

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.	
	BORROWER NAME  St. John Co-operative Telephone & Telegraph Co.  (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2015	BORROWER DESIGNATION WA0533
<b>CERTIFICATION</b> We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> (Check one of the following)		
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report		
_____ Patrick Gordon	_____ 2/28/2016 DATE	

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	3,215,788	3,322,415	25. Accounts Payable	107,796	100,604
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	100	150
b. Other Accounts Receivable			29. Current Mat. L/T Debt	422,972	323,219
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	7,769	8,024	32. Income Taxes Accrued	0	31,868
b. Other Accounts Receivable	187,906	188,531	33. Other Taxes Accrued	13,564	12,055
c. Notes Receivable			34. Other Current Liabilities	34,398	46,128
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>	578,830	514,024
6. Material-Regulated	26,481	24,533	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	1,110	1,119	36. Funded Debt-RUS Notes	5,573,321	5,254,376
8. Prepayments	65,561	47,673	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>	3,504,615	3,592,295	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	1,389,435	1,632,094	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	463,326	423,034	<b>46. Total Long-Term Debt (36 thru 45)</b>	5,573,321	5,254,376
13. Nonregulated Investments	57,700	57,654	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	1,251,739	1,281,785
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>	1,910,461	2,112,782	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,251,739	1,281,785
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	13,071,978	13,170,702	51. Cap. Stock Outstand. & Subscribed	36,920	36,800
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	71,308	76,529	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	5,005,179	5,531,485	55. Other Capital		
<b>23. Net Plant (18 thru 21 less 22)</b>	8,138,107	7,715,746	56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins	6,112,373	6,333,838
	13,553,183	13,420,823	<b>58. Total Equity (51 thru 57)</b>	6,149,293	6,370,638
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	13,553,183	13,420,823

Total Equity = 47.47% % of Total Assets

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

WA0533

PERIOD ENDING

December, 2015

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	117,802	123,258
2. Network Access Services Revenues	280,297	2,184,372
3. Long Distance Network Services Revenues		54,613
4. Carrier Billing and Collection Revenues	1,908,389	0
5. Miscellaneous Revenues	34,146	27,966
6. Uncollectible Revenues	873	(721)
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>2,339,761</b>	<b>2,390,930</b>
8. Plant Specific Operations Expense	595,741	544,880
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	57,133	110,786
10. Depreciation Expense	474,013	526,903
11. Amortization Expense		
12. Customer Operations Expense	168,558	158,270
13. Corporate Operations Expense	377,493	455,144
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>1,672,938</b>	<b>1,795,983</b>
15. Operating Income or Margins (7 less 14)	666,823	594,947
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes	16,660	59,977
19. Other Taxes	164,679	95,546
<b>20. Total Operating Taxes (17+18+19)</b>	<b>181,339</b>	<b>155,523</b>
21. Net Operating Income or Margins (15+16-20)	485,484	439,424
22. Interest on Funded Debt	353,114	352,364
23. Interest Expense - Capital Leases		
24. Other Interest Expense	3	
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>353,117</b>	<b>352,364</b>
27. Nonoperating Net Income	44,462	63,096
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	114,188	110,959
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>291,017</b>	<b>261,115</b>
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	5,854,628	6,112,373
34. Miscellaneous Credits Year-to-Date	3,488	
35. Dividends Declared (Common)	36,760	36,920
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		2,730
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>6,112,373</b>	<b>6,333,838</b>
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44. Annual Debt Service Payments	713,419	713,419
45. Cash Ratio [(14+20-10-11) / 7]	0.5899	0.5958
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9434	0.9636
47. TIER [(31+26) / 26]	1.8241	1.7410
48. DSCR [(31+26+10+11) / 44]	1.5673	1.5985