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USDA-RUS FINANCIAL AND STATISTICAL REPORT FOR BROADBAND BORROWERS	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 Foothills Rural Telephone Cooperative Corporation, I	
	ADDRESS Staffordsville, Kentucky	
INSTRUCTIONS-Submit report to RUS within 15 days after close of the period.	PERIOD ENDING December, 2016	BORROWER DESIGNATION KY1108

CERTIFICATION	
We hereby certify that: 1. 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; and 2. we have fulfilled our obligations under the Loan Documents throughout the year in all material respects 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.	
<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 notes section of this report.
RUTH CONLEY CEO/GM	01/17/2017 DATE

PART A. BALANCE SHEET			
ASSETS	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE END OF PERIOD
CURRENT ASSETS		CURRENT LIABILITIES	
1. Cash and Equivalents	10,700,602	16. Accounts Payable	1,914,274
2. Cash-RUS Construction Fund		17. Notes Payable	
3. Accounts Receivable	1,718,032	18. Current Mat. L/T Debt - RLIS	84,792
4. Notes Receivable		19. Current Mat. UT Debt-Other	2,483,079
5. Materials and Inventory	1,451,824	20. Current Mat.-Capital Leases	
6. Other Current Assets	2,754,712	21. Other Current Liabilities	1,055,648
Total Current		Total Current	
7. Assets (1 thru 6)	16,625,170	22. Liabilities (16 thru 21)	5,537,793
NONCURRENT ASSETS		LONG-TERM DEBT	
8. Investment in Affiliated Companies	26,136,166	23. Funded Debt-RUS Notes	1,790,250
9. Other Noncurrent Assets	1,267,251	24. Funded Debt-RTB Notes	
PLANT, PROPERTY, AND EQUIPMENT		25. Funded Debt-FFB Notes	
10. Telecom. Plant-in-Service	125,686,519	26. Funded Debt-Other	637,500
		Total Long-Term	
11. Plant Under Construction	5,058,774	27. Debt (23 thru 26)	2,427,750
12. Plant Adj., Nonop. Plant, & Goodwill		OTHER LIAB. & DEF. CREDITS	
13. Less Accumulated Depreciation	75,584,290	28. Other Long-Term Liabilities	4,146,474
Net Plant		EQUITY	
14. (10 thru 12 less 13)	55,161,003	29. Cap. Stock Outstand. & Subscribed	629,221
		30. Additional Paid-in-Capital	
		31. Membership and Cap. Certificates	
		32. Patronage Capital Credits	61,444,074
		33. Retained Earnings or Margins	25,004,278
		34. Total Equity (29 thru 34)	87,077,573
TOTAL ASSETS		TOTAL LIABILITIES AND	
15. (7+8+9+14)	99,189,590	35. EQUITY (22+27+28+34)	99,189,590

Total Equity = 87.79 % of Total Assets

<i>USDA-RUS</i>		BORROWER DESIGNATION	
FINANCIAL AND STATISTICAL REPORT FOR BROADBAND BORROWERS		KY1108	
		PERIOD ENDING	
		December, 2016	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		YEAR-TO-DATE	
1. Local Network Services Revenues			
a. Voice			3,440,306
b. Video			1,197,001
c. Internet			
i. Broadband			2,394,002
ii. Other			
2. Network Access Services and Long Distance Revenues			11,832,972
3. Miscellaneous Revenues			777,571
4. Other Operating Income			
5. Uncollectible Revenues			82,500
6. Net Operating Revenues (11 thru 4 less 5)			19,559,352
7. Plant Specific Operations Expense			5,904,858
8. Plant Nonspecific Operations Expense <i>(Excluding Depreciation & Amortization)</i>			2,339,887
9. Customer Operations Expense			2,009,103
10. Corporate Operations Expense			1,793,299
11. Other Operating Expenses			
12. Total Operating Expenses (7 thru 11)			12,047,147
13. Operating Income or Margins (6 less 12)			7,512,205
14. Nonoperating/Nonregulated Net Income			518,380
15. EBIDTA (13 + 14)			8,030,585
16. Depreciation Expense			5,347,095
17. Amortization Expense			
18. EBIT (15 - 16 - 17)			2,683,490
19. Interest on Funded Debt			313,664
20. Other Interest Expense			8,649
21. Taxes			
a. Property			1,048,120
b. Income			
22. Total Net Income or Margins (18-19-20-21)			1,313,057
23 Dividends Declared (Common)			878,384
24 Dividends Paid			878,384
25 Transfers to Patronage Capital			
26 Principal Payments on Long Term Debt and Capital Leases			7,195,496
27 TIER (19 + 20 + 22) / (19 + 20)			5.07