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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 Mountain Rural Telephone Cooperative Corporation, In	
	ADDRESS West Liberty, Kentucky	
INSTRUCTIONS-Submit report to RUS within 15 days after close of the period.	PERIOD ENDING December, 2016	BORROWER DESIGNATION KY1104

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.
_____ Ronnie Ison General Manager	_____ 01/31/2017 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	27,553,879	16. Accounts Payable	1,771,801
2. Cash-RUS Construction Fund		17. Notes Payable	
3. Accounts Receivable	641,601	18. Current Mat. L/T Debt - RLIS	2,000,000
4. Notes Receivable		19. Current Mat. UT Debt-Other	
5. Materials and Inventory	1,083,395	20. Current Mat.-Capital Leases	
6. Other Current Assets	37,232	21. Other Current Liabilities	3,124,007
Total Current		Total Current	
7. Assets (1 thru 6)	29,316,107	22. Liabilities (16 thru 21)	6,895,808
NONCURRENT ASSETS		LONG-TERM DEBT	
8. Investment in Affiliated Companies	28,269,681	23. Funded Debt-RUS Notes	
9. Other Noncurrent Assets	4,936,953	24. Funded Debt-RTB Notes	
PLANT, PROPERTY, AND EQUIPMENT		25. Funded Debt-FFB Notes	
10. Telecom. Plant-in-Service	123,509,012	26. Funded Debt-Other	17,897,666
		Total Long-Term	
11. Plant Under Construction	4,245,514	27. Debt (23 thru 26)	17,897,666
12. Plant Adj., Nonop. Plant, & Goodwill		OTHER LIAB. & DEF. CREDITS	
13. Less Accumulated Depreciation	66,988,857	28. Other Long-Term Liabilities	(4,053,924)
Net Plant		EQUITY	
14. (10 thru 12 less 13)	60,765,669	29. Cap. Stock Outstand. & Subscribed	
		30. Additional Paid-in-Capital	
		31. Membership and Cap. Certificates	1,456,482
		32. Patronage Capital Credits	59,815,745
		33. Retained Earnings or Margins	41,276,633
		34. Total Equity (29 thru 34)	102,548,860
TOTAL ASSETS		TOTAL LIABILITIES AND	
15. (7+8+9+14)	123,288,410	35. EQUITY (22+27+28+34)	123,288,410

Total Equity = 83.18 % of Total Assets

USDA-RUS

BORROWER DESIGNATION

**FINANCIAL AND STATISTICAL REPORT
FOR BROADBAND BORROWERS**

KY1104

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	3,575,700
b. Video	1,932,259
c. Internet	
i. Broadband	1,266,651
ii. Other	
2. Network Access Services and Long Distance Revenues	13,747,242
3. Miscellaneous Revenues	941,049
4. Other Operating Income	
5. Uncollectible Revenues	12,000
6. Net Operating Revenues (11 thru 4 less 5)	21,450,901
7. Plant Specific Operations Expense	3,003,459
8. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	1,589,085
9. Customer Operations Expense	1,459,088
10. Corporate Operations Expense	1,995,592
11. Other Operating Expenses	
12. Total Operating Expenses (7 thru 11)	8,047,224
13. Operating Income or Margins (6 less 12)	13,403,677
14. Nonoperating/Nonregulated Net Income	571,767
15. EBIDTA (13 + 14)	13,975,444
16. Depreciation Expense	6,790,916
17. Amortization Expense	
18. EBIT (15 - 16 - 17)	7,184,528
19. Interest on Funded Debt	537,110
20. Other Interest Expense	
21. Taxes	
a. Property	1,062,916
b. Income	286,572
22. Total Net Income or Margins (18-19-20-21)	5,297,930
23 Dividends Declared (Common)	
24 Dividends Paid	2,055,144
25 Transfers to Patronage Capital	4,108,161
26 Principal Payments on Long Term Debt and Capital Leases	952,474
27 TIER (19 + 20 + 22) / (19 + 20)	10.86

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					PART C. SERVICES	
No.	SERVICE OFFERINGS	1. RATES		2. SUBSCRIBERS		Total (c)
		Residential (a)	Business (b)	Residential (a)	Business (b)	
	Broadband Data Packages					
1				1		1
	Double Play - Voice/Broadband Data					
2	Voice-BB 6M/1.5M	49.95	79.95	77	7	84
3	Voice-DSL 12M/2M	59.95	99.95	144	24	168
4	Voice-BB 4M/1M	39.95	59.95	240	18	258
5	FTTH-Voice-BB 50M/5M	109.95	189.95			
6	FTTH-Voice-BB 1GIG/250M	249.95	399.95			
7	FTTH-Voice-BB 4M/1M	39.95	59.95	3687	176	3863
8	FTTH-Voice-BB 50M/12.5M	79.95	129.95	264	19	283
9	FTTH-Voice-BB 100M/25M	124.95	199.95	17		17
10	FTTH-Voice-BB 100M/100M		399.95		1	1
11	FTTH-Voice-BB 10M		665.57		1	1
12	FTTH-Voice-Video-BB 10M/2.5M	49.95	79.95	1741	79	1820
13	FTTH-Voice-BB 20M		1064.20		2	2
	Double Play - Voice/Video					
14	FTTH-Voice-BB 25M/6.25m	59.95	99.95	1904	165	2069
	Triple Play - Voice/Video/Broadband Data					
15	FTTH-Voice-Video-BB 10M/1.5M	169.95				
16	FTTH-Voice-Video-BB 20M/3M	209.95				
	Voice Packages					
17	Basic Phone Svc	20.00	26.33	3975	995	4970

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PART C. COMMUNITIES

No.	Community	County	State	No. Broadband Data Customers	Broadband Application
1	Owingsville city	Bath	KY	169	
2	Sandy Hook city	Elliott	KY	1,606	
3	Frenchburg city	Menifee	KY	1,564	
4	West Liberty city	Morgan	KY	3,374	
5	Campton city	Wolfe	KY	1,853	

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PART D. STATEMENT OF CASH FLOWS		
1.	Beginning Cash	24,520,167
CASH FLOWS FROM OPERATING ACTIVITIES:		
2.	Net Income	5,297,930
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	6,790,916
4.	Add: Amortization	
5.	Other (Explain) Offset to depreciation	3,135,059
<i>Changes in Operating Assets and Liabilities:</i>		
6.	Decrease/(Increase) in Accounts Receivable	243,243
7.	Decrease/(Increase) in Materials and Inventory	(50,315)
8.	Decrease/(Increase) in Other Current Assets	(24,183)
9.	Increase/(Decrease) in Accounts Payable	1,152,887
10.	Increase/(Decrease) in Other Current Liabilities	(195,365)
11.	Net Cash Provided/(Used) by Operations	16,350,172
CASH FLOWS FROM FINANCING ACTIVITIES:		
12.	Decrease/(Increase) in Notes Receivable	0
13.	Increase/(Decrease) in Notes Payable	0
14.	Plus/(Less) Net Increase/(Decrease) in Long Term Debt (including current maturities)	(952,474)
15.	Plus: Increase/(Less: Decrease) in Capital Stock, Paid-in Capital or Membership and Capital Certificates	2,053
16.	Less: Payment of Dividends	2,055,144
17.	Other (Explain) Other Long-Term Liabilities	106,301
18.	Net Cash Provided/ (Used) by Financing Activities	(2,899,264)
CASH FLOWS FROM INVESTING ACTIVITIES:		
19.	Net Capital Expenditures	(4,144,491)
20.	Long-Term Investments	(6,272,705)
21.	Other (Explain)	
22.	Net Cash Provided (Used) by Investing Activities	(10,417,196)
23.	Net Increase/ (Decrease) in Cash	3,033,712
24.	Ending Cash	27,553,879

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PART 9. 6-D9F: CFA5B79-A95GI F9G

	New Broadband Service	Improved Broadband Service
1. Number of households subscribing to	7,718	413
2. Number of businesses subscribing to	353	32
3. Number of educational providers receiving	3	0
4. Number of libraries receiving	1	3
5. Number of health care providers receiving	4	9
6. Number of public safety providers receiving	2	0

<p style="text-align: center;"><i>USDA-RUS</i></p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT FOR BROADBAND BORROWERS</p>	<p>BORROWER DESIGNATION KY1104</p>
	<p>PERIOD ENDING December, 2016</p>
<p style="text-align: center;">Notes to Operating Report - Broadband</p>	