

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)
 Pend Oreille Telephone Company

ASSETS	Balance End of Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	317,801		317,801	25. Accounts Payable	124,046		124,046
2. Cash-RUS Construction Fund	865		865	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	0		0
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	3,670		3,670
b. Other Accounts Receivable	184,464		184,464	29. Current Mat. L/T Debt	87,435		87,435
c. Notes Receivable	78,746		78,746	30. Current Mat. L/T Debt Rur. Dev.	0		0
4. Non-Affiliates:				31. Current Mat. - Capital Leases	0		0
a. Telecom, Accounts Receivable	46,546		46,546	32. Income Taxes Accrued	0		0
b. Other Accounts Receivable	265,892		265,892	33. Other Taxes Accrued	0		0
c. Notes Receivable	0		0	34. Other Current Liabilities	54,771		54,771
5. Interest and Dividends Receivable	0		0	35. Total Current Liabilities (25 thru 34)	269,922	0	269,922
6. Material-Regulated	220,526	-	220,526	LONG-TERM DEBT			
7. Material-Nonregulated	5,862		5,862	36. Funded Debt-RUS Notes	1,295,829		1,295,829
8. Prepayments	0		0	37. Funded Debt-RTB Notes	0		0
9. Other Current Assets	67,390		67,390	38. Funded Debt-FFB Notes	0		0
10. Total Current Assets (1 Thru 9)	1,188,092	0	1,188,092	39. Funded Debt-Other	0		0
NONCURRENT ASSETS				40. Funded Debt-Rural Develop. Loan	0		0
11. Investment in Affiliated Companies				41. Premium (Discount) on L/T Debt	0		0
a. Rural Development	0		0	42. Reacquired Debt	0		0
b. Nonrural Development	0		0	43. Obligations Under Capital Lease	0		0
12. Other Investments				44. Adv. From Affiliated Companies	0		0
a. Rural Development	0		0	45. Other Long-Term Debt	0		0
b. Nonrural Development	367,590		367,590	46. Total Long-Term Debt (36 thru 45)	1,295,829	0	1,295,829
13. Nonregulated Investments (B1)	0	6,563	6,563	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	0		0	47. Other Long-Term Liabilities	0		0
15. Deferred Charges	0		0	48. Other Deferred Credits (C)	0		0
16. Jurisdictional Differences	0		0	49. Other Jurisdictional Differences	0		0
17. Total noncurrent Assets (11 thru 16)	367,590	6,563	374,153	50. Total Other Liab. & Def. Credits (47 thru 49)	0	0	0
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	16,617,822	(30,841)	16,586,981	51. Cap. Stock Outstanding & Subscribed	2,666,346		2,666,346
19. Property Held for Future Use	1,250		1,250	52. Additional Paid-in-Capital	0		0
20. Plant Under Construction	39,971		39,971	53. Treasury Stock	0		0
21. Plant Adj., Nonop Plant & Goodwill	0		0	54. Membership and cap. Certificates	0		0
22. Accumulated Depreciation (CR.)	(13,998,455)	24,278	(13,974,177)	55. Other Capital	0		0
23. Net Plant (18 thru 21 less 22)	2,660,588	(6,563)	2,654,025	56. Patronage Capital Credits	0		0
24. TOTAL ASSETS (10+17+23)	4,216,270	0	4,216,270	57. Retained Earnings or Margins (B2)	(15,828)	0	(15,828)
				58. Total Equity (51 thru 57)	2,650,518	-	2,650,518
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,216,270	0	4,216,270

Footnotes:

- (A) - As reported on RUS Form 479
- (B) - Part 64 adjustments from regulated to nonregulated.

Footnotes:

- (B1) - Part 64 offset to nonreg investment
- (B2) - Part 64 offset to retained earnings
- (C) - Includes deferred taxes

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

Company Name: (Below)
Pend Oreille Telephone Company

ASSETS	Balance End of Year 2014 (A)	Part 64 Adj to NonReg 2014 (B)	Adj. Balance End of Year 2014 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2014 (A)	Part 64 Adj to NonReg 2014 (B)	Adj. Balance End of Year 2014 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	566,521		566,521	25. Accounts Payable	142,660		142,660
2. Cash-RUS Construction Fund	865		865	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	0		0
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	4,910		4,910
b. Other Accounts Receivable	293,882		293,882	29. Current Mat. L/T Debt	93,408		93,408
c. Notes Receivable	80,747		80,747	30. Current Mat. L/T Debt Rur. Dev.	0		0
4. Non-Affiliates:				31. Current Mat. - Capital Leases	0		0
a. Telecom, Accounts Receivable	57,788		57,788	32. Income Taxes Accrued	0		0
b. Other Accounts Receivable	209,747		209,747	33. Other Taxes Accrued	0		0
c. Notes Receivable	0		0	34. Other Current Liabilities	52,379		52,379
5. Interest and Dividends Receivable	0		0	35. Total Current Liabilities (25 thru 34)	293,357	0	293,357
6. Material-Regulated	218,892		218,892	LONG-TERM DEBT			
7. Material-Nonregulated	9,717	(9,717)	0	36. Funded Debt-RUS Notes	1,200,832		1,200,832
8. Prepayments	0		0	37. Funded Debt-RTB Notes	0		0
9. Other Current Assets	67,799		67,799	38. Funded Debt-FFB Notes	0		0
10. Total Current Assets (1 Thru 9)	1,505,958	(9,717)	1,496,240	39. Funded Debt-Other	0		0
NONCURRENT ASSETS				40. Funded Debt-Rural Develop. Loan	0		0
11. Investment in Affiliated Companies				41. Premium (Discount) on L/T Debt	0		0
a. Rural Development	0		0	42. Reacquired Debt	0		0
b. Nonrural Development	0		0	43. Obligations Under Capital Lease	0		0
12. Other Investments				44. Adv. From Affiliated Companies	0		0
a. Rural Development	0		0	45. Other Long-Term Debt	0		0
b. Nonrural Development	332,265		332,265	46. Total Long-Term Debt (36 thru 45)	1,200,832	0	1,200,832
13. Nonregulated Investments (B1)	0	14,516	14,516	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	0		0	47. Other Long-Term Liabilities	342,946	-636	342,310
15. Deferred Charges	0		0	48. Other Deferred Credits (C)	0		0
16. Jurisdictional Differences	0		0	49. Other Jurisdictional Differences	0		0
17. Total noncurrent Assets (11 thru 16)	332,265	14,516	346,782	50. Total Other Liab. & Def. Credits (47 thru 49)	342,946	(636)	342,310
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	16,626,707	(31,050)	16,595,657	51. Cap. Stock Outstanding & Subscribed	2,666,346		2,666,346
19. Property Held for Future Use	1,250	(1,250)	0	52. Additional Paid-in-Capital	0		0
20. Plant Under Construction	40,128	2,397	42,525	53. Treasury Stock	0		0
21. Plant Adj., Nonop Plant & Goodwill	0		0	54. Membership and cap. Certificates	0		0
22. Accumulated Depreciation (CR.)	(14,314,403)	25,104	(14,289,299)	55. Other Capital	0		0
23. Net Plant (18 thru 21 less 22)	2,353,683	(4,799)	2,348,884	56. Patronage Capital Credits	0		0
24. TOTAL ASSETS (10+17+23)	4,191,906	0	4,191,906	57. Retained Earnings or Margins (B2)	(311,575)	636	(310,939)
				58. Total Equity (51 thru 57)	2,354,771	636	2,355,407
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,191,906	0	4,191,906

Footnotes:

(A) - As reported on RUS Form 479
(B) - Part 64 adjustments from regulated to nonregulated.

Footnotes:

(B1) - Part 64 offset to nonreg investment
(B2) - Part 64 offset to retained earnings
(C) - Includes deferred taxes

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

Company Name: (Below)
Pend Oreille Telephone Company

ASSETS	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2013	Adjusted Current Year Balance 2014
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	317,801	566,521	25. Accounts Payable	124,046	142,660
2. Cash-RUS Construction Fund	865	865	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	0
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	3,670	4,910
b. Other Accounts Receivable	184,464	293,882	29. Current Mat. L/T Debt	87,435	93,408
c. Notes Receivable	78,746	80,747	30. Current Mat. L/T Debt Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat. - Capital Leases	0	0
a. Telecom, Accounts Receivable	46,546	57,788	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	265,892	209,747	33. Other Taxes Accrued	0	0
c. Notes Receivable	0	0	34. Other Current Liabilities	54,771	52,379
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	269,922	293,357
6. Material-Regulated	220,526	218,892	LONG-TERM DEBT		
7. Material-Nonregulated	5,862	0	36. Funded Debt-RUS Notes	1,295,829	1,200,832
8. Prepayments	0	0	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	67,390	67,799	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	1,188,092	1,496,240	39. Funded Debt-Other	0	0
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Reacquired Debt	0	0
b. Nonrural Development	0	0	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	0	0	45. Other Long-Term Debt	0	0
b. Nonrural Development	367,590	332,265	46. Total Long-Term Debt (36-45)	1,295,829	1,200,832
13. Nonregulated Investments	6,563	14,516	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	0	342,310
15. Deferred Charges	0	0	48. Other Deferred Credits	0	0
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	374,153	346,782	50. Total Other Liab. & Def. Credits (47 thru 49)	0	342,310
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	16,586,981	16,595,657	51. Cap. Stock Outstanding & Subscribed	2,666,346	2,666,346
19. Property Held for Future Use	1,250	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	39,971	42,525	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(13,974,177)	(14,289,299)	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	2,654,025	2,348,884	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	4,216,270	4,191,906	57. Retained Earnings or Margins	(15,828)	(310,939)
			58. Total Equity (51 thru 57)	2,650,518	2,355,407
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,216,270	4,191,906

Footnote:
 Adjusted Balances represents balances
 after Part 64 adjustments

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

Company Name: (Below)

Pend Oreille Telephone Company

Line #	Description	B/S Line #	Adj. Balance End of Year 2013	Adj. Balance End of Year 2014	Average Adj End of Year Balance
	Average Rate Base:				
1	Total Regulated Adjusted Telecom Plant-In-service	18	16,586,981	16,595,657	16,591,319
2	Total Property Held for Future Use	19	1,250	0	625
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(13,974,177)	(14,289,299)	(14,131,738)
4	Total Regulated Materials & Supplies	6	220,526	218,892	219,709
5	Deferred Income Taxes (CR)			(342,310)	(171,155)
6	Total Regulated Rate Base		2,834,580	2,182,941	2,508,760

Footnotes:

1. Normal balance of deferred income taxes and accumulated depreciation is a credit.
2. 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)
 Pend Oreille Telephone Company _____

Line #	Description	Prior Year End of Yr. Balance - 2013	Current Year End of Yr. Balance - 2014	Difference	% Change
	Access Lines:				
1	Residential	1,261	1,161	(100)	-7.9%
2	Business	353	347	(6)	-1.7%
3	Total	1,614	1,508	(106)	-6.6%

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

Company Name: (Below)
 Pend Oreille Telephone Company

Line #	Description	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013 (C)
1	Local Network Services Revenues	400,949		400,949
2	Network Access Services Revenues	2,148,410		2,148,410
3	Long Distance Network Services Revenues	0		0
4	Carrier Billing and Collection Revenues	(5,282)		(5,282)
5	Miscellaneous Revenues	21,345		21,345
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(5,841)		(5,841)
7	Net Operating Revenues (1 thru 6)	2,559,581	0	2,559,581
8	Plant Specific Operations Expense	623,800	(3,124)	620,676
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	172,200	0	172,200
10	Depreciation Expense	300,876	(629)	300,247
11	Amortization Expense	0		0
12	Customer Operations Expense	167,109	(3,103)	164,006
13	Corporate Operations	783,978	(4,962)	779,016
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	783,978	(4,962)	779,016
14	Total Operations Expenses (8 thru 12 +13b)	2,047,962	(11,818)	2,036,144
15	Operating Income or Margins (7 less 14)	511,619	11,818	523,437
16	Other Operating Income and Expenses ()	0		0
17	State and Local Taxes	0	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	0	0
19	Other Taxes	52,375	(40)	52,335
20	Total Operating Taxes (17+18+19)	52,375	(40)	52,335
21	Net Operating Income or Margins (15+16-20)	459,244	11,858	471,102
22	Interest on Funded Debt	69,518		69,518
23	Interest Expense - Capital Leases	0		0
24	Other Interest Expense	1,422		1,422
25	Allowance for Funds Used During Construction (CR)	(12,054)		(12,054)
26	Total Fixed Charges (22+23+24-25)	58,886	0	58,886
27	Nonoperating Net Income	32,246		32,246
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		0
30	Nonregulated Net Income (B1)	48,877	(11,858)	37,019
31	Total Net Income or Margins (21+27+28+29+30-26)	481,481	0	481,481
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(497,312)		(497,312)
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)	(15,831)	0	(15,831)
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	1,365,347		1,365,347
45	Cash Ratio ((14+20-10-11)/7)	0.7030	#DIV/0!	0.6986
46	Operating Accrual Ratio ((14+20+26)/7)	0.8436	#DIV/0!	0.8390
47	TIER ((31+26)/26)	9.1765	#DIV/0!	9.1765
48	DSCR ((31+26+10+11)/44)	0.6161	#DIV/0!	0.6157

(C)

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8, Inc. Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 1, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)
- (C) Corp. Op. Adj Exp. Reduction - See Exhibit 7 of Petition which takes () amount * 65% to Line 13a, Column C (Reduces total operating expense (L 14) and increases Operating Inc. (L15)

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

Company Name: (Below)
 Pend Oreille Telephone Company

Line #	Description	Current Year 2014 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2014 (C)
1	Local Network Services Revenues	393,106		393,106
2	Network Access Services Revenues	1,905,132		1,905,132
3	Long Distance Network Services Revenues	0		0
4	Carrier Billing and Collection Revenues	0		0
5	Miscellaneous Revenues	27,027	(13,195)	13,832
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(9,913)		(9,913)
7	Net Operating Revenues (1 thru 6)	2,315,353	(13,195)	2,302,158
8	Plant Specific Operations Expense	673,124	1,644	674,768
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	191,957	(1,980)	189,977
10	Depreciation Expense	315,948	(633)	315,315
11	Amortization Expense	0		0
12	Customer Operations Expense	165,053	(37,612)	127,441
13	Corporate Operations	797,211	(26,999)	770,212
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()			
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	797,211	(26,999)	770,212
14	Total Operations Expenses (8 thru 12 +13b)	2,143,293	(65,580)	2,077,713
15	Operating Income or Margins (7 less 14)	172,060	52,385	224,445
16	Other Operating Income and Expenses ()	0		0
17	State and Local Taxes	0		0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	383,585	(343,866)	39,719
19	Other Taxes	54,556	(37)	54,519
20	Total Operating Taxes (17+18+19)	438,141	(343,903)	94,238
21	Net Operating Income or Margins (15+16-20)	(266,081)	396,288	130,207
22	Interest on Funded Debt	67,118	-16828	50,290
23	Interest Expense - Capital Leases	0		0
24	Other Interest Expense	3,297		3,297
25	Allowance for Funds Used During Construction (CR)	(65)		(65)
26	Total Fixed Charges (22+23+24-25)	70,350	(16,828)	53,522
27	Nonoperating Net Income	11,916	(11,916)	0
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		0
30	Nonregulated Net Income (B1)	28,767	(413,116)	(384,348)
31	Total Net Income or Margins (21+27+28+29+30-26)	(295,748)	(11,916)	(307,664)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(15,828)		(15,828)
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)	(311,575)	(11,916)	(323,491)
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	94,997		94,997
45	Cash Ratio ((14+20-10-11)/7)	0.9785	30.9846	0.8065
46	Operating Accrual Ratio ((14+20+26)/7)	1.1453	32.3078	0.9667
47	TIER ((31+26)/26)	(3.2039)	1.7081	(4.7483)
48	DSCR ((31+26+10+11)/44)	0.9532	#DIV/0!	0.6440

(C)

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 8, Inc. Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 2, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)
- (C) Corp. Op. Adj Exp. Reduction - See Exhibit 7 of Petition which takes () amount * 65% to Line 13a, Column C
 (Reduces total operating expense (L 14) and increases Operating Inc. (L15)

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

Company Name:
 Pend Oreille Telephone Company

Line #	Description	Adjusted Prior Year 2013	Adjusted Current Year 2014
1	Local Network Services Revenues	400,949	393,106
2	Network Access Services Revenues	2,148,410	1,905,132
3	Long Distance Network Services Revenues	0	0
4	Carrier Billing and Collection Revenues	(5,282)	0
5	Miscellaneous Revenues	21,345	13,832
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(5,841)	(9,913)
7	Net Operating Revenues (1 thru 6)	2,559,581	2,302,158
8	Plant Specific Operations Expense	620,676	674,768
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	172,200	189,977
10	Depreciation Expense	300,247	315,315
11	Amortization Expense	0	0
12	Customer Operations Expense	164,006	127,441
13	Corporate Operations	779,016	770,212
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	779,016	770,212
14	Total Operations Expenses (8 thru 12 +13b)	2,036,144	2,077,713
15	Operating Income or Margins (7 less 14)	523,437	224,445
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	39,719
19	Other Taxes	52,335	54,519
20	Total Operating Taxes (17+18+19)	52,335	94,238
21	Net Operating Income or Margins (15+16-20)	471,102	130,207
22	Interest on Funded Debt	69,518	50,290
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	1,422	3,297
25	Allowance for Funds Used During Construction	(12,054)	(65)
26	Total Fixed Charges (22+23+24-25)	58,886	53,522
27	Nonoperating Net Income	32,246	0
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	37,019	(384,348)
31	Total Net Income or Margins (21+27+28+29+30-26)	481,481	(307,664)
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	(497,312)	(15,828)
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 or Margins End-of-Period ((31+33+34)-(35+36+37+38))	(15,831)	(323,491)
40	Patronage Capital Beginning-of-Year	0	0
41	Transfers to Patronage Capital	0	0
42	Patronage Capital Credits Retired	0	0
43	Patronage Capital End-of-Year (40+41-42)	0	0
44	Annual Debt Service Payments	1,365,347	94,997
45	Cash Ratio ((14+20-10-11)/7)	0.6986	0.8065
46	Operating Accrual Ratio ((14+20+26)/7)	0.8390	0.9667
47	TIER ((31+26)/26)	9.1765	(4.7483)
48	DSCR ((31+26+10+11)/44)	0.62	0.6440

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

2013 2014

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

Company Name: (Below)
Pend Oreille Telephone Company

Line #	Description	Part 32 Account	Prior Year 2013	Current Year 2014
1	End User Revenue (SLC, ARC, etc.)	5081	207,356	198,134
2	Switched Access (excluding USF):	5082		
2a	Intrastate		139,967	104,407
2b	Interstate (includes CAF)		331,599	30,993
3	Special Access:	5083		
3a	Intrastate		98,912	111,417
3b	Interstate		308,228	302,822
4	Federal USF (ICLS/HCL/SN)	Varies	1,062,348	1,158,803
5	State USF		0	0
6	Other*		0	(1,444)
7	Total (must equal line 2 of Income Stmt.)		2,148,409	1,905,132
8	Line 2 of Income Stmt.		2,148,410	1,905,132
9	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 Adjustments

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

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

Company Name: (Below)

Pend Oreille Telephone Company

Line #	Description	2014
1	Rate Base (Jan. 1)	2,834,580
2	Rate Base (Dec 31)	2,182,941
3	Average Rate Base	2,508,760
4	Net Operating Income	130,207
5	Out-of-Period Adjustments Net of FIT (A)	
6	Adjusted Net Operating Income	130,207
7	Earned Regulated Rate of Return	5.19%
8	Consolidated Equity (Jan 1)	2,650,518
9	Consolidated Equity (Dec 31)	2,355,407
10	Average Equity	2,502,963
11	Consolidated Net Income	(295,748)
12	Out-of-Period Adjustments Net of FIT (B)	
13	Adjusted Consolidated Net Income	(295,748)
14	Earned Return on Equity	-11.82%

Footnote:

- (A) Source: Line 31 from Out-of-Period
 Adjustment work sheet