

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

St. John Telephone, Inc.

PERIOD ENDING

December, 2014

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	116,245	117,802
2. Network Access Services Revenues	241,899	280,297
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	2,053,566	1,908,389
5. Miscellaneous Revenues	38,176	34,146
6. Uncollectible Revenues	105,903	873
7. Net Operating Revenues (1 thru 5 less 6)	2,343,983	2,339,761
8. Plant Specific Operations Expense	581,724	595,741
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	18,697	57,133
10. Depreciation Expense	477,761	474,013
11. Amortization Expense		
12. Customer Operations Expense	172,036	168,558
13. Corporate Operations Expense	341,451	377,493
14. Total Operating Expenses (8 thru 13)	1,591,669	1,672,938
15. Operating Income or Margins (7 less 14)	752,314	666,823
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes	4,940	16,660
19. Other Taxes	200,945	164,679
20. Total Operating Taxes (17+18+19)	205,885	181,339
21. Net Operating Income or Margins (15+16-20)	546,429	485,484
22. Interest on Funded Debt	383,151	353,114
23. Interest Expense - Capital Leases		
24. Other Interest Expense		3
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	383,151	353,117
27. Nonoperating Net Income	35,853	44,462
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	122,416	114,188
31. Total Net Income or Margins (21+27+28+29+30-26)	321,547	291,017
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	5,589,119	5,854,628
34. Miscellaneous Credits Year-to-Date		3,488
35. Dividends Declared (Common)	37,600	36,760
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date	18,438	
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	5,854,628	6,112,373
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	713,419	713,419
45. Cash Ratio [(14+20-10-11) / 7]	0.5631	0.5899
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9303	0.9434
47. TIER [(31+26) / 26]	1.8392	1.8241
48. DSCR [(31+26+10+11) / 44]	1.6575	1.5673