



USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0534

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	805,031	713,304
2. Network Access Services Revenues	4,913,169	4,720,823
3. Long Distance Network Services Revenues	179	18,094
4. Carrier Billing and Collection Revenues	63,064	49,017
5. Miscellaneous Revenues	93,495	109,474
6. Uncollectible Revenues	17,044	4,796
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>5,857,894</b>	<b>5,605,916</b>
8. Plant Specific Operations Expense	2,236,474	2,240,021
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	370,469	338,850
10. Depreciation Expense	1,171,724	1,255,274
11. Amortization Expense	30,911	182
12. Customer Operations Expense	443,891	517,868
13. Corporate Operations Expense	1,150,148	1,032,592
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>5,403,617</b>	<b>5,384,787</b>
15. Operating Income or Margins (7 less 14)	454,277	221,129
16. Other Operating Income and Expenses		0
17. State and Local Taxes	143,520	130,333
18. Federal Income Taxes	80,881	998
19. Other Taxes		0
<b>20. Total Operating Taxes (17+18+19)</b>	<b>224,401</b>	<b>131,331</b>
21. Net Operating Income or Margins (15+16-20)	229,876	89,798
22. Interest on Funded Debt	117,064	85,114
23. Interest Expense - Capital Leases		0
24. Other Interest Expense	10	14,655
25. Allowance for Funds Used During Construction		0
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>117,074</b>	<b>99,769</b>
27. Nonoperating Net Income	28,514	174,636
28. Extraordinary Items		0
29. Jurisdictional Differences		0
30. Nonregulated Net Income	(49,316)	(513,764)
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>92,000</b>	<b>(349,099)</b>
32. Total Taxes Based on Income	47,017	(174,638)
33. Retained Earnings or Margins Beginning-of-Year	6,540,037	6,634,486
34. Miscellaneous Credits Year-to-Date	2,449	1,496
35. Dividends Declared (Common)		0
36. Dividends Declared (Preferred)		0
37. Other Debits Year-to-Date		0
38. Transfers to Patronage Capital		0
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>6,634,486</b>	<b>6,286,883</b>
40. Patronage Capital Beginning-of-Year		0
41. Transfers to Patronage Capital		0
42. Patronage Capital Credits Retired	0	0
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44. Annual Debt Service Payments	744,620	717,781
45. Cash Ratio [(14+20-10-11) / 7]	0.7555	0.7600
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9807	1.0018
47. TIER [(31+26) / 26]	1.7858	-2.4991
48. DSCR [(31+26+10+11) / 44]	1.8959	1.4017

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
DEWATTO	27.00	22.00	16	322	338	143.85	42.07
PRESCOTT	26.50	16.50	38	128	166	152.67	1.00
ROSLYN	24.00	13.80	174	1,015	1,189	157.01	34.06
UNIONTOWN	25.00	15.00	192	315	507	201.66	14.00
LEON	40.68	25.76	1	25	26	5.00	0.00
LENORE	40.68	25.76	21	254	275	177.83	12.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			442	2,059	2,501	838.02	103.13
No. Exchanges	6						

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

**4. BROADBAND SERVICE**

**Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
DEWATTO	338	224	110	768	512	18.63	Package	DSL
PRESCOTT	166	51	51	768	512	12.58	Package	DSL
ROSLYN	1,189	794	713	>6,000	768	12.58	Package	DSL
UNIONTOWN	507	220	189	>6,000	768	18.63	Package	DSL
LEON	26	14	14	>6,000	768	26.06	Package	DSL
LENORE	275	143	143	768	512	19.70	Package	DSL
Total	2,501	1,446						

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>	<b>BORROWER DESIGNATION</b> WA0534  <b>PERIOD ENDING</b> December, 2012
<i>INSTRUCTIONS- See RUS Bulletin 1744-2</i>	

PART D. SYSTEM DATA				
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
19	43	463	5.40	2.98

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

PART F. FUNDS INVESTED IN PLANT DURING YEAR	
1. RUS, RTB, & FFB Loan Funds Expended	541,768
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	196,772
Salvaged Materials	22,217
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	760,757

PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	290,671		290,671		290,671
2. Investment in Affiliated Companies - Nonrural Development					

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**PART H. CURRENT DEPRECIATION RATES**

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

YES       NO

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

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OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0534	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED	
		December, 2012	
<b>PART I – STATEMENT OF CASH FLOWS</b>			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		1,046,451	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
2. Net Income		(349,099)	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation		1,255,274	
4. Add: Amortization		182	
5. Other (Explain) See Notes Page		387,567	
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable		199,061	
7. Decrease/(Increase) in Materials and Inventory		96,962	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(1,355)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(111,899)	
11. Increase/(Decrease) in Advance Billings & Payments		0	
12. Increase/(Decrease) in Other Current Liabilities		50,793	
13. Net Cash Provided/(Used) by Operations		1,527,486	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14. Decrease/(Increase) in Notes Receivable		0	
15. Increase/(Decrease) in Notes Payable		(164,165)	
16. Increase/(Decrease) in Customer Deposits		566	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(211,649)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(91,509)	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0	
20. Less: Payment of Dividends		0	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain) See Notes Page		898	
23. Net Cash Provided/(Used) by Financing Activities		(465,859)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24. Net Capital Expenditures (Property, Plant & Equipment)		(356,015)	
25. Other Long-Term Investments		(304,093)	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) See Notes Page		(873,173)	
28. Net Cash Provided/(Used) by Investing Activities		(1,533,281)	
29. Net Increase/(Decrease) in Cash		(471,654)	
30. Ending Cash		574,797	

Revision Date 2010

## PART H-CURRENT DEPRECIATION RATES

### IDAHO DEPRECIATION RATES(WASHINGTON RATES ARE ON PAGE 6)

Motor Vehicles-12.50%, Garage Work Equipment-12.50%, Other Work Equipment-12.50%, Buildings-2.50%, Furniture-15.00%, Company Communications Equipment-5.00%, General Purpose Computers-25.00%, Office Support Equipment-5.00%, COE Switching-9.00%, COE Transmission-11.19%, COE Radio-13.00%, Poles-5.00%, Aerial Cable-4.00%, Buried Cable-4.00%, Fiber Optic-4.00%, Aerial Wire-8.00%, Aerial Fiber-4.00%

## PART-I STATEMENT OF CASH FLOWS

### CASH FLOW RECONCILING EXPLANATIONS

<b>Description</b>	<b>Amount</b>
Line 5 Other	
Depreciation and amortization on non-regulated investments	74,448
Change in other taxes	(81,442)
Change in deposits	566
Cash surrender value of life insurance	(6,147)
Gain on sale of property	(22,217)
Deferred and state income taxes	(174,658)
Federal and state income taxes payable	(20)
Non-cash stock dividend	(813)
Total Amount of Adjustment	(210,283)
Line 22 Other	
Reclassify change in deferred credits to operating activities	91,509
Reclassify deposit change to operating activities	(566)
Reclassify advances from affiliated companies change to investing activities	120,750
Total Amount of Adjustment	211,693
Line 27 Other	
Remove retirements from line 24	(404,742)
Salvage	22,217
Additional amounts of long-term investments	(103,593)
Total Amount of Adjustment	(486,118)