

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0534	
		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	675,461	684,380	
2. Network Access Services Revenues	4,179,688	4,170,260	
3. Long Distance Network Services Revenues	(1,216)	(449)	
4. Carrier Billing and Collection Revenues	51,445	49,928	
5. Miscellaneous Revenues	70,664	36,574	
6. Uncollectible Revenues	7,139	157	
7. Net Operating Revenues (1 thru 5 less 6)	4,968,903	4,940,536	
8. Plant Specific Operations Expense	1,762,438	1,592,338	
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	396,535	471,850	
10. Depreciation Expense	1,346,798	1,294,047	
11. Amortization Expense	182	182	
12. Customer Operations Expense	595,029	539,664	
13. Corporate Operations Expense	951,200	1,001,800	
14. Total Operating Expenses (8 thru 13)	5,052,182	4,899,881	
15. Operating Income or Margins (7 less 14)	(83,279)	40,655	
16. Other Operating Income and Expenses		0	
17. State and Local Taxes	139,873	142,942	
18. Federal Income Taxes	(120,071)	(38,430)	
19. Other Taxes	0	0	
20. Total Operating Taxes (17+18+19)	19,802	104,512	
21. Net Operating Income or Margins (15+16-20)	(103,081)	(63,857)	
22. Interest on Funded Debt	144,819	214,726	
23. Interest Expense - Capital Leases	0	0	
24. Other Interest Expense	10,098	191	
25. Allowance for Funds Used During Construction	30,457	67,703	
26. Total Fixed Charges (22+23+24-25)	124,460	147,214	
27. Nonoperating Net Income	(2,287)	11,931	
28. Extraordinary Items		0	
29. Jurisdictional Differences		0	
30. Nonregulated Net Income	348,954	98,148	
31. Total Net Income or Margins (21+27+28+29+30-26)	119,126	(100,992)	
32. Total Taxes Based on Income	51,562		
33. Retained Earnings or Margins Beginning-of-Year	5,988,074	6,105,869	
34. Miscellaneous Credits Year-to-Date		0	
35. Dividends Declared (Common)		0	
36. Dividends Declared (Preferred)		0	
37. Other Debits Year-to-Date	1,331	316	
38. Transfers to Patronage Capital		0	
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	6,105,869	6,004,561	
40. Patronage Capital Beginning-of-Year		0	
41. Transfers to Patronage Capital		0	
42. Patronage Capital Credits Retired		0	
43. Patronage Capital End-of-Year (40+41-42)	0	0	
44. Annual Debt Service Payments	643,649	740,499	
45. Cash Ratio [(14+20-10-11) / 7]	0.7497	0.7510	
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0458	1.0427	
47. TIER [(31+26) / 26]	1.9571	0.3140	
48. DSCR [(31+26+10+11) / 44]	2.4712	1.8102	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2	BORROWER DESIGNATION WA0534 PERIOD ENDED December, 2015
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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	19	294	313	144.25	40.07
PRESCOTT	26.50	16.50	40	108	148	198.31	43.37
ROSLYN	24.00	16.00	194	1,063	1,257	157.68	34.06
UNIONTOWN	25.00	16.00	216	290	506	258.96	64.17
LEON	40.68	25.76	1	27	28	20.37	13.14
LENORE	40.68	25.76	21	229	250	178.34	12.00
MobileWireless					0		
Route Mileage Outside Exchange Area						18.07	18.07
Total			491	2,011	2,502	975.98	224.88
No. Exchanges	6						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2	BORROWER DESIGNATION WA0534 PERIOD ENDED December, 2015
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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	313	230	50	768	512	39.95	Package	DSL	
PRESCOTT	148	63	22	768	512	39.95	Package	DSL	
ROSLYN	1,257	977	570	6,000	1,500	49.95	Package	DSL	
UNIONTOWN	506	233	176	6,000	1,500	49.95	Package	DSL	
LEON	28	19	13	6,000	1,500	49.95	Package	DSL	
LENORE	250	134	99	768	512	39.95	Package	DSL	
Total	2,502	1,656							

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0534 PERIOD ENDING December, 2015
INSTRUCTIONS- See RUS Bulletin 1744-2	

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	28	463	5.40	2.56

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
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PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	3,379,252
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)	801,781
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	4,181,033

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(a)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	(249,021)		484,080		484,080
2. Investment in Affiliated Companies - Nonrural Development					

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	PERIOD ENDING December, 2015

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	

EXHIBIT 6

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION WA0534
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2015
		PART I – STATEMENT OF CASH FLOWS
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		190,614
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		(100,992)
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		1,294,047
4. Add: Amortization		182
5. Other (Explain) See Notes Section		463,521
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		(83,284)
7. Decrease/(Increase) in Materials and Inventory		(1,744)
8. Decrease/(Increase) in Prepayments and Deferred Charges		(34,728)
9. Decrease/(Increase) in Other Current Assets		0
10. Increase/(Decrease) in Accounts Payable		(622,113)
11. Increase/(Decrease) in Advance Billings & Payments		0
12. Increase/(Decrease) in Other Current Liabilities		134,857
13. Net Cash Provided/(Used) by Operations		1,049,746
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		0
15. Increase/(Decrease) in Notes Payable		0
16. Increase/(Decrease) in Customer Deposits		87
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		2,853,479
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		432,802
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 Section		(432,889)
23. Net Cash Provided/(Used) by Financing Activities		2,853,479
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(3,488,438)
25. Other Long-Term Investments		287,878
26. Other Noncurrent Assets & Jurisdictional Differences		0
27. Other (Explain) See Notes Section		(266,346)
28. Net Cash Provided/(Used) by Investing Activities		(3,466,906)
29. Net Increase/(Decrease) in Cash		436,319
30. Ending Cash		626,933

Revision Date 2010

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<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2015</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	
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INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
PART I-STATEMENT OF CASH FLOWS	
CASH FLOW RECONCILING EXPLANATIONS	
DESCRIPTION	AMOUNT
Line 5-Other	
Increase in CSV	(7,394.00)
Depreciation on Nonregulated Investments	119,533.00
Deferred FIT	(38,430.00)
Noncash Stock Dividend	(9,579.00)
Plant in Accounts Payable	399,284.00
Operating Change in Customer Deposits	87.00
Noncash Transfer State Income Taxes	20.00
	463,521.00
Line 22-Other	
Deferred FIT on Investments	163.00
Noncash Transfer of Deferred FIT	(471,395.00)
Operating Change in Customer Deposits	(87.00)

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NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
Current Operating Deferred FIT	38,430.00 (432,889.00)
Line 27-Other	
Retirement/Transfers in Net Plant and Nonregulated Investments	(235,714.00)
Operating Cashflow-Long Term Invesements	16,953.00
Operating Depreciation On Nonregulated Investments	(119,533.00)
Plant in Accounts Payable	(399,284.00)
Noncash Transfer of Deferred FIT	471,395.00
Deferred FIT on Investments	(163.00) (266,346.00)

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INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	