

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS 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 North Central Telephone Cooperative Corporation (Prepared with Audited Data)
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INSTRUCTIONS-Submit report to RUS within 30 days after close of the period to the best of our knowledge and belief. Detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2016	BORROWER DESIGNATION TN0545
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CERTIFICATION

We hereby certify that 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.

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.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

- | | |
|---|---|
| <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 Telecom Operating Report |
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Johnny McClanahan

4/17/2017

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Equivalents	7,844,754	9,093,795	25. Accounts Payable	448,022	663,920
Cash-RUS Construction Fund	2,549,509	7,937,212	26. Notes Payable	0	0
Affiliates:			27. Advance Billings and Payments	245,109	278,498
a. Telecom, Accounts Receivable	1,254,272	934,764	28. Customer Deposits	435,714	481,900
b. Other Accounts Receivable			29. Current Mat. L/T Debt	5,223,312	6,627,883
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	165,817	166,961	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	381,167	400,800
c. Notes Receivable			34. Other Current Liabilities	6,647,677	5,794,959
Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	13,381,001	14,247,960
Material-Regulated	896,433	1,783,450	LONG-TERM DEBT		
Material-Nonregulated	18,295	36,397	36. Funded Debt-RUS Notes	34,552,613	41,079,140
Prepayments			37. Funded Debt-RTB Notes	9,148,262	8,638,383
Other Current Assets	255,139	560,387	38. Funded Debt-FFB Notes		
Total Current Assets (1 Thru 9)	12,984,219	20,512,966	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	34,076,856	38,459,746	43. Obligations Under Capital Lease		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	2,207,454	388,834
b. Nonrural Development	227,644	200,093	46. Total Long-Term Debt (36 thru 45)	45,908,329	50,106,357
Nonregulated Investments	2,388,209	1,457,399	OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets			47. Other Long-Term Liabilities	5,574,960	5,159,000
Deferred Charges			48. Other Deferred Credits	0	0
Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	36,692,709	40,117,238	50. Total Other Liabilities and Deferred Credits (47 thru 49)	5,574,960	5,159,000
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
Telecom, Plant-in-Service	160,467,795	156,301,729	51. Cap. Stock Outstand. & Subscribed		
Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction	3,487,823	7,822,693	53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation	91,537,515	88,013,978	55. Other Capital		
Net Plant (18 thru 21 less 22)	72,418,103	76,110,444	56. Patronage Capital Credits	52,749,947	57,524,041
TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	4,480,794	9,703,290
	122,095,031	136,740,648	58. Total Equity (51 thru 57)	57,230,741	67,227,331
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	122,095,031	136,740,648

Total Equity = 49.16% % of Total Assets

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	TN0545
	PERIOD ENDING
INSTRUCTIONS- See RUS Bulletin 1744-2	December, 2016

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	4,627,159	4,873,886
2. Network Access Services Revenues	18,170,713	19,722,725
3. Long Distance Network Services Revenues	269,848	335,953
4. Carrier Billing and Collection Revenues	131,971	115,046
5. Miscellaneous Revenues	2,614,206	2,438,693
6. Uncollectible Revenues	162,600	162,600
7. Net Operating Revenues (1 thru 5 less 6)	25,651,297	27,323,703
8. Plant Specific Operations Expense	6,948,323	7,280,045
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	2,814,361	2,746,116
10. Depreciation Expense	8,997,788	8,569,115
11. Amortization Expense		
12. Customer Operations Expense	2,847,471	2,777,588
13. Corporate Operations Expense	1,983,456	2,081,007
14. Total Operating Expenses (8 thru 13)	23,591,399	23,453,871
15. Operating Income or Margins (7 less 14)	2,059,898	3,869,832
16. Other Operating Income and Expenses	1,381,007	1,461,087
17. State and Local Taxes	720,082	737,346
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)	720,082	737,346
21. Net Operating Income or Margins (15+16-20)	2,720,823	4,593,573
22. Interest on Funded Debt	1,874,730	1,835,748
23. Interest Expense - Capital Leases		
24. Other Interest Expense	18,704	19,337
25. Allowance for Funds Used During Construction	142,496	165,022
26. Total Fixed Charges (22+23+24-25)	1,750,938	1,690,063
27. Nonoperating Net Income	2,223,070	5,657,076
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	1,287,839	1,142,704
31. Total Net Income or Margins (21+27+28+29+30-26)	4,480,794	9,703,290
32. Total Taxes Based on Income	(89,434)	0
33. Retained Earnings or Margins Beginning-of-Year	1,245,978	4,480,794
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital	1,245,978	4,480,794
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	4,480,794	9,703,290
40. Patronage Capital Beginning-of-Year	51,503,969	53,043,247
41. Transfers to Patronage Capital	1,245,978	4,480,794
42. Patronage Capital Credits Retired	0	
43. Patronage Capital End-of-Year (40+41-42)	52,749,947	57,524,041
44. Annual Debt Service Payments	1,874,730	9,098,005
45. Cash Ratio [(14+20-10-11) / 7]	0.5970	0.5717
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0160	0.9472
47. TIER [(31+26) / 26]	3.5591	6.7414
48. DSCR [(31+26+10+11) / 44]	8.1236	2.1942