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USDA-RUS

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.

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME

Range Telephone Cooperative, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING	BORROWER DESIGNATION
December, 2015	MT0518

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)

[X] All of the obligations under the RUS loan documents have been fulfilled in all material respects

[ ] 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

Robin Stephens — 3/25/2016

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	[redacted]		CURRENT LIABILITIES	[redacted]	
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			**35. Total Current Liabilities (25 thru 34)**		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			**46. Total Long-Term Debt (36 thru 45)**		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital	(	
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 75.36% % of Total Assets

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS- See RUS Bulletin 1744-2

BORROWER DESIGNATION: MT0518

PERIOD ENDING: December, 2015

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	[redacted]	[redacted]
2. Network Access Services Revenues	[redacted]	[redacted]
3. Long Distance Network Services Revenues	[redacted]	[redacted]
4. Carrier Billing and Collection Revenues	[redacted]	[redacted]
5. Miscellaneous Revenues	[redacted]	[redacted]
6. Uncollectible Revenues	[redacted]	[redacted]
7. Net Operating Revenues (1 thru 5 less 6)	[redacted]	[redacted]
8. Plant Specific Operations Expense	[redacted]	[redacted]
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	[redacted]	[redacted]
10. Depreciation Expense	[redacted]	[redacted]
11. Amortization Expense	[redacted]	[redacted]
12. Customer Operations Expense	[redacted]	[redacted]
13. Corporate Operations Expense	[redacted]	[redacted]
14. Total Operating Expenses (8 thru 13)	[redacted]	[redacted]
15. Operating Income or Margins (7 less 14)	[redacted]	[redacted]
16. Other Operating Income and Expenses	[redacted]	[redacted]
17. State and Local Taxes	[redacted]	[redacted]
18. Federal Income Taxes	[redacted]	[redacted]
19. Other Taxes	[redacted]	[redacted]
20. Total Operating Taxes (17+18+19)	[redacted]	[redacted]
21. Net Operating Income or Margins (15+16-20)	[redacted]	[redacted]
22. Interest on Funded Debt	[redacted]	[redacted]
23. Interest Expense - Capital Leases	[redacted]	[redacted]
24. Other Interest Expense	[redacted]	[redacted]
25. Allowance for Funds Used During Construction	[redacted]	[redacted]
26. Total Fixed Charges (22+23+24-25)	[redacted]	[redacted]
27. Nonoperating Net Income	[redacted]	[redacted]
28. Extraordinary Items	[redacted]	[redacted]
29. Jurisdictional Differences	[redacted]	[redacted]
30. Nonregulated Net Income	[redacted]	[redacted]
31. Total Net Income or Margins (21+27+28+29+30-26)	[redacted]	[redacted]
32. Total Taxes Based on Income	[redacted]	[redacted]
33. Retained Earnings or Margins Beginning-of-Year	[redacted]	[redacted]
34. Miscellaneous Credits Year-to-Date	[redacted]	[redacted]
35. Dividends Declared (Common)	[redacted]	[redacted]
36. Dividends Declared (Preferred)	[redacted]	[redacted]
37. Other Debits Year-to-Date	[redacted]	[redacted]
38. Transfers to Patronage Capital	[redacted]	[redacted]
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	[redacted]	[redacted]
40. Patronage Capital Beginning-of-Year	[redacted]	[redacted]
41. Transfers to Patronage Capital	[redacted]	[redacted]
42. Patronage Capital Credits Retired	[redacted]	[redacted]
43. Patronage Capital End-of-Year (40+41-42)	[redacted]	[redacted]
44. Annual Debt Service Payments	[redacted]	[redacted]
45. Cash Ratio [(14+20-10-11) / 7]	[redacted]	[redacted]
46. Operating Accrual Ratio [(14+20+26) / 7]	[redacted]	[redacted]
47. TIER [(31+26) / 26]	[redacted]	[redacted]
48. DSCR [(31+26+10+11) / 44]	[redacted]	[redacted]

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
MT0518

PERIOD ENDED
December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Alzada	22.44	18.70	22	74	96	333.57	78.49
Arvada	22.44	18.70	40	129	169	461.20	107.63
Ashland	22.44	18.70	142	432	574	512.47	57.10
Birney	22.44	18.70	8	65	73	148.44	23.53
Broadus	22.44	18.70	199	348	547	268.42	59.77
Busby	22.44	18.70	47	206	253	123.18	18.57
Clearmont	22.44	18.70	39	107	146	214.59	65.52
Decker	22.44	18.70	109	182	291	535.96	102.50
Hysham	22.44	18.70	106	331	437	621.24	141.71
Lame Deer	22.44	18.70	485	646	1,131	264.79	59.92
North Broadus	22.44	18.70	6	103	109	315.10	51.42
Rosebud	22.44	18.70	69	172	241	351.72	110.59
South East Sheridan	22.44	18.70	77	196	273	262.92	45.89
South Miles City	22.44	18.70	17	178	195	559.24	160.33
Sundance	22.44	18.70	422	696	1,118	658.88	195.29
Forsyth CLEC	33.80	16.50	324	611	935	257.79	206.53
South Broadus	22.44	18.70	48	227	275	709.94	150.17
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			2,160	4,703	6,863	6,599.46	1,634.99
No. Exchanges	17						

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
MT0518

PERIOD ENDED
December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

			Details on Least Expensive Broadband Service					
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Alzada	90	66	4	384	256	23.95	StandAlone	DSL
Arvada	165	92	2	384	256	23.95	StandAlone	DSL
Ashland	550	357	5	384	256	23.95	StandAlone	DSL
Birney	70	53		384	256	23.95	StandAlone	DSL
Broadus	535	362	14	384	256	23.95	StandAlone	DSL
Busby	240	168	1	384	256	23.95	StandAlone	DSL
Clearmont	140	89	2	384	256	23.95	StandAlone	DSL
Decker	290	150	3	384	256	23.95	StandAlone	DSL
Hysham	435	273	5	384	256	23.95	StandAlone	DSL
Lame Deer	1,050	566	3	384	256	23.95	StandAlone	DSL
North Broadus	100	62	7	384	256	23.95	StandAlone	DSL
Rosebud	240	137	8	384	256	23.95	StandAlone	DSL
South East Sheridan	265	190	4	384	256	23.95	StandAlone	DSL
South Miles City	135	119	4	384	256	23.95	StandAlone	DSL
Sundance	1,100	611	12	384	256	23.95	StandAlone	DSL
Forsyth CLEC	935	560	16	384	256	23.95	StandAlone	DSL
South Broadus	250	182	6	384	256	23.95	StandAlone	DSL
Total	6,590	4,037						

USDA-RU

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION: MT0518

PERIOD ENDING: December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
26	19	15,800	.43	1.04

PART E. TOLL DATA

1. Study Area ID Code(s)
   - a. 482251
   - b. 489007
   - c. 512251
   - d.
   - e.
   - f.
   - g.
   - h.
   - i.
   - j.

2. Types of Toll Settlements (Check one)

Interstate:	☐ Average Schedule	☒ Cost Basis
Intrastate:	☐ Average Schedule	☒ Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[redacted]
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development		[redacted]			

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION: MT0518

PERIOD ENDING: December, 2015

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) [X] YES [ ] NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	12.00%
2. Land and support assets - Aircraft	12.00%
3. Land and support assets - Special purpose vehicles	12.00%
4. Land and support assets - Garage and other work equipment	15.00%
5. Land and support assets - Buildings	4.17%
6. Land and support assets - Furniture and Office equipment	14.30%
7. Land and support assets - General purpose computers	14.69%
8. Central Office Switching - Digital	10.00%
9. Central Office Switching - Analog & Electro-mechanical	10.00%
10. Central Office Switching - Operator Systems	10.00%
11. Central Office Transmission - Radio Systems	10.00%
12. Central Office Transmission - Circuit equipment	12.40%
13. Information origination/termination - Station apparatus	9.77%
14. Information origination/termination - Customer premises wiring	10.00%
15. Information origination/termination - Large private branch exchanges	10.00%
16. Information origination/termination - Public telephone terminal equipment	10.00%
17. Information origination/termination - Other terminal equipment	10.00%
18. Cable and wire facilities - Poles	7.60%
19. Cable and wire facilities - Aerial cable - Metal	4.60%
20. Cable and wire facilities - Aerial cable - Fiber	4.60%
21. Cable and wire facilities - Underground cable - Metal	4.40%
22. Cable and wire facilities - Underground cable - Fiber	4.40%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	6.00%
26. Cable and wire facilities - Other	6.00%

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION MT0518
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2015

PART I – STATEMENT OF CASH FLOWS

1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	[redacted]
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain)	
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	**Net Cash Provided/(Used) by Operations**	
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	**Net Cash Provided/(Used) by Financing Activities**	
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain) balance cash flow statement	
28.	**Net Cash Provided/(Used) by Investing Activities**	
29.	**Net Increase/(Decrease) in Cash**	
30.	**Ending Cash**	

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION MT0518
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015

NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

Nothing unusual to report for 2015

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION MT0518
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015

CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS