUS Form 479  
 (B) - Part 64 adjustments from regulated to nonregulated.  
 (C) - Adjusted Balance after Part 64

Footnotes:  
 (B1) - Part 64 offset to nonreg investment  
 (B2) - Part 64 offset to retained earnings  
 (D) - Excludes deferred taxes

State USF Petition Filing Requirement -WAC 480-123-110(1)(e)  
Current Year Balance Sheet

Company Name: (Below)  
McDaniel Telephone Company

ASSETS	Balance End of Year 2018 (A)	Part 64 Adj to NonReg 2018 (B)	Adj. Balance End of Year 2018 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2018 (A)	Part 64 Adj to NonReg 2018 (B)	Adj. Balance End of Year 2018 (C)
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
1. Cash and Equivalents	763,735	-	763,735	25. Accounts Payable	845,399	-	845,399
2. Cash-RUS Construction Fund	0	-	0	26. Notes Payable	0	-	0
3. Affiliates:				27. Advance Billings and Payments	50,199	-	50,199
a. Telecom, Accounts Receivable	0	-	0	28. Customer Deposits	0	-	0
b. Other Accounts Receivable	179,799	-	179,799	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	92,416	-	92,416	32. Income Taxes Accrued	0	-	0
b. Other Accounts Receivable	162,357	-	162,357	33. Other Taxes Accrued	78,669	-	78,669
c. Notes Receivable	0	-	0	34. Other Current Liabilities	15,766	-	15,766
5. Interest and Dividends Receivable	0	-	0	35. Total Current Liabilities (25 thru 34)	990,032	0	990,032
6. Material-Regulated	49,078	-	49,078	<b>LONG-TERM DEBT</b>			
7. Material-Nonregulated	0	-	0	36. Funded Debt-RUS Notes	0	-	0
8. Prepayments	9,048	-	9,048	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)	1,256,433	0	1,256,433	39. Funded Debt-Other	0	-	0
<b>NONCURRENT ASSETS</b>				40. Funded Debt-Rural Develop. Loan	0	-	0
11. Investment in Affiliated Companies				41. Premium (Discount) on L/T Debt	0	-	0
a. Rural Development	0	-	0	42. Reacquired Debt	0	-	0
b. Nonrural Development	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 thru 45)	0	0	0
13. Nonregulated Investments (B1)	2,248	25,240	27,488	<b>OTHER LIAB. &amp; DEF. CREDITS</b>			
14. Other Noncurrent Assets	0	-	0	47. Other Long-Term Liabilities	2,330	-	2,330
15. Deferred Charges	0	-	0	48. Deferred Income Taxes	333,800	0	333,800
16. Jurisdictional Differences	0	-	0	49. Other Deferred Credits (D)	220,414	-	220,414
17. Total noncurrent Assets (11 thru 16)	2,248	25,240	27,488	50. Other Jurisdictional Differences	0	-	0
<b>PLANT, PROPERTY AND EQUIPMENT</b>				51. Total Other Liab. & Def. Credits (47 thru 50)	556,544	0	556,544
18. Telecom Plant-In-Service	15,706,544	(40,818)	15,665,726	<b>EQUITY</b>			
19. Property Held for Future Use	0	0	0	52. Cap. Stock Outstanding & Subscribed	26,200		26,200
20. Plant Under Construction	1,820,726	0	1,820,726	53. Additional Paid-in-Capital	0		0
21. Plant Adj., Nonop Plant & Goodwill	25,676	0	25,676	54. Treasury Stock	0		0
22. Accumulated Depreciation (CR.)	(13,397,099)	15,578	(13,381,521)	55. Membership and Capital Certificates	0		0
23. Net Plant (18 thru 21 less 22)	4,155,848	(25,240)	4,130,608	56. Other Capital	(3,625)		(3,625)
<b>24. TOTAL ASSETS (10+17+23)</b>	<b>5,414,528</b>	<b>0</b>	<b>5,414,528</b>	57. Patronage Capital Credits	0		0
				58. Retained Earnings or Margins (B2)	3,845,377	0	3,845,377
				59. Total Equity (52 thru 58)	3,867,952	-	3,867,952
				<b>60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)</b>	<b>5,414,528</b>	<b>0</b>	<b>5,414,528</b>

Footnotes:  
(A) - As reported on RUS Form 479  
(B) - Part 64 adjustments from regulated to nonregulated.  
(C) - Adjusted Balance after Part 64

Footnotes:  
(B1) - Part 64 offset to nonreg investment  
(B2) - Part 64 offset to retained earnings  
(D) - Excludes deferred taxes

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)  
 Prior and Current Year Balance Sheet

Company Name: (Below)  
McDaniel Telephone Company

ASSETS	Adjusted Prior Year Balance 2017	Adjusted Current Year Balance 2018	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2017	Adjusted Current Year Balance 2018
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	252,236	763,735	25. Accounts Payable	540,559	845,399
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	50,717	50,199
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	0	0
b. Other Accounts Receivable	204,260	179,799	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	137,988	92,416	32. Income Taxes Accrued	91,033	0
b. Other Accounts Receivable	76,783	162,357	33. Other Taxes Accrued	21,642	78,669
c. Notes Receivable	0	0	34. Other Current Liabilities	19,574	15,766
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	723,525	990,032
6. Material-Regulated	32,245	49,078	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	6,464	9,048	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)	709,976	1,256,433	39. Funded Debt-Other	0	0
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Reacquired Debt	0	0
b. Nonrural Development	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	42,252	27,488	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	18,790	0	47. Other Long-Term Liabilities	(879)	2,330
15. Deferred Charges	0	0	48. Deferred Income Taxes	471,176	333,800
16. Jurisdictional Differences	0	0	49. Other Deferred Credits	0	220,414
17. Total noncurrent Assets (11 thru 16)	61,042	27,488	50. Other Jurisdictional Differences	0	0
<b>PLANT, PROPERTY AND EQUIPMENT</b>			51. Total Other Liab. & Def. Credits (47 thru 50)	470,297	556,544
18. Telecom Plant-in-Service	15,123,321	15,665,726	<b>EQUITY</b>		
19. Property Held for Future Use	0	0	52. Cap. Stock Outstanding & Subscribed	26,200	26,200
20. Plant Under Construction	1,287,186	1,820,726	53. Additional Paid-in-Capital	0	0
21. Plant Adj., Nonop Plant & Goodwill	27,122	25,676	54. Treasury Stock	0	0
22. Accumulated Depreciation (CR.)	(12,812,379)	(13,381,521)	55. Membership and Capital Certificates	0	0
23. Net Plant (18 thru 21 less 22)	3,625,250	4,130,608	56. Other Capital	4,705	(3,625)
<b>24. TOTAL ASSETS (10+17+23)</b>	<b>4,396,268</b>	<b>5,414,528</b>	57. Patronage Capital Credits	0	0
			58. Retained Earnings or Margins	3,171,541	3,845,377
			59. Total Equity (52 thru 58)	3,202,446	3,867,952
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+51+59)</b>	<b>4,396,268</b>	<b>5,414,528</b>

Footnote:  
 Adjusted Balances represents balances

**State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)**  
**Prior and Current Year Balance Sheet**

after Part 64 adjustments.

State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)  
 Prior and Current Year Rate Base

Company Name: (Below)

McDaniel Telephone Company \_\_\_\_\_

Line #	Description	B/S Line #	Adj. Balance End of Year 2017	Adj. Balance End of Year 2018	Average Adj End of Year Balance
	<b>Average Rate Base:</b>				
1	Total Regulated Adjusted Telecom Plant-In-Service	18	15,123,321	15,665,726	15,394,523
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(12,812,379)	(13,381,521)	(13,096,950)
4	Total Regulated Materials & Supplies	6	32,245	49,078	40,661
5	Deferred Income Taxes (CR) * - Manually input		(461,976)	(546,382)	(504,179)
6	<b>Total Regulated Rate Base</b>		<b>1,881,211</b>	<b>1,786,901</b>	<b>1,834,056</b>

Footnotes:

1. Normal balance of deferred operating income taxes and accumulated depreciation is a credit.
- \* 2. Deferred Income Taxes (Line 5) may not equal the Balance Sheet Deferred Income Taxes (Line 48) if the later includes non-operating.
3. Adjusted balance includes Part 64 adjustments

**State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)**  
**Prior and Current Year Access Lines**

Company Name: (Below)  
McDaniel Telephone Company

Line #	Description	Prior Year End of Yr. Balance - 2017	Current Year End of Yr. Balance - 2018	Difference	% Change
	<b>Access Lines:</b>				
1	Residential	2,719	2,670	(49)	-1.8%
2	Business	455	459	4	0.9%
3	Total	3,174	3,129	(45)	-1.4%

Note: If 2017 does not equal last year's petition and template, explain.

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

Company Name: (Below)  
 McDaniel Telephone Company

Line #	Description	Prior Year 2017 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2017 (C)
1	Local Network Services Revenues	869,889	0	869,889
2	Network Access Services Revenues	1,755,910	0	1,755,910
3	Long Distance Network Services Revenues	0	0	0
4	Carrier Billing and Collection Revenues	74,640	0	74,640
5	Miscellaneous Revenues	35,780	0	35,780
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	2,382	0	2,382
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>2,738,601</b>	<b>0</b>	<b>2,738,601</b>
8	Plant Specific Operations Expense	575,773	(50,854)	524,919
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	468,909	(39,845)	429,064
10	Depreciation Expense	580,096	(97,316)	482,780
11	Amortization Expense	67,160	(16,860)	50,300
12	Customer Operations Expense	300,335	(27,316)	273,019
13	Corporate Operations	679,353	(55,100)	624,253
14	<b>Total Operations Expenses (8 thru 13)</b>	<b>2,671,625</b>	<b>(287,291)</b>	<b>2,384,334</b>
15	Operating Income or Margins (7 less 14)	66,976	287,291	354,267
16	Other Operating Income and Expenses ( )	0	53,673	53,673
17	State and Local Taxes	0	-	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(6,795)	124,184	117,389
19	Other Taxes	113,565	(13,847)	99,718
20	<b>Total Operating Taxes (17+18+19)</b>	<b>106,769</b>	<b>110,337</b>	<b>217,106</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>(39,794)</b>	<b>230,627</b>	<b>190,833</b>
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 (Record as a Credit)	0	-	0
26	<b>Total Fixed Charges (22+23+24+25)</b>	<b>0</b>	<b>0</b>	<b>0</b>
27	Nonoperating Net Income	10,267	-	10,267
28	Extraordinary Items	0	-	0
29	Jurisdictional Differences	0	-	0
30	Nonregulated Net Income (B1)	798,210	(230,627)	567,583
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>768,683</b>	<b>0</b>	<b>768,683</b>
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	5,024,858	-	5,024,858
34	Miscellaneous Credits Year-to-Date	0	-	0
35	Dividends Declared (Common)	2,622,000	-	2,622,000
36	Dividends Declared (Preferred)	0	-	0
37	Other Debits Year-to-Date	0	-	0
38	Transfers to Patronage Capital	0	-	0
39	<b>Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)</b>	<b>3,171,541</b>	<b>0</b>	<b>3,171,541</b>
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments			0
45	Cash Ratio ((14+20-10-11)/7)	0.7782	#DIV/0!	0.7553
46	Operating Accrual Ratio ((14+20+26)/7)	1.0145	#DIV/0!	0.9499
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, Income Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 58 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)
- (C) Adjusted balance after Part 64 adjustments



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

Company Name: (Below)  
 McDaniel Telephone Company

Line #	Description	Current Year 2018 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2018 (C)
1	Local Network Services Revenues	833,606	0	833,606
2	Network Access Services Revenues	1,675,851	0	1,675,851
3	Long Distance Network Services Revenues	0	0	0
4	Carrier Billing and Collection Revenues	66,400	0	66,400
5	Miscellaneous Revenues	31,628	0	31,628
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(2,209)	0	(2,209)
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>2,605,276</b>	<b>0</b>	<b>2,605,276</b>
8	Plant Specific Operations Expense	578,250	(52,189)	526,061
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	490,088	(42,574)	447,514
10	Depreciation Expense	640,278	(81,338)	558,940
11	Amortization Expense	72,612	(16,896)	55,716
12	Customer Operations Expense	293,946	(26,590)	267,356
13	Corporate Operations	672,128	(56,076)	616,052
14	<b>Total Operations Expenses (8 thru 13)</b>	<b>2,747,302</b>	<b>(275,663)</b>	<b>2,471,639</b>
15	Operating Income or Margins (7 less 14)	(142,025)	275,663	133,638
16	Other Operating Income and Expenses ( )	0	56,430	56,430
17	State and Local Taxes	0	-	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(150,670)	72,403	(78,267)
19	Other Taxes	167,038	(12,683)	154,355
20	<b>Total Operating Taxes (17+18+19)</b>	<b>16,368</b>	<b>59,720</b>	<b>76,088</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>(158,393)</b>	<b>272,373</b>	<b>113,980</b>
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 (Record as a Credit)	0	-	0
26	<b>Total Fixed Charges (22+23+24+25)</b>	<b>0</b>	<b>0</b>	<b>0</b>
27	Nonoperating Net Income	10,246	-	10,246
28	Extraordinary Items	0	-	0
29	Jurisdictional Differences	0	-	0
30	Nonregulated Net Income (B1)	823,292	(272,373)	550,919
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>675,145</b>	<b>0</b>	<b>675,145</b>
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	3,171,541		3,171,541
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	1,309		1,309
38	Transfers to Patronage Capital	0		0
39	<b>Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)</b>	<b>3,845,377</b>	<b>0</b>	<b>3,845,377</b>
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments			0
45	Cash Ratio ((14+20-10-11)/7)	0.7872	#DIV/0!	0.7420
46	Operating Accrual Ratio ((14+20+26)/7)	1.0608	#DIV/0!	0.9779
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, Income Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 58 of Page 3, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Column B, automatic offset to Nonregulated Net Income (No Impact to Retained Earnings)
- (C) Adjusted balance after Part 64 adjustments

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

Company Name:  
 McDaniel Telephone Company

Line #	Description	Adjusted Prior Year 2017	Adjusted Current Year 2018
1	Local Network Services Revenues	869,889	833,606
2	Network Access Services Revenues	1,755,910	1,675,851
3	Long Distance Network Services Revenues	0	0
4	Carrier Billing and Collection Revenues	74,640	66,400
5	Miscellaneous Revenues	35,780	31,628
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	2,382	(2,209)
7	<b>Net Operating Revenues (1 thru 6)</b>	<b>2,738,601</b>	<b>2,605,276</b>
8	Plant Specific Operations Expense	524,919	526,061
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	429,064	447,514
10	Depreciation Expense	482,780	558,940
11	Amortization Expense	50,300	55,716
12	Customer Operations Expense	273,019	267,356
13	Corporate Operations	624,253	616,052
14	<b>Total Operations Expenses (8 thru 13)</b>	<b>2,384,334</b>	<b>2,471,639</b>
15	Operating Income or Margins (7 less 14)	354,267	133,638
16	Other Operating Income and Expenses ( )	53,673	56,430
17	State and Local Taxes	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	117,389	(78,267)
19	Other Taxes	99,718	154,355
20	<b>Total Operating Taxes (17+18+19)</b>	<b>217,106</b>	<b>76,088</b>
21	<b>Net Operating Income or Margins (15+16-20)</b>	<b>190,833</b>	<b>113,980</b>
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 (Record as a Credit)	0	0
26	<b>Total Fixed Charges (22+23+24+25)</b>	<b>0</b>	<b>0</b>
27	Nonoperating Net Income	10,267	10,246
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	567,583	550,919
31	<b>Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>768,683</b>	<b>675,145</b>
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	5,024,858	3,171,541
34	Miscellaneous Credits Year-to-Date	0	0
35	Dividends Declared (Common)	2,622,000	0
36	Dividends Declared (Preferred)	0	0
37	Other Debits Year-to-Date	0	1,309
38	Transfers to Patronage Capital	0	0
39	<b>Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38))</b>	<b>3,171,541</b>	<b>3,845,377</b>
40	Patronage Capital Beginning-of-Year	0	0
41	Transfers to Patronage Capital	0	0
42	Patronage Capital Credits Retired	0	0
43	<b>Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44	Annual Debt Service Payments	0	0
45	Cash Ratio ((14+20-10-11)/7)	0.7553	0.7420
46	Operating Accrual Ratio ((14+20+26)/7)	0.9499	0.9779
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!

Footnote  
 (A1) S Corporation Effective Tax Rate (2 decimal places):  
 Note:  
 Adjusted Income Statement reflects Part 64 Adjustments (Regulated to Nonregulated).

2017 2018

**State USF Petition Filing Requirement - WAC 480-123-110 (1)(e)**  
**Prior and Current Year Access Revenue Detail**

Company Name: (Below)  
McDaniel Telephone Company

Line #	Description	Part 32 Account	Prior Year 2017	Current Year 2018
1	End User Revenue (SLC, ARC, etc.)	5081	360,964	354,739
2	Switched Access (excluding USF):	5082		
2a	Intrastate		115,630	100,064
2b	Interstate (includes CAF)		417,736	381,165
3	Special Access:	5083		
3a	Intrastate		1,274	1,274
3b	Interstate		197,208	96,295
4	Federal USF (except CAF and ACAM/BLS)	Varies	57,759	73,405
5	Federal USF (ACAM or BLS)	Varies	348,497	385,184
6	State USF	Varies	256,841	283,725
7	Other*		0	0
8	Total (must equal line 2 of Income Stmt.)		1,755,910	1,675,851
9	Line 2 of Income Stmt.		1,755,910	1,675,851
10	Difference		0	0

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

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

Company Name: (Below)  
McDaniel Telephone Company

Description of Out-of-Period (OOP) - 2018 (As Recorded) <b>OR</b> Pro Forma (PF) Adjustment for Current Year Petition or Reversing from Prior Year	Year	OOP or PF?	Part 32 Account	
			Debit	Credit
Adjustment #1:				
Adjustment #2:				
Adjustment #3:				
Adjustment #4				
Adjustment #5				

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

Company Name: (Below)

McDaniel Telephone Company

Line #	Description	Company 2018 (A)	Staff 2018 (B)
1	Rate Base (Jan. 1)	1,881,211	1,881,211
2	Rate Base (Dec 31)	1,786,901	1,786,901
3	<b>Average Rate Base</b>	<b>1,834,056</b>	<b>1,834,056</b>
4	Net Operating Income	113,980	113,980
5	Out-of-Period Adjustments Net of FIT		
6	<b>Adjusted Net Operating Income</b>	<b>113,980</b>	<b>113,980</b>
7	<b>Earned Regulated Rate of Return</b>	<b>6.21%</b>	<b>6.21%</b>

Footnotes:

- (A) Column A to be completed by Company,
- (B) Column B should equal Column A, but may include any Staff Adjustments