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**PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY
KY 514**

FINANCIAL REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Peoples Rural Telephone Cooperative and Subsidiary
Mc Kee, Kentucky

We have audited the accompanying consolidated financial statements of Peoples Rural Telephone Cooperative and Subsidiary (the Cooperative), which comprise the consolidated balance sheet as of December 31, 2019, and the related consolidated statement of income, comprehensive income, changes in members' equities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinions

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Peoples Rural Telephone Cooperative and Subsidiary as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020, on our consideration of the Peoples Rural Telephone Cooperative and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of Peoples Rural Telephone Cooperative and Subsidiary, as of and for the year ended December 31, 2018 were audited by other auditors whose report dated January 31, 2019 expressed an unmodified opinion on those statements.

Jones, Hale & Mattingly P.C.

Louisville, Kentucky
March 6, 2020

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,606,002	\$ 3,308,349
Accounts receivable, less allowance for doubtful accounts for 2019 of \$197,725 and 2018 of \$163,876	171,925	134,933
Materials and supplies, at average cost	608,809	335,643
Prepaid insurance	80,154	38,929
Total current assets	<u>8,466,890</u>	<u>3,817,854</u>
OTHER ASSETS		
Investments held to maturity	8,222,465	7,013,046
Associated organizations	33,020,075	30,231,464
Nonregulated property	755,575	1,564,773
Deferred debits	1,288,537	1,525,052
Total other assets	<u>43,286,652</u>	<u>40,334,335</u>
TELECOMMUNICATIONS PLANT, AT ORIGINAL COST		
In service	69,628,905	68,203,809
Under construction	3,514,551	2,449,937
	<u>73,143,456</u>	<u>70,653,746</u>
Less accumulated depreciation	(34,917,783)	(31,824,080)
	<u>38,225,673</u>	<u>38,829,666</u>
Total assets	<u>\$ 89,979,215</u>	<u>\$ 82,981,855</u>

The accompanying notes are an integral part of these statements.

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (CONTINUED)
December 31, 2019 and 2018

LIABILITIES AND MEMBERS' EQUITIES			
CURRENT LIABILITIES			
Accounts payable	\$	512,090	\$ 278,644
Current portion of long term debt		307,170	310,000
Other current and accrued liabilities		1,431,722	1,001,412
Total current liabilities		<u>2,250,982</u>	<u>1,590,056</u>
LONG-TERM DEBT		<u>5,104,135</u>	<u>5,402,452</u>
ACCRUED POSTRETIREMENT BENEFITS		<u>8,897,492</u>	<u>8,684,405</u>
MEMBERS' EQUITIES			
Memberships and capital investment		226,061	223,201
Patronage capital		73,934,626	67,905,549
Donated capital		1,646,193	1,652,466
Other comprehensive income (loss)		(2,080,274)	(2,476,274)
Total members' equities		<u>73,726,606</u>	<u>67,304,942</u>
Total liabilities and members' equities	\$	<u>89,979,215</u>	<u>\$ 82,981,855</u>

The accompanying notes are an integral part of these statements.

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenue:		
Local network services	\$ 6,320,011	\$ 5,799,789
Network access services	10,095,119	9,833,580
Carrier billing and collection	59,739	55,381
Miscellaneous	106,738	73,028
Less provision for uncollectibles	(8,980)	(8,880)
Total operating revenues	<u>16,572,627</u>	<u>15,752,898</u>
Operating Expenses:		
Plant specific operations	4,504,100	4,600,247
Plant nonspecific operations	1,046,938	1,359,264
Depreciation	4,182,856	3,604,020
Customer operations	1,277,485	1,255,651
Corporate operations	2,047,473	1,837,100
Taxes, other than income	590,934	663,041
Total operating expenses	<u>13,649,786</u>	<u>13,319,323</u>
Operating income	<u>2,922,841</u>	<u>2,433,575</u>
Other income:		
Other income (losses)	(78,700)	(118,838)
Interest income	989,294	--
Income (loss) from limited liability companies	4,279,951	1,010,638
Income tax refunds (expense)	412,283	(409,680)
Total other income (losses)	<u>5,602,828</u>	<u>482,120</u>
Income before nonregulated income (loss)	8,525,669	2,915,695
Nonregulated income (loss)	<u>(1,854,835)</u>	<u>(1,520,693)</u>
Net income (loss) before interest charges	<u>6,670,834</u>	<u>1,395,002</u>
Interest on long-term debt	<u>185,156</u>	<u>240,401</u>
Net Income	6,485,678	1,154,601
Other comprehensive income		
Accumulated postretirement benefits	<u>396,000</u>	<u>429,000</u>
Net Comprehensive Income	<u>\$ 6,881,678</u>	<u>\$ 1,583,601</u>

The accompanying notes are an integral part of these statements.

PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITIES
Years Ended December 31, 2019 and 2018

	Patronage Capital				Other Equities	Other Comprehensive Income (Loss)	Total Members' Equities
	Memberships	Assignable	Assigned	Unassigned	Retirements	Total	
Balance - January 1, 2018	\$ 219,451	\$ 6,564,031	\$ 33,279,076	\$ 41,128,822	\$ (13,766,956)	\$ 67,204,973	\$ 66,171,616
Assign margins		(6,564,031)	473,826	6,090,205		--	--
Comprehensive income							
Net income		1,154,601				1,154,601	1,154,601
Amortization							429,000
Adjust postretirement benefits							
Total comprehensive income					(454,025)	(454,025)	1,583,601
Patronage refund							(454,025)
Other equities							
Memberships, net	3,750						3,750
Balance - December 31, 2018	223,201	1,154,601	33,752,902	47,219,027	(14,220,981)	67,905,549	67,304,942
Assign margins		(1,154,601)	520,405	634,196		--	
Comprehensive income:							
Net income		6,485,678				6,485,678	6,485,678
Amortization							396,000
Adjust postretirement benefits							
Total comprehensive income					(456,601)	(456,601)	6,881,678
Patronage refund							(456,601)
Other equities						(6,273)	(6,273)
Memberships, net	2,860						2,860
Balance - December 31, 2019	\$ 226,061	\$ 6,485,678	\$ 34,273,307	\$ 47,853,223	\$ (14,677,582)	\$ 73,934,626	\$ 73,726,606

The accompanying notes are an integral part of these statements.

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 6,485,678	\$ 1,154,601
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	3,919,106	3,604,020
Net loss (profit) in limited liability companies	(4,279,951)	(1,010,638)
Accumulated postretirement benefits	734,087	842,091
Net change in current assets and liabilities:		
Receivables	(36,992)	258,508
Material and supplies	(273,166)	257,534
Prepayments	(41,225)	(5,765)
Accounts payables	424,360	(529,576)
Accrued expenses	239,396	(343,101)
Net cash provided by operating activities	<u>7,171,293</u>	<u>4,227,674</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction of plant	(3,292,856)	(4,063,023)
Salvage, net of removals	(22,258)	(125,057)
Proceeds (purchase) of investments held to maturity	(1,209,419)	535,806
Associated organizations	1,491,341	2,076,441
Nonregulated property	809,198	84,970
Deferred debits amortization (additional)	236,515	393,447
Net cash (used in) investing activities	<u>(1,987,479)</u>	<u>(1,097,416)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long term debt	(301,147)	(493,835)
Advances/receipts from cushion of credit	-	(332,089)
Fund postretirement benefits	(125,000)	(125,000)
Memberships and capital investments	2,860	3,750
Retirements of capital credits	(456,601)	(454,025)
Increase in donated capital	(6,273)	-
Net cash (used in) financing activities	<u>(886,161)</u>	<u>(1,401,199)</u>
Net increase in cash and cash equivalents	4,297,653	1,729,059
Cash and cash equivalents - beginning of period	<u>3,308,349</u>	<u>1,579,290</u>
Cash and cash equivalents - ending of period	<u>\$ 7,606,002</u>	<u>\$ 3,308,349</u>
Supplemental disclosures of cash flows information:		
Interest on long-term debt	\$ 185,156	\$ 240,401
Income taxes paid (received)	412,283	(409,680)

The accompanying notes are an integral part of the financial statements.

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Peoples Rural Telephone Cooperative (the "Cooperative") maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission ("PSC") and the United States Department of Agriculture, Rural Utilities Service ("RUS") Uniform System of Accounts, which conform in all material respects with generally accepted accounting principles in all material respects. The more significant of these policies are as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of the Cooperative and its wholly-owned subsidiary, Peoples Telecom, LLC ("Peoples Telecom"). All significant inter-company accounts and transactions have been eliminated.

Nature of Business

The Cooperative is constructing an expanded services network. This network establishes the Cooperative as a full-service network ("FSN") provider allowing it to provide expanded video services with over 200 channels, and high definition television. It is also able to provide high speed internet and virtual private networks which will allow it to provide voice on internet protocol ("VoIP"). This is accomplished through Fiber to the Home ("FTTH") technology.

Cash and Cash Equivalents

The Cooperative considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Off Balance Sheet Risk

The Corporation has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2018, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit on several of the accounts. Deposits and repurchase agreements in excess of the FDIC limits are 100% secured with collateral from each respective financial institution.

Telecommunications Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed. Bills are sent to customers on credit approximately the 1st of the month with local service being billed a month in advance of service. Sales are concentrated in portions of two southeastern Kentucky counties. Payments are due 15 days from the date of billing. If payment has not been made, then customers are subject to disconnect in another 15 days. The allowance for uncollectible accounts is based on the aging of accounts receivable. Accounts are written off when they are deemed to be uncollectible. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at December 31, 2019 and 2018.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

The number of customers is as follows:

	2019	2018
Access lines	5,592	5,967
Total number of customers	6,330	6,254
Telephone customers	4,944	5,235
Broadband customers	4,931	4,687
Cable television customers	2,969	3,157

Interstate revenues are recognized on the cost basis recovery method. Compensation for intrastate/interlata service is received through tariffed access charges as filed with the FCC. These access charges are billed to the interlata long distance carrier and retained by the Cooperative.

FTTH CATV Revenue Recognition

CATV revenue is recognized when earned regardless of the period in which they are billed. Cable transmission is purchased from networks at various amounts based on the number of customers receiving the service. Sales are concentrated in two southeastern Kentucky counties. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at December 31, 2018 and 2017.

Sales Taxes

Peoples Telephone and Peoples Telecom are required to collect, on behalf of the State of Kentucky, sales taxes based on 6 percent of gross sales from customers and a 3 percent school tax from certain counties on most gross sales. Peoples Telephone and Peoples Telecom's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, requires that the Cooperative to disclose estimated fair values of its financial instruments. Fair value estimates, methods, and assumptions are set forth below for The Cooperative's financial instruments.

The carrying amounts of the Cooperative's cash and cash equivalents, receivables, inventories, accounts payable, and accrued expenses and liabilities approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets are not considered financial instruments because they represent activities specifically related to the Cooperative. Long-term debt cannot be traded in the market and is specifically for electric cooperatives and a value other than its outstanding principal cannot be determined.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

The Cooperative also invests idle funds in local banks money market accounts and Certificates of Deposits. The inputs used to measure idle funds are Level 1 measurements, as these funds are exchange traded funds in an active market.

Advertising

Advertising costs are expensed as incurred.

Comprehensive Income

Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of postretirement benefits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Telecommunications and CATV Plant

Telecommunications and CATV plant are stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during 2019 and 2018.

Any difference between the purchase price of existing CATV plant facilities and cost when first dedicated to public service is recorded as an acquisition adjustment and are being amortized over a period of 15 years.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expenses. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

The major classification of plant in service is:

	<u>2019</u>	<u>2018</u>
Telecommunications Plant:		
General support	\$ 15,206,041	\$ 14,638,127
Central office switching	1,954,109	1,626,382
Central office transmission	13,331,244	13,421,708
Cable wire facilities	35,764,113	36,144,091
Intangibles	5,844	5,844
	<u>66,261,351</u>	<u>65,836,152</u>
CATV Plant:		
General support	\$ 229,113	\$ 229,113
Headend plant	1,455,402	1,344,932
Cable and wire facilities	1,683,039	793,612
	<u>3,367,554</u>	<u>2,367,657</u>
Total	<u>\$ 69,628,905</u>	<u>\$ 68,203,809</u>

Depreciation

Provision has been made for depreciation on the basis of estimated lives of assets, using the straight-line method. Rates are as follows:

	<u>Telephone</u>	<u>Telecom</u>
General support	2.7% - 15.8%	20.0%
Central office switching	7.5%	
Central office transmission	10.0%	
Cable wire facilities	5.1% - 9.4%	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Plant Retirement

During 2017 the Cooperative retired switching and transmission plan that had book value remaining. The PSC has allowed the book value remaining to be amortized over a four (4) year period.

Risk Management

The Cooperative is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Income Taxes

The Cooperative is exempt from federal and state income taxes under IRS Code Section 501(c)(12). Certain unrelated business activities are subject to federal income taxes.

Peoples Telecom is a limited liability company that is taxed as a partnership for federal and state income tax purposes.

Effective January 1, 2008, the Cooperative adopted the provisions of the Income Taxes Topic of the FASB ASC that pertains to accounting for uncertainty in income taxes. The Cooperative had no prior unrecognized tax benefits as a result of the implementation. Management evaluates its potential exposures from tax positions taken that have or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. There are no tax positions for which the ultimate deductibility is highly uncertain included in the accompanying financial statements. The Cooperative recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Cooperative did not recognize any interest or penalties during the years ended December 31, 2018 or 2017. The Cooperative's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Commitments

The Cooperative has various agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction, maintenance, and other work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

Subsequent Events

Management has evaluated subsequent events through March 6, 2020, the date the financial statements were available to be issued. During the next two years, Peoples Telephone anticipates that it will remove all of its existing copper plant. The retired plant should be fully depreciated at the time it is removed.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheets at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statements of income. This standard will be effective for the year ending December 31, 2021. Management is currently in the process of evaluating the impact of the adoption of this ASU on the Cooperative's financial statements.

In June 2016, the FASB issued ASU No. 2016-13 (ASU 2016-13), *Financial Instruments – Credit Losses*. This guidance replaces the incurred loss model with an expected loss model, which is referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including loan and financing receivables, held-to-maturity debt securities and reinsurance receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor. This standard is effective for the year ending December 31, 2023. Management is currently in the process of evaluating the impact of the adoption of this ASU on the Cooperative's financial statements.

Note 2. Investment Securities

The Cooperative classifies its investment in securities as held to maturity, available for sale, or trading categories in accordance with provisions of the *Financial Instruments Topic* of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Investment securities are classified as held to maturity when the Cooperative has the positive intent and ability to hold the securities until maturity. Held to maturity securities are stated at amortized cost. Investment securities not classified as held to maturity are classified as available for sale and are carried at fair market value, with unrealized gains and losses, net of tax, reported as a separate component in stockholders' equity.

Investments securities are all considered held to maturity and consist of Certificates of Deposits in local banks.

Note 3. Associated Organizations

The amounts for East Kentucky Network, LLC represents the Cooperative's investment in a limited liability corporation with other telephone companies in eastern Kentucky for the purpose of providing cellular telephone, paging, and other services. The investment is accounted for using the equity method since the Cooperative is a one-fifth owner.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Nonregulated Activities

Deregulated customer premises equipment is stated at cost; material held for lease or resale is stated at average cost. CPE also includes inside wire revenues and expenses. Depreciation is provided on a straight-line basis at 11.9% per year.

The Cooperative provides long distance telephone service under the name of Peoples Long Distance (PLD). PLD revenues are billed and collected through Peoples Telephone. A monthly fee is recorded based on telephone usage. PLD purchases minutes of long distance to resell to its customers from an unrelated party.

Nonregulated investments also include amounts that the Cooperative has invested to provide internet services to its customers. The Cooperative pays an unrelated party for the help desk and access to the internet system.

The following is a summary of non-regulated activities for Peoples Telephone:

	Income	Expenses	Net
Customer premises equipment	\$ 236,525	\$ 517,409	\$ (280,884)
Internet activities	72,011	274,691	(202,680)
Long distance services	493,827	1,674,612	(1,180,785)
Fiber to the Home (FTTH)	3,196,712	3,387,198	(190,486)
Total - 2019	<u>\$ 3,999,075</u>	<u>\$ 5,853,910</u>	<u>\$ (1,854,835)</u>
	Income	Expenses	Net
Customer premises equipment	\$ 224,511	\$ 573,401	\$ (348,890)
Internet activities	80,834	237,615	(156,781)
Long distance services	496,521	1,798,457	(1,301,936)
Fiber to the Home (FTTH)	3,320,882	3,033,968	286,914
Total - 2018	<u>\$ 4,122,748</u>	<u>\$ 5,643,441</u>	<u>\$ (1,520,693)</u>

Note 5. Deferred Debits

Deferred debits are as follows:

	2019	2018
Deferred plant retirement	263,750	527,500
Pension plan prefunding	1,024,787	997,552
	<u>\$ 1,288,537</u>	<u>\$ 1,525,052</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Long-Term Debt

All telecommunications assets, except motor vehicles, are pledged as collateral on the long-term debt due RUS. The long-term debt payable to RUS is due in monthly installments of various amounts through 2032. During 2018 the Cooperative applied the complete cushion of credit to its outstanding debt to RUS.

Long-term debt is as follows:

	2019	2018
RUS Broadband Loan 2.2287%-4.3994%	\$ 5,411,305	\$ 5,712,452
Less current portion	307,170	310,000
Long-term portion	<u>\$ 5,104,135</u>	<u>\$ 5,402,452</u>

Principal payments for the next five years and thereafter are as follows:

2020	\$ 307,170
2021	313,313
2022	319,580
2023	325,971
2024	332,491
Thereafter	<u>3,812,780</u>
	<u>\$ 5,411,305</u>

Note 7. Patronage Capital

The long-term debt agreement contains restrictions on the return to patrons of capital contributed by them. The restrictions relate in general to the Cooperative's net worth and assets, as defined. The net worth of the Cooperative at December 31, 2019 was 82%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Pension Plan

All eligible non-union employees of the Cooperative participate in the National Telephone Cooperative Association (NTCA) Pension Plan ("R&S Plan"), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor's identification number is 52-0741336 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative's contributions to the R&S Plan in 2019 and 2018 represent less than 5 percent of the total contributions made to the plan by all participating employers. The Corporation made contributions to the plan of \$367,564 in 2019 and \$395,694 in 2018. There have been no significant changes that affect the comparability of 2019 and 2018.

In the R&S Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act ("PPA") of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was over 90 percent funded at January 1, 2019 and 2018 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The NTCA Board of Directors amended the 2016 R&S Program specifications at the recommendation of the Plan Trust Committee to include the following changes:

- Basic contribution rates will increase by 19%.
- The program's current surcharge will expire at the end of 2016, and a new surcharge contribution of 50% of the member's elected contribution rate will begin in 2019. This surcharge is expected to continue for approximately 12 years.
- A prefunding option was added to allow members the option to prefund their future surcharge contributions in a single payment prior to the start of the new surcharge effective in 2018.
- Beginning January 1, 2016, for members that have adopted the Rule-of-85 ("ROE") provision, the ROE charge will apply to both the member's elected employer contribution rate and any required employee contribution rate.

Over the past several years, various actions have been taken to sustain the reserve of funds available to help meet the programs legally required minimum contribution amount. However, adverse economic conditions and regulatory changes have negatively affected all pension plans, including the R&S Program. Despite prudent decision-making by the program's trust committee, the R&S Program's minimum contribution amount is projected to exceed the current reserve and member contributions alone will not meet the minimum requirement. This expectation has led the program's actuary to recommend the new surcharge contribution beginning in 2018. The R&S Program is offering prefunding to give members flexibility in addressing this situation at their company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The prefunding contribution is expected to fund the member's surcharge contribution for approximately 12 years.

- Each member's prefunding contribution will be maintained in a notional account within the R&S Program and used to pay that member's surcharge contributions.
- Each member's prefunding account is maintained separately from other member's prefunding accounts.
- Account funds will be invested with other R&S Program assets and grow at the same rate as the program's overall investment returns.
- An annual statement will be provided to each member showing their specific prefunding account activity.

During 2016, the Cooperative prefunded the surcharge in an amount of \$1,143,692. This amount will be amortized over the 12-year period the surcharge is expected to continue. The prefunding is invested by NTCA and the earnings are reinvested in the prefunding.

Note 9. Accumulated Postretirement Benefits

The Cooperative sponsors a defined benefit plan that provides medical insurance coverage to retirees and their dependents. The eligibility and participating cost of coverage for retirees and dependents is based on age, years of service, and employment date.

For measurement purposes, a 6.5% annual rate of increase, decreasing by 0.5% per year until 5.0% per year, in the per capita cost of covered health care benefits was assumed. The discount rate used in determining the accumulated benefit obligation was 4.30% for 2019 and 2018. The expected rate of return on assets is 7.0%. There have been no significant changes that affect the comparability of 2019 and 2018.

The funded status of the plan was as follows:

	2019	2018
Projected benefit obligation	\$ (16,479,123)	\$ (12,433,947)
Plan assets at fair value	7,581,631	3,749,542
Funded status	<u>\$ (8,897,492)</u>	<u>\$ (8,684,405)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Accumulated Postretirement Benefits (Continued)

The following sets forth the accumulated postretirement benefit obligation, the change in plan assets, and the components of accrued postretirement benefit cost and other comprehensive income:

	2019	2018
Benefit obligation (asset) - beginning of year	8,684,405	8,396,314
Components of net periodic benefit cost:		
Service cost	405,675	423,509
Interest cost	552,355	527,959
Expected return on assets	(269,030)	(262,468)
Net periodic benefit costs	689,000	689,000
Benefits paid	(350,913)	(275,909)
Contributions to plan	(125,000)	(125,000)
Actuarial adjustment	--	--
Benefit obligation (asset) - end of year	<u>\$ 8,897,492</u>	<u>\$ 8,684,405</u>
Change in plan assets:		
Fair value of plan assets - beginning of year	\$ 3,749,542	\$ 3,367,201
Employer contributions	125,000	125,000
Change in fair value of plan assets	3,707,089	257,341
Benefits paid from plan	--	--
Fair value of plan assets - end of year	<u>\$ 7,581,631</u>	<u>\$ 3,749,542</u>
Amounts recognized in the balance sheet consists of:		
Noncurrent liabilities	<u>\$ 8,897,492</u>	<u>\$ 8,684,405</u>
Amounts included in other comprehensive income:		
Unrecognized actuarial gain (loss)	<u>\$ (2,080,274)</u>	<u>\$ (2,476,274)</u>
Effect of 1% increase in the health care trend:		
Projected benefit obligation	\$ 9,578,000	
Net periodic benefit cost	734,000	

The projected retiree benefit payments are expected to be as follows: 2020 - \$275,000; 2021 - \$260,000; 2022 - \$258,000; 2023 - \$257,000; 2024 - \$250,000.

Note 10. Contingencies

The Cooperative, on occasion, is subject to various lawsuits that arise in the normal course of business. The Cooperative's management does not believe the outcome of these cases will have a material effect on the financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Revenue Recognition

Adoption of accounting pronouncement

The Cooperative adopted ASU 2014-09, *Revenue from Contracts with Customers* as of January 1, 2019. The new standard replaces existing revenue recognition rules with a single comprehensive model to use in accounting for revenue arising from contracts with customers. The adoption of ASU 2014-09 had no material impact on earnings or equity of the Cooperative.

Under ASU 2014-09, the timing of recognition of revenue for each performance obligation may differ from the timing of the customer billing, creating a contract asset or contract liability. Contract assets, due to capitalization of costs to obtain a new contract, are included in prepaid expenses. Short-term contract liabilities are classified as customer deposits and advance billings. The Cooperative has no long-term contract assets or liabilities.

Nature of goods and services

The following is a description of principal activities from which the Cooperative generates its revenues.

Telecommunications revenues – The Cooperative's regulated sources of revenue are local network services, network access services (interstate and intrastate/interlata), carrier billing, video revenue and other service charges. The Cooperative's nonregulated sources of revenue are customer premises and equipment, internet activities, long distance services, video services, and security/surveillance/bus systems.

Significant Judgments

Revenues from sales of equipment are recognized when control has transferred to the customer. Telecommunication service revenues are recognized as the related service is provided. Services are deemed to be highly interrelated when the method and timing of transfer and performance risk are the same. Highly interrelated services that are determined to not be distinct have been grouped into a single performance obligation. Each month of services promised is a performance obligation. The series of monthly service performance obligations promised over the course of the contract are combined into a single performance obligation for purposes of the allocation.

The Company has made judgments regarding transaction price, including but not limited to issues relating to variable consideration, time value of money and returns. When determined to be significant in the context of the contract, these items are considered in the valuation of transaction price at contract inception or modification, as appropriate.

Multiple performance obligations

The Cooperative sells bundled service and equipment offerings. In these instances, the Cooperative recognizes its revenue based on the relative standalone selling prices for each distinct service or equipment performance obligation or bundles thereof. The Cooperative estimates the standalone selling price of the device or accessory to be its retail price excluding discounts. The Cooperative estimates the standalone selling price of telecommunication service to be the price offered to customers on month-to-month contracts.

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NOTES TO FINANCIAL STATEMENTS

Note 11. Revenue Recognition (Continued)

From time to time, the Cooperative may offer certain promotions to incentivize customers to switch to, or to purchase additional services from the Company. Under these types of promotions, an eligible customer may receive an incentive in the form of a discount off additional services purchased shown as a rebate or credit to the customer's monthly bill. Rebates are amortized over the life of the contract and are recognized when included in the customer's monthly bill.

Disaggregation of revenue

In the following table, revenue for the years ended December 31, 2019 and 2018 is disaggregated by type of service and timing of revenue recognition. Telecommunication service revenues are recognized over time and equipment sales are point in time.

	2019	2018
<u>Regulated income:</u>		
Local network services	\$ 6,320,011	\$ 5,782,263
Network access services	10,095,119	9,832,880
Carrier billing and collections	59,739	55,381
Miscellaneous	398,218	369,529
	<u>\$ 16,873,087</u>	<u>\$ 16,040,053</u>
<u>Nonregulated income:</u>		
Customer premises equipment	\$ 236,525	\$ 224,512
Internet activities	72,011	80,834
Long distance services	493,827	496,521
Fiber to the Home (FTTH)	3,196,712	3,320,882
	<u>\$ 3,999,075</u>	<u>\$ 4,122,749</u>

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Peoples Rural Telephone Cooperative and Subsidiary
McKee, Kentucky

We have audited the financial statements of Peoples Rural Telephone Cooperative and Subsidiary as of December 31, 2019, and our report thereon dated March 6, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information found on pages 22 and 23, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jones. Male & Mattingly P.C.

Louisville, Kentucky
March 6, 2020

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

December 31, 2019

	Peoples Telephone	Peoples Telecom	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 7,424,654	\$ 181,348		\$ 7,606,002
Accounts receivable, less allowance for doubtful accounts 2019 of \$197,725	166,253	75,859	(70,187)	171,925
Materials and supplies, at average cost	593,905	14,904		608,809
Prepaid insurance	80,154	--		80,154
Total current assets	<u>8,264,966</u>	<u>272,111</u>	<u>(70,187)</u>	<u>8,466,890</u>
OTHER ASSETS				
Investments held to maturity	8,222,465	--		8,222,465
Associated organizations	38,421,198	--	(5,401,123)	33,020,075
Nonregulated property	755,575	--		755,575
Deferred debits	1,288,537	--		1,288,537
Total other assets	<u>48,687,775</u>	<u>--</u>	<u>(5,401,123)</u>	<u>43,286,652</u>
TELECOMMUNICATIONS PLANT, AT ORIGINAL COST				
In service	66,261,351	3,367,554		69,628,905
Under construction	960,202	2,554,349		3,514,551
	67,221,553	5,921,903		73,143,456
Less accumulated depreciation	(34,278,393)	(639,390)		(34,917,783)
	<u>32,943,160</u>	<u>5,282,513</u>		<u>38,225,673</u>
Total assets	<u>\$ 89,895,901</u>	<u>\$ 5,554,624</u>	<u>\$ (5,471,310)</u>	<u>\$ 89,979,215</u>
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	\$ 441,136	\$ 141,141	\$ (70,187)	\$ 512,090
Current portion of long term debt	307,170	--		307,170
Other current and accrued liabilities	1,419,362	12,360		1,431,722
Total current liabilities	<u>2,167,668</u>	<u>153,501</u>	<u>(70,187)</u>	<u>2,250,982</u>
LONG-TERM DEBT	<u>5,104,135</u>	<u>--</u>		<u>5,104,135</u>
ACCRUED POSTRETIREMENT BENEFITS	<u>8,897,492</u>	<u>--</u>		<u>8,897,492</u>
MEMBERS' EQUITY				
Memberships and capital investment	226,061	9,725,419	(9,725,419)	226,061
Patronage capital	73,934,626	(4,324,296)	4,324,296	73,934,626
Donated capital	1,646,193	--		1,646,193
Other comprehensive income (loss)	(2,080,274)	--		(2,080,274)
Total members' equity	<u>73,726,606</u>	<u>5,401,123</u>	<u>(5,401,123)</u>	<u>73,726,606</u>
Total liabilities and members' equity	<u>\$ 89,895,901</u>	<u>\$ 5,554,624</u>	<u>\$ (5,471,310)</u>	<u>\$ 89,979,215</u>

The accompanying notes are an integral part of these statements.

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PEOPLES RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY

CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME Year Ended December 31, 2019

	Peoples Telephone Cooperative	Peoples Telecom	Eliminations	Consolidated
Operating Revenue:				
Local network services	\$ 5,629,019	\$ 690,992	\$ --	\$ 6,320,011
Network access services	10,028,985	66,134	--	10,095,119
Carrier billing and collection	59,168	571	--	59,739
Miscellaneous	106,738	291,480	(291,480)	106,738
Less provision for uncollectibles	(8,980)	--	--	(8,980)
Total operating revenues	<u>15,814,930</u>	<u>1,049,177</u>	<u>(291,480)</u>	<u>16,572,627</u>
Operating Expenses:				
Plant specific operations	4,119,462	384,638	--	4,504,100
Plant nonspecific operations	968,764	78,174	--	1,046,938
Depreciation	3,996,967	185,889	--	4,182,856
Customer operations	1,259,389	18,096	--	1,277,485
Corporate operations	2,021,281	26,192	--	2,047,473
Taxes, other than income	571,269	19,665	--	590,934
Total operating expenses	<u>12,937,132</u>	<u>712,654</u>	<u>--</u>	<u>13,649,786</u>
Operating income	<u>2,877,798</u>	<u>336,523</u>	<u>(291,480)</u>	<u>2,922,841</u>
Other income:				
Other income (losses)	(78,700)	--	--	(78,700)
Interest income	989,294	--	--	989,294
Income (loss) from limited liability companies	4,616,474	--	(336,523)	4,279,951
Income tax refunds	412,283	--	--	412,283
Total other income (losses)	<u>5,939,351</u>	<u>--</u>	<u>(336,523)</u>	<u>5,602,828</u>
Income before nonregulated income (loss)	8,817,149	336,523	(628,003)	8,525,669
Nonregulated income (loss)	<u>(2,146,315)</u>	<u>--</u>	<u>291,480</u>	<u>(1,854,835)</u>
Net income (loss) before fixed charges	6,670,834	336,523	(336,523)	6,670,834
Interest on long-term debt	<u>185,156</u>	<u>--</u>	<u>--</u>	<u>185,156</u>
Net Income	6,485,678	336,523	(336,523)	6,485,678
Other comprehensive income				
Accumulated postretirement benefits	<u>396,000</u>	<u>--</u>	<u>--</u>	<u>396,000</u>
Net Comprehensive Income	<u>\$ 6,881,678</u>	<u>\$ 336,523</u>	<u>\$ (336,523)</u>	<u>\$ 6,881,678</u>

The accompanying notes are an integral part of these statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Peoples Rural Telephone Cooperative and Subsidiary
McKee, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Peoples Rural Telephone and Cooperative (the Cooperative), as of and for the year ended December 31, 2019, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones, Male & Mattingly P.C.

Louisville, Kentucky
March 6, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELEPHONE BORROWERS

Board of Directors
Peoples Rural Telephone Cooperative and Subsidiary
McKee, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Peoples Rural Telephone Cooperative and Subsidiary (the Cooperative), which comprise the balance sheet as of December 31, 2019, and the related statements of revenue and comprehensive income, stockholders' equities, and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2020. In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020, on my consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to my attention that caused me to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2013, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;
- Prepare accurate and timely Financial and Operating Reports;

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- Obtain written of the RUS to enter into any contract, agreement, or lease with an affiliate as defined in Part 1773.33 (e)(2)(i);
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles, and;
- Comply with the requirements for the detailed schedule of investments, which are listed below.

Peoples Telephone is a one-fifth (1/5) owner of East Kentucky Network, LLC, which provides cellular and other communication services in Eastern Kentucky. The initial investment was \$10,000. The investment is comprised of the following:

	<u>Investments</u>	<u>Profits</u>	<u>Returns</u>
Beginning of year	\$ 4,294,013	\$ 56,331,129	\$ (30,155,220)
Activity for 2019	- -	4,279,858	(1,729,705)
End of year	<u>\$ 4,294,013</u>	<u>\$ 60,610,987</u>	<u>\$ (31,884,925)</u>

During 2004, Peoples Telephone formed a wholly owned subsidiary, Peoples Telecom, LLC, which provides telecommunications services outside of the Cooperative's service territory. The initial investment was \$1,130,000. The investment is comprised of the following:

	<u>Investments</u>	<u>Profits</u>
Beginning of year	\$ 8,263,825	\$ (4,658,231)
Activity for 2019	1,458,913	336,616
End of year	<u>\$ 9,722,738</u>	<u>\$ (4,321,615)</u>

The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees. Accordingly, this report is not suitable for any other purpose.

Jones. Male : Mattingly P.c

Louisville, Kentucky
March 6, 2020

