

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 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	1,434,594	-	1,434,594	25. Accounts Payable	454,475	-	454,475
2. Cash-RUS Construction Fund	0	-	0	26. Notes Payable	0	-	0
3. Affiliates:				27. Advance Billings and Payments	49,358	-	49,358
a. Telecom, Accounts Receivable	0	-	0	28. Customer Deposits	0	-	0
b. Other Accounts Receivable	464,257	-	464,257	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	166,348	-	166,348	32. Income Taxes Accrued	115,350	-	115,350
b. Other Accounts Receivable	153,059	-	153,059	33. Other Taxes Accrued	24,276	-	24,276
c. Notes Receivable	0	-	0	34. Other Current Liabilities	22,235	-	22,235
5. Interest and Dividends Receivable	94	-	94	35. Total Current Liabilities (25 thru 34)	665,694	0	665,694
6. Material-Regulated	32,535	-	32,535	LONG-TERM DEBT			
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)	2,257,351	0	2,257,351	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	0	-	0	46. Total Long-Term Debt (36 thru 45)	0	0	0
13. Nonregulated Investments (B1)	9,659	30,066	39,725	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	20,590	-	20,590	47. Other Long-Term Liabilities	9,582	-	9,582
15. Deferred Charges	0	-	0	48. Deferred Income Taxes	778,508	0	778,508
16. Jurisdictional Differences	0	-	0	49. Other Deferred Credits (D)	0	-	0
17. Total noncurrent Assets (11 thru 16)	30,249	30,066	60,315	50. Other Jurisdictional Differences	0	-	0
PLANT, PROPERTY AND EQUIPMENT				51. Total Other Liab. & Def. Credits (47 thru 50)	788,090	0	788,090
18. Telecom Plant-In-Service	15,201,118	(45,274)	15,155,844	EQUITY			
19. Property Held for Future Use	0	0	0	52. Cap. Stock Outstanding & Subscribed	26,200		26,200
20. Plant Under Construction	6,405	0	6,405	53. Additional Paid-in-Capital	0		0
21. Plant Adj., Nonop Plant & Goodwill	30,012	0	30,012	54. Treasury Stock	0		0
22. Accumulated Depreciation (CR.)	(11,657,874)	15,208	(11,642,666)	55. Membership and Capital Certificates	0		0
23. Net Plant (18 thru 21 less 22)	3,579,661	(30,066)	3,549,595	56. Other Capital	66		66
24. TOTAL ASSETS (10+17+23)	5,867,261	0	5,867,261	57. Patronage Capital Credits	0		0
				58. Retained Earnings or Margins (B2)	4,387,211	0	4,387,211
				59. Total Equity (52 thru 58)	4,413,477	-	4,413,477
				60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	5,867,261	0	5,867,261

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 2016 (A)	Part 64 Adj to NonReg 2016 (B)	Adj. Balance End of Year 2016 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2016 (A)	Part 64 Adj to NonReg 2016 (B)	Adj. Balance End of Year 2016 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	2,641,545	-	2,641,545	25. Accounts Payable	548,271	-	548,271
2. Cash-RUS Construction Fund	0	-	0	26. Notes Payable	0	-	0
3. Affiliates:				27. Advance Billings and Payments	50,932	-	50,932
a. Telecom, Accounts Receivable	0	-	0	28. Customer Deposits	0	-	0
b. Other Accounts Receivable	717,772	-	717,772	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	135,065	-	135,065	32. Income Taxes Accrued	200,180	-	200,180
b. Other Accounts Receivable	120,121	-	120,121	33. Other Taxes Accrued	23,596	-	23,596
c. Notes Receivable	0	-	0	34. Other Current Liabilities	18,402	-	18,402
5. Interest and Dividends Receivable	0	-	0	35. Total Current Liabilities (25 thru 34)	841,381	0	841,381
6. Material-Regulated	41,967	-	41,967	LONG-TERM DEBT			
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)	3,662,934	0	3,662,934	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	0	-	0	46. Total Long-Term Debt (36 thru 45)	0	0	0
13. Nonregulated Investments (B1)	7,159	31,495	38,654	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	19,690	-	19,690	47. Other Long-Term Liabilities	19,135	-	19,135
15. Deferred Charges	0	-	0	48. Deferred Income Taxes	565,694	0	565,694
16. Jurisdictional Differences	0	-	0	49. Other Deferred Credits (D)	0	-	0
17. Total noncurrent Assets (11 thru 16)	26,849	31,495	58,344	50. Other Jurisdictional Differences	0	-	0
PLANT, PROPERTY AND EQUIPMENT				51. Total Other Liab. & Def. Credits (47 thru 50)	584,829	0	584,829
18. Telecom Plant-In-Service	14,987,430	(52,940)	14,934,490	EQUITY			
19. Property Held for Future Use	0	0	0	52. Cap. Stock Outstanding & Subscribed	26,200		26,200
20. Plant Under Construction	24,097	0	24,097	53. Additional Paid-in-Capital	0		0
21. Plant Adj., Nonop Plant & Goodwill	28,567	0	28,567	54. Treasury Stock	0		0
22. Accumulated Depreciation (CR.)	(12,257,388)	21,445	(12,235,943)	55. Membership and Capital Certificates	0		0
23. Net Plant (18 thru 21 less 22)	2,782,707	(31,495)	2,751,212	56. Other Capital	(4,778)		(4,778)
24. TOTAL ASSETS (10+17+23)	6,472,490	0	6,472,490	57. Patronage Capital Credits	0		0
				58. Retained Earnings or Margins (B2)	5,024,858	0	5,024,858
				59. Total Equity (52 thru 58)	5,046,280	-	5,046,280
				60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	6,472,490	0	6,472,490

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 2015	Adjusted Current Year Balance 2016	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2015	Adjusted Current Year Balance 2016
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,434,594	2,641,545	25. Accounts Payable	454,475	548,271
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	49,358	50,932
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	0	0
b. Other Accounts Receivable	464,257	717,772	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	166,348	135,065	32. Income Taxes Accrued	115,350	200,180
b. Other Accounts Receivable	153,059	120,121	33. Other Taxes Accrued	24,276	23,596
c. Notes Receivable	0	0	34. Other Current Liabilities	22,235	18,402
5. Interest and Dividends Receivable	94	0	35. Total Current Liabilities (25 - 34)	665,694	841,381
6. Material-Regulated	32,535	41,967	LONG-TERM DEBT		
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)	2,257,351	3,662,934	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	0	0	46. Total Long-Term Debt (36-45)	0	0
13. Nonregulated Investments	39,725	38,654	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	20,590	19,690	47. Other Long-Term Liabilities	9,582	19,135
15. Deferred Charges	0	0	48. Deferred Income Taxes	778,508	565,694
16. Jurisdictional Differences	0	0	49. Other Deferred Credits	0	0
17. Total noncurrent Assets (11 thru 16)	60,315	58,344	50. Other Jurisdictional Differences	0	0
PLANT, PROPERTY AND EQUIPMENT			51. Total Other Liab. & Def. Credits (47 thru 50)	788,090	584,829
18. Telecom Plant-in-Service	15,155,844	14,934,490	EQUITY		
19. Property Held for Future Use	0	0	52. Cap. Stock Outstanding & Subscribed	26,200	26,200
20. Plant Under Construction	6,405	24,097	53. Additional Paid-in-Capital	0	0
21. Plant Adj., Nonop Plant & Goodwill	30,012	28,567	54. Treasury Stock	0	0
22. Accumulated Depreciation (CR.)	(11,642,666)	(12,235,943)	55. Membership and Capital Certificates	0	0
23. Net Plant (18 thru 21 less 22)	3,549,595	2,751,212	56. Other Capital	66	(4,778)
24. TOTAL ASSETS (10+17+23)	5,867,261	6,472,490	57. Patronage Capital Credits	0	0
			58. Retained Earnings or Margins	4,387,211	5,024,858
			59. Total Equity (52 thru 58)	4,413,477	5,046,280
			59. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	5,867,261	6,472,490

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)

McDaniel Telephone Company

Line #	Description	B/S Line #	Adj. Balance End of Year 2015	Adj. Balance End of Year 2016	Average Adj End of Year Balance
Average Rate Base:					
1	Total Regulated Adjusted Telecom Plant-In-service	18	15,155,844	14,934,490	15,045,167
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(11,642,666)	(12,235,943)	(11,939,304)
4	Total Regulated Materials & Supplies	6	32,535	41,967	37,251
5	Deferred Income Taxes (CR)	48	(775,764)	(552,139)	(663,951)
6	Total Regulated Rate Base		2,769,949	2,188,376	2,479,162

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)
McDaniel Telephone Company

Line #	Description	Prior Year End of Yr. Balance - 2015	Current Year End of Yr. Balance - 2016	Difference	% Change
	Access Lines:				
1	Residential	2,969	2,884	(85)	-2.9%
2	Business	485	469	(16)	-3.3%
3	Total	3,454	3,353	(101)	-2.9%

Note: If 2015 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 2015 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2015 (C)
1	Local Network Services Revenues	901,130	0	901,130
2	Network Access Services Revenues	1,929,639	0	1,929,639
3	Long Distance Network Services Revenues	32	0	32
4	Carrier Billing and Collection Revenues	88,368	0	88,368
5	Miscellaneous Revenues	42,458	0	42,458
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(8,109)	0	(8,109)
7	Net Operating Revenues (1 thru 6)	2,953,518	0	2,953,518
8	Plant Specific Operations Expense	574,092	(42,837)	531,255
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	400,046	(24,256)	375,790
10	Depreciation Expense	888,291	(71,119)	817,172
11	Amortization Expense	63,619	(9,840)	53,779
12	Customer Operations Expense	317,033	(20,308)	296,725
13	Corporate Operations	657,943	(39,991)	617,952
14	Total Operations Expenses (8 thru 13)	2,901,024	(208,351)	2,692,673
15	Operating Income or Margins (7 less 14)	52,494	208,351	260,845
16	Other Operating Income and Expenses ()	0	53,631	53,631
17	State and Local Taxes	0	-	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(21,288)	94,429	73,141
19	Other Taxes	113,727	(7,816)	105,911
20	Total Operating Taxes (17+18+19)	92,439	86,613	179,052
21	Net Operating Income or Margins (15+16-20)	(39,945)	175,369	135,424
22	Interest on Funded Debt	0	-	0
23	Interest Expense - Capital Leases	0	-	0
24	Other Interest Expense	0	-	0
25	Allowance for Funds Used During Construction (CR)	0	-	0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income	483	-	483
28	Extraordinary Items	0	-	0
29	Jurisdictional Differences	0	-	0
30	Nonregulated Net Income (B1)	738,834	(175,369)	563,465
31	Total Net Income or Margins (21+27+28+29+30-26)	699,372	0	699,372
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	4,966,838	-	4,966,838
34	Miscellaneous Credits Year-to-Date	1	-	1
35	Dividends Declared (Common)	1,279,000	-	1,279,000
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)	4,387,211	0	4,387,211
40	Patronage Capital Beginning-of-Year	0	-	0
41	Transfers to Patronage Capital	0	-	0
42	Patronage Capital Credits Retired	0	-	0
43	Patronage Capital End-of-Year (40+41-42)	0	0	0
44	Annual Debt Service Payments			0
45	Cash Ratio ((14+20-10-11)/7)	0.6912	#DIV/0!	0.6774
46	Operating Accrual Ratio ((14+20+26)/7)	1.0135	#DIV/0!	0.9723
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9, Inc. 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 2016 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2016 (C)
1	Local Network Services Revenues	905,892	0	905,892
2	Network Access Services Revenues	1,862,342	0	1,862,342
3	Long Distance Network Services Revenues	0	0	0
4	Carrier Billing and Collection Revenues	81,547	0	81,547
5	Miscellaneous Revenues	37,262	0	37,262
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	1,529	0	1,529
7	Net Operating Revenues (1 thru 6)	2,888,571	0	2,888,571
8	Plant Specific Operations Expense	568,624	(46,719)	521,905
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	452,644	(30,188)	422,456
10	Depreciation Expense	829,790	(86,358)	743,432
11	Amortization Expense	75,270	(10,296)	64,974
12	Customer Operations Expense	331,926	(22,934)	308,992
13	Corporate Operations	686,118	(47,945)	638,173
14	Total Operations Expenses (8 thru 13)	2,944,372	(244,440)	2,699,932
15	Operating Income or Margins (7 less 14)	(55,800)	244,440	188,640
16	Other Operating Income and Expenses ()	0	55,273	55,273
17	State and Local Taxes	0	-	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	(64,322)	108,489	44,167
19	Other Taxes	127,972	(10,256)	117,716
20	Total Operating Taxes (17+18+19)	63,649	98,233	161,882
21	Net Operating Income or Margins (15+16-20)	(119,450)	201,480	82,030
22	Interest on Funded Debt	0	-	0
23	Interest Expense - Capital Leases	0	-	0
24	Other Interest Expense	0	-	0
25	Allowance for Funds Used During Construction (CR)	0	-	0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income	1,815	-	1,815
28	Extraordinary Items	0	-	0
29	Jurisdictional Differences	0	-	0
30	Nonregulated Net Income (B1)	755,283	(201,480)	553,803
31	Total Net Income or Margins (21+27+28+29+30-26)	637,649	0	637,649
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	4,387,209	-	4,387,209
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)	5,024,858	0	5,024,858
40	Patronage Capital Beginning-of-Year	0	-	0
41	Transfers to Patronage Capital	0	-	0
42	Patronage Capital Credits Retired	0	-	0
43	Patronage Capital End-of-Year (40+41-42)	0	0	0
44	Annual Debt Service Payments			0
45	Cash Ratio ((14+20-10-11)/7)	0.7280	#DIV/0!	0.7109
46	Operating Accrual Ratio ((14+20+26)/7)	1.0414	#DIV/0!	0.9907
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9, Inc. 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 2015	Adjusted Current Year 2016
1	Local Network Services Revenues	901,130	905,892
2	Network Access Services Revenues	1,929,639	1,862,342
3	Long Distance Network Services Revenues	32	0
4	Carrier Billing and Collection Revenues	88,368	81,547
5	Miscellaneous Revenues	42,458	37,262
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(8,109)	1,529
7	Net Operating Revenues (1 thru 6)	2,953,518	2,888,571
8	Plant Specific Operations Expense	531,255	521,905
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	375,790	422,456
10	Depreciation Expense	817,172	743,432
11	Amortization Expense	53,779	64,974
12	Customer Operations Expense	296,725	308,992
13	Corporate Operations	617,952	638,173
14	Total Operations Expenses (8 thru 13)	2,692,673	2,699,932
15	Operating Income or Margins (7 less 14)	260,845	188,640
16	Other Operating Income and Expenses ()	53,631	55,273
17	State and Local Taxes	0	0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	73,141	44,167
19	Other Taxes	105,911	117,716
20	Total Operating Taxes (17+18+19)	179,052	161,882
21	Net Operating Income or Margins (15+16-20)	135,424	82,030
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	0	0
26	Total Fixed Charges (22+23+24-25)	0	0
27	Nonoperating Net Income	483	1,815
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	563,465	553,803
31	Total Net Income or Margins (21+27+28+29+30-26)	699,372	637,649
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	4,966,838	4,387,209
34	Miscellaneous Credits Year-to-Date	1	0
35	Dividends Declared (Common)	1,279,000	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))	4,387,211	5,024,858
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	0	0
45	Cash Ratio ((14+20-10-11)/7)	0.6774	0.7109
46	Operating Accrual Ratio ((14+20+26)/7)	0.9723	0.9907
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).

2015 2016

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 2015	Current Year 2016
1	End User Revenue (SLC, ARC, etc.)	5081	345,112	357,980
2	Switched Access (excluding USF):	5082		
2a	Intrastate		353,825	139,248
2b	Interstate (includes CAF)		301,004	459,117
3	Special Access:	5083		
3a	Intrastate		1,274	1,274
3b	Interstate		228,162	178,059
4	Federal USF (ICLS/HCL/SN)	Varies	502,965	499,473
5	State USF		197,298	227,191
6	Other*		0	0
7	Total (must equal line 2 of Income Stmt.)		1,929,639	1,862,342
8	Line 2 of Income Stmt.		1,929,639	1,862,342
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 and Pro Forma Adjustments

Company Name: (Below)
McDaniel Telephone Company

Description of Out-of-Period (OOP) - 2016 (As Recorded) OR 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	2016 (A)	2016 (B)
1	Rate Base (Jan. 1)	2,769,949	2,769,949
2	Rate Base (Dec 31)	2,188,376	2,188,376
3	Average Rate Base	2,479,162	2,479,162
4	Net Operating Income	82,030	82,030
5	Out-of-Period Adjustments Net of FIT (1)		
6	Adjusted Net Operating Income	82,030	82,030
7	Earned Regulated Rate of Return	3.31%	3.31%

Footnotes:

- (1) Lines 5 & 12 will be completed by Staff
- (A) Column A to be completed by Company,**
- (B) Column B should equal Column A, but may include any Staff Adjustments**