

EXHIBIT 4

FINANCIAL INFORMATION

PETITION OF MCDANIEL TELEPHONE COMPANY TO
RECEIVE SUPPORT FROM THE UNIVERSAL
SERVICE COMMUNICATIONS PROGRAM
EXHIBIT 4 - COVER

2014 State USF Petition Filing Requirement -WAC 480-123-110(e)Prior Year Balance Sheet

Company Name: (Below)
McDaniel Telephone Co

ASSETS	Balance End of Year 2012 (A)	Part 64 Adj to NonReg 2012 (B)	Adj. Balance End of Year 2012	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance Prior Year 2012 (A)	Part 64 Adj to NonReg 2012 (B)	Adj. Balance End of Year 2012
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	5,254,769		5,254,769	25. Accounts Payable	482,966		482,966
2. Cash-RUS Construction Fund	0		0	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	44,520		44,520
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	0		0
b. Other Accounts Receivable	18,570		18,570	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	212,870		212,870	32. Income Taxes Accrued	130,262		130,262
b. Other Accounts Receivable	526,224		526,224	33. Other Taxes Accrued	23,628		23,628
c. Notes Receivable	0		0	34. Other Current Liabilities	20,289		20,289
5. Interest and Dividends Receivable	218		218	35. Total Current Liabilities (25 thru 34)	701,665		701,665
6. Material-Regulated	31,158	-	31,158	LONG-TERM DEBT			
7. Material-Nonregulated	0		0	36. Funded Debt-RUS Notes	0		0
8. Prepayments	6,455		6,455	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)	6,050,264	-	6,050,264	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
13. Nonregulated Investments (B1)	1,442	31,996	33,438	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	0		0	47. Other Long-Term Liabilities	33,300		33,300
15. Deferred Charges	0		0	48. Other Deferred Credits (C)	1,152,402	(14,479)	1,137,923
16. Jurisdictional Differences	0		0	49. Other Jurisdictional Differences	0		0
17. Total noncurrent Assets (11 thru 16)	1,442	31,996	33,438	50. Total Other Liab. & Def. Credits (47 thru 49)	1,185,702	(14,479)	1,171,223
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	14,522,132	(52,718)	14,469,414	51. Cap. Stock Outstanding & Subscribed	26,200		26,200
19. Property Held for Future Use	0		0	52. Additional Paid-in-Capital	0		0
20. Plant Under Construction	201,734		201,734	53. Treasury Stock	0		0
21. Plant Adj., Nonop Plant & Goodwill	0		0	54. Membership and cap. Certificates	0		0
22. Accumulated Depreciation (CR.)	(9,321,822)	20,722	(9,301,100)	55. Other Capital	(7,086)		(7,086)
23. Net Plant (18 thru 21 less 22)	5,402,043	(31,996)	5,370,047	56. Patronage Capital Credits	0		0
TOTAL ASSETS (10+17+23)	11,453,749	0	11,453,749	57. Retained Earnings or Margins (B2)	9,547,268	14,479	9,561,747
				58. Total Equity (51 thru 57)	9,566,382	14,479	9,580,861
				59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	11,453,749	0	11,453,749

(A) - As reported on Form 481

(B) - Part 64 adjustments to rate base from regulated to nonregulated.

(B1) - Part 64 offset to nonreg investment

(B2) - Part 64 offset to retained earnings

(C) - Part 64 Adj. for line 48 is only for deferred taxes.

2014 State USF Petition Filing Requirement - WAC 480-123-110(e)Current Year Balance Sheet

Company Name: (Below)

McDaniel Telephone Co

ASSETS	Balance End of Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance Prior Year 2013 (A)	Part 64 Adj to NonReg 2013 (B)	Adj. Balance End of Year 2013
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	5,884,319		5,884,319	25. Accounts Payable	474,393		474,393
2. Cash-RUS Construction Fund	0		0	26. Notes Payable	0		0
3. Affiliates:				27. Advance Billings and Payments	45,701		45,701
a. Telecom, Accounts Receivable	0		0	28. Customer Deposits	0		0
b. Other Accounts Receivable	15,460		15,460	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	170,340		170,340	32. Income Taxes Accrued	57,724		57,724
b. Other Accounts Receivable	528,521		528,521	33. Other Taxes Accrued	26,177		26,177
c. Notes Receivable	0		0	34. Other Current Liabilities	19,376		19,376
5. Interest and Dividends Receivable	187		187	35. Total Current Liabilities (25 thru 34)	623,371		623,371
6. Material-Regulated	34,609	-	34,609	LONG-TERM DEBT			
7. Material-Nonregulated	0		0	36. Funded Debt-RUS Notes	0		0
8. Prepayments	6,455		6,455	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)	6,639,892	-	6,639,892	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
13. Nonregulated Investments (B1)	48,103	40,309	88,412	OTHER LIAB. & DEF. CREDITS			
14. Other Noncurrent Assets	0		0	47. Other Long-Term Liabilities	(3,777)		(3,777)
15. Deferred Charges	(3)		(3)	48. Other Deferred Credits (C)	1,046,154	(20,326)	1,025,828
16. Jurisdictional Differences	0		0	49. Other Jurisdictional Differences	0		0
17. Total noncurrent Assets (11 thru 16)	48,101	40,309	88,410	50. Total Other Liab. & Def. Credits (47 thru 49)	1,042,377	(20,326)	1,022,051
PLANT, PROPERTY AND EQUIPMENT				EQUITY			
18. Telecom Plant-In-Service	14,699,532	(62,760)	14,636,772	51. Cap. Stock Outstanding & Subscribed	26,200		26,200
19. Property Held for Future Use	0		0	52. Additional Paid-in-Capital	0		0
20. Plant Under Construction	448,366		448,366	53. Treasury Stock	0		0
21. Plant Adj., Nonop Plant & Goodwill	0		0	54. Membership and cap. Certificates	0		0
22. Accumulated Depreciation (CR.)	(10,063,980)	22,451	(10,041,529)	55. Other Capital	15,007		15,007
23. Net Plant (18 thru 21 less 22)	5,083,918	(40,309)	5,043,609	56. Patronage Capital Credits	0		0
				57. Retained Earnings or Margins (B2)	10,064,955	20,326	10,085,281
				58. Total Equity (51 thru 57)	10,106,162	20,326	10,126,488
TOTAL ASSETS (10+17+23)	11,771,910	0	11,771,910	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	11,771,910	0	11,771,910

(A) - As reported on Form 481

(B) - Part 64 adjustments to rate base from regulated to nonregulated.

(B1) - Part 64 offset to nonreg investment

(B2) - Part 64 offset to retained earnings

(C) - Part 64 Adj. for line 48 is only for deferred taxes.

2014 State USF Petition Filing Requirement - WAC 480-123-110(e) Adjusted Prior and Current Year Balance Sheet

Company Name: (Below)
McDaniel Telephone Co

ASSETS	Adjusted Prior Year Balance 2012	Adjusted Current Year Balance 2013	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2012	Adjusted Prior Year Balance 2013
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	5,254,769	5,884,319	25. Accounts Payable	482,966	474,393
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	44,520	45,701
a. Telecom, Accounts Receivable	0	0	28. Customer Deposits	0	0
b. Other Accounts Receivable	18,570	15,460	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	212,870	170,340	32. Income Taxes Accrued	130,262	57,724
b. Other Accounts Receivable	526,224	528,521	33. Other Taxes Accrued	23,628	26,177
c. Notes Receivable	0	0	34. Other Current Liabilities	20,289	19,376
5. Interest and Dividends Receivable	218	187	35. Total Current Liabilities (25 - 34)	701,665	623,371
6. Material-Regulated	31,158	34,609	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	0	0
8. Prepayments	6,455	6,455	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)	6,050,264	6,639,892	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	33,438	88,412	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	33,300	(3,777)
15. Deferred Charges	0	(3)	48. Other Deferred Credits (B)	1,137,923	1,025,828
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total noncurrent Assets (11 thru 16)	33,438	88,410	50. Total Other Liab. & Def. Credits (47 thru 49)	1,171,223	1,022,051
PLANT, PROPERTY AND EQUIPMENT			EQUITY		
18. Telecom Plant-in-Service	14,469,414	14,636,772	51. Cap. Stock Outstanding & Subscribed	26,200	26,200
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	201,734	448,366	53. Treasury Stock	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Membership and cap. Certificates	0	0
22. Accumulated Depreciation (CR.)	(9,301,100)	(10,041,529)	55. Other Capital	(7,086)	15,007
23. Net Plant (18 thru 21 less 22)	5,370,047	5,043,609	56. Patronage Capital Credits	0	0
			57. Retained Earnings or Margins	9,561,747	10,085,281
			58. Total Equity (51 thru 57)	9,580,861	10,126,488
TOTAL ASSETS (10+17+23)	11,453,749	11,771,910	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	11,453,749	11,771,910

Note:
Adjusted Balances represents balances after current year Part 64 adjustments
(B) - Provide Deferred Taxes on separate rate base schedule

2014 State USF Petition Filing Requirement - WAC 480-123-110(e) Prior and Current Year Rate Base

Company Name: (Below)

McDaniel Telephone Co

	Line #	Adj. Balance End of Year 2012	Adj. Balance End of Year 2013	Average Adj End of Year Balance
Average Rate Base:				
Total Regulated Adjusted Telecom Plant-In-service	18	14,469,414	14,636,772	14,553,093
Total Property Held for Future Use	19	0	0	0
Total Regulated Adjusted Accumulated Depreciation (CR)	22	(9,301,100)	(10,041,529)	(9,671,315)
Total Regulated Materials & Supplies	6	31,158	34,609	32,883
Deferred Income Taxes (CR)		(1,148,847)	(1,016,666)	(1,082,757)
Total Regulated Rate Base		4,050,624	3,613,186	3,831,905

Note:

1. Normal balance of deferred income taxes and accumulated depreciation is a credit.
2. Adjusted balance includes current year Part 64 adjustments

2014 State USF Petition Filing Requirement - WAC 480-123-110(e) Statistics - Prior and Current Year

Company Name: (Below)

McDaniel Telephone Co

Description	Prior Year End of Yr. Balance - 2012	Current Year End of Yr Balance - 2013	Difference	% Change
Access Lines:				
Residential	3,107	3,010	(97)	-3.1%
Business	522	512	(10)	-1.9%
Total	3,629	3,522	(107)	-2.9%
	End of Yr. Balance - 2012	End of Year Balance -2013	Difference	% Change
Broadband Connections	2,349	2,373	24	1.0%
	Prior Yr. 2012	Current Yr. 2013	Difference	% Change
Total Annual Amount:				
Gross Capital Expenditures	324,514	527,294	202,780	62.5%

2014 State USF Petition Filing Requirement - WAC 480-123-110(e) Prior year Adjusted Income Statement

FCC Form 481

Part B Statement of Income and Retained Earnings Statement

Company Name: (Below)

McDaniel Telephone Co

Line #	Item	Prior Year 2012 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2012
1	Local Network Services Revenues	922,045		922,045
2	Network Access Services Revenues	1,741,377		1,741,377
3	Long Distance Network Services Revenues	484	0	484
4	Carrier Billing and Collection Revenues	104,049	0	104,049
5	Miscellaneous Revenues	49,369	0	49,369
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(12,636)	0	(12,636)
7	Net Operating Revenues (1 thru 6)	2,804,687	0	2,804,687
8	Plant Specific Operations Expense	528,904	(29,465)	499,439
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	398,401	(15,465)	382,936
10	Depreciation Expense	788,317	(54,332)	733,985
11	Amortization Expense	48,380	(5,352)	43,028
12	Customer Operations Expense	399,832	(13,185)	386,647
13	Corporate Operations	632,511	(24,536)	607,975
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	632,511	(24,536)	607,975
14	Total Operations Expenses (8 thru 12 +13b)	2,796,346	(142,335)	2,654,011
15	Operating Income or Margins (7 less 14)	8,342	142,335	150,677
16	Other Operating Income and Expenses ()	0		0
17	State and Local Taxes	0	0	0
18	Federal Income Taxes (A1)	(22,975)	51,383	28,408
19	Other Taxes	74,054	(4,473)	69,581
20	Total Operating Taxes (17+18+19)	51,079	46,910	97,989
21	Net Operating Income or Margins (15+16-20)	(42,737)	95,425	52,688
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	11,917		11,917
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		0
30	Nonregulated Net Income (B1)	518,133	(95,425)	422,708
31	Total Net Income or Margins (21+27+28+29+30-26)	487,314	0	487,314
32	Total Taxes Based on Income	262,437		262,437
33	Retained Earning or Margins Beginning-of-Year	9,059,954		9,059,954
34	Miscellaneous Credits Year-to-Date	14,479		14,479
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))	9,561,747	0	9,561,747
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		0
45	Cash Ratio ((14+20-10-11)/7)	0.7169	#DIV/0!	0.7042
46	Operating Accrual Ratio ((14+20+26)/7)	1.0152	#DIV/0!	0.9812
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Notes:

- (A) As reported on Form 481
- (A1) S Corporations provide effective tax rate on Income Statement Summary Schedule footnote, Page 8
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)

2014 State USF Petition Filing Requirement - WAC 480-123-110(e)Current Year Adjusted Income Statement

Company Name: (Below)
 McDaniel Telephone Co

Line #	Item	Prior Year 2013 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2013
1	Local Network Services Revenues	914,022		914,022
2	Network Access Services Revenues	1,762,603		1,762,603
3	Long Distance Network Services Revenues	434	0	434
4	Carrier Billing and Collection Revenues	102,064	0	102,064
5	Miscellaneous Revenues	48,204	0	48,204
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(45,615)	0	(45,615)
7	Net Operating Revenues (1 thru 6)	2,781,712	0	2,781,712
8	Plant Specific Operations Expense	527,602	(23,230)	504,372
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	387,800	(16,445)	371,355
10	Depreciation Expense	823,599	(42,838)	780,761
11	Amortization Expense	50,496	(7,524)	42,972
12	Customer Operations Expense	362,793	(19,519)	343,274
13	Corporate Operations	631,510	(26,507)	605,003
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	631,510	(26,507)	605,003
14	Total Operations Expenses (8 thru 12 +13b)	2,783,800	(136,063)	2,647,737
15	Operating Income or Margins (7 less 14)	(2,089)	136,063	133,974
16	Other Operating Income and Expenses ()	0		0
17	State and Local Taxes	0	0	0
18	Federal Income Taxes (A1)	(36,783)	48,969	12,186
19	Other Taxes	103,202	(3,847)	99,355
20	Total Operating Taxes (17+18+19)	66,419	45,122	111,541
21	Net Operating Income or Margins (15+16-20)	(68,508)	90,941	22,433
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	3,253		3,253
28	Extraordinary Items	0		0
29	Jurisdictional Differences	0		0
30	Nonregulated Net Income (B1)	582,941	(90,941)	492,000
31	Total Net Income or Margins (21+27+28+29+30-26)	517,687	0	517,687
32	Total Taxes Based on Income	278,860		278,860
33	Retained Earning or Margins Beginning-of-Year	9,547,268		9,547,268
34	Miscellaneous Credits Year-to-Date	20,326		20,326
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))	10,085,281	0	10,085,281
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		0
45	Cash Ratio ((14+20-10-11)/7)	0.7104	#DIV/0!	0.6958
46	Operating Accrual Ratio ((14+20+26)/7)	1.0246	#DIV/0!	0.9919
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Notes:

- (A) As reported on Form 481
- (A1) S Corporations provide effective tax rate on Income Statement Summary Schedule footnote, Page 8
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Part 64 offset to nonregulated income (No Impact to retained earnings)

2014 State USF Petition Filing Requirement - WAC 480-123-110(e) Prior and Current Year Income Statement

Company Name:
McDaniel Telephone Co

Line #	Item	Adjusted Prior Year 2012	Adjusted Current Year 2013
1	Local Network Services Revenues	922,045	914,022
2	Network Access Services Revenues	1,741,377	1,762,603
3	Long Distance Network Services Revenues	484	434
4	Carrier Billing and Collection Revenues	104,049	102,064
5	Miscellaneous Revenues	49,369	48,204
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(12,636)	(45,615)
7	Net Operating Revenues (1 thru 6)	2,804,687	2,781,712
8	Plant Specific Operations Expense	499,439	504,372
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	382,936	371,355
10	Depreciation Expense	733,985	780,761
11	Amortization Expense	43,028	42,972
12	Customer Operations Expense	386,647	343,274
13	Corporate Operations	607,975	605,003
13a	Less: Corporate Operations Adjustment (FCC 36.621) report in ()	0	0
13b	Adjusted Corporate Operations Expense (Line 13 minus Line 13a)	607,975	605,003
14	Total Operations Expenses (8 thru 12 +13b)	2,654,011	2,647,737
15	Operating Income or Margins (7 less 14)	150,677	133,974
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	0	0
18	Federal Income Taxes	28,408	12,186
19	Other Taxes	69,581	99,355
20	Total Operating Taxes (17+18+19)	97,989	111,541
21	Net Operating Income or Margins (15+16-20)	52,688	22,433
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	11,917	3,253
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	422,708	492,000
31	Total Net Income or Margins (21+27+28+29+30-26)	487,314	517,687
32	Total Taxes Based on Income	262,437	278,860
33	Retained Earning or Margins Beginning-of-Year	9,059,954	9,547,268
34	Miscellaneous Credits Year-to-Date		20,326
35	Dividends Declared (Common)	0	0
36	Dividends Declared (Preferred)		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))	9,547,268	10,085,281
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)	0.7042	0.6958
46	Operating Accrual Ratio ((14+20+26)/7)	0.9812	0.9919
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):

2012

2013

2014 State USF Petition Filing requirement - WAC 480-123-110 (e)Network Access Services Revenue Prior and Current Year

Company Name: (Below)

McDaniel Telephone Co

Description	Part 32 Account	2012	2013
End User Revenue (SLC, ARC, etc.)	5081	300,181	313,440
Switched Access (excluding USF):	5082		
Intrastate		392,819	296,322
Interstate		317,746	211,116
Special Access:	5083		
Intrastate		29,781	18,803
Interstate		69,043	114,043
Federal USF (ICLS/CAF/HCL/SN)	Varies	631,808	808,879
Total (must equal line 2 of Income Stmt.)		1,741,377	1,762,603
Line 2 of Income Stmt.		1,741,377	1,762,603
Difference		0	0

2014 State USF Petition Filing requirement - WAC 480-123-110 (e)Return on Rate Base and Equity Prior and Current Year

Company Name: (Below)

McDaniel Telephone Co

Description	2012	2013
Rate Base (Jan. 1)	3,301,158	4,050,624
Rate Base (Dec 31)	4,050,624	3,613,186
Average Rate Base	3,675,891	3,831,905
Net Operating Income	52,688	22,433
Earned Regulated Rate of Return	1.43%	0.59%
Equity (Jan 1)	9,080,519	9,580,861
Equity (Dec 31)	9,580,861	10,126,488
Average Equity	9,330,690	9,853,675
Net Income	487,314	517,687
Earned Return on Equity	5.22%	5.25%