The Ponderosa Telephone Co. 542332

Treat as Confidential– Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, before the Federal Communications Commission.

Form 481, Section 3012 Community Anchor Institutions

CONFIDENTIAL

LINE 3012 REDACTED FOR PUBLIC INSPECTION

Ponderosa Telephone

July 1, 2015

Ms. Marlene H. Dortch
Office of Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 10-90 & 11-42 Annual Report, Form 481 for High-Cost and Low Income Recipient, 54.313(f)(1) "Milestone Certification"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that The Ponderosa Telephone Co., 542332:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas;
- That reasonable requests for service are met within a reasonable timeframe.

Please contact Dan Douglas with any questions. He can be reached at:

Phone: 559-868-6395
Email: dand@ponderosatel.com

Sincerely,

Matthew J. Boos
General Manager

(t) 559.868.6000
(f) 559.868.3404
P.O. Box 21
O'Neals, CA 93645
www.goponderosa.com

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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 The Ponderosa Telephone Co.

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 December, 2014	BORROWER DESIGNATION CA0526

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

Matthew Boos — 3/31/2015
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		
1. Cash and Equivalents	23,509,900	25,263,492	25. Accounts Payable	5,240,750	3,440,980
2. Cash-RUS Construction Fund	9,119,430	2,828,170	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	234,000	221,923
a. Telecom, Accounts Receivable			28. Customer Deposits	19,402	19,854
b. Other Accounts Receivable	1,678,735	2,565,948	29. Current Mat. L/T Debt	3,059,968	2,503,701
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	644,922	656,178	32. Income Taxes Accrued	1,795,287	3,196,473
b. Other Accounts Receivable	2,440,807	2,188,077	33. Other Taxes Accrued		
c. Notes Receivable	14,310	14,510	34. Other Current Liabilities	662,457	585,521
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	11,011,864	9,968,452
6. Material-Regulated	296,794	344,709	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	21,753,824	19,431,289
8. Prepayments	199,510	2,392,866	37. Funded Debt-RTB Notes	147,446	
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)	37,904,408	36,253,950	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	3,166,616	3,774,643	46. Total Long-Term Debt (36 thru 45)	21,901,270	19,431,289
13. Nonregulated Investments	317,200	166,400	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges	48,269	1,303,383	48. Other Deferred Credits	(2,260,692)	(3,704,772)
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	3,532,085	5,244,426	50. Total Other Liabilities and Deferred Credits (47 thru 49)	(2,260,692)	(3,704,772)
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	118,723,645	122,656,950	51. Cap. Stock Outstand. & Subscribed	853,780	853,780
19. Property Held for Future Use			52. Additional Paid-In-Capital		
20. Plant Under Construction	5,832,863	5,528,440	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	80,777	80,777	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	98,205,302	105,208,697	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	26,431,983	23,057,470	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	36,362,254	38,007,097
			58. Total Equity (51 thru 57)	37,216,034	38,860,877
	67,868,476	64,555,846	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	67,868,476	64,555,846

Total Equity = 60.20% % of Total Assets.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS- See RUS Bulletin 1744-2	BORROWER DESIGNATION CA0526 PERIOD ENDING December, 2014

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	6,958,988	7,092,101
2. Network Access Services Revenues	15,200,443	15,405,231
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	150,065	133,601
5. Miscellaneous Revenues	439,743	433,560
6. Uncollectible Revenues	10,659	1,011
7. Net Operating Revenues (1 thru 5 less 6)	22,738,580	23,063,482
8. Plant Specific Operations Expense	3,820,964	3,798,124
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	2,236,242	1,913,225
10. Depreciation Expense	8,675,728	7,289,235
11. Amortization Expense		
12. Customer Operations Expense	1,198,367	1,139,341
13. Corporate Operations Expense	2,635,593	2,654,887
14. Total Operating Expenses (8 thru 13)	18,566,894	16,794,812
15. Operating Income or Margins (7 less 14)	4,171,686	6,268,670
16. Other Operating Income and Expenses		
17. State and Local Taxes	298,729	490,066
18. Federal Income Taxes	1,080,893	1,783,279
19. Other Taxes	438,866	414,846
20. Total Operating Taxes (17+18+19)	1,818,488	2,688,191
21. Net Operating Income or Margins (15+16-20)	2,353,198	3,580,479
22. Interest on Funded Debt	587,271	734,705
23. Interest Expense - Capital Leases		
24. Other Interest Expense	1,189	1,948
25. Allowance for Funds Used During Construction	28,350	22,450
26. Total Fixed Charges (22+23+24-25)	560,110	714,203
27. Nonoperating Net Income	5,864,685	1,170,968
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(346,383)	(149,073)
31. Total Net Income or Margins (21+27+28+29+30-26)	7,311,390	3,888,171
32. Total Taxes Based on Income	4,923,986	2,726,414
33. Retained Earnings or Margins Beginning-of-Year	31,066,523	36,362,254
34. Miscellaneous Credits Year-to-Date	1,031,904	
35. Dividends Declared (Common)	3,000,000	1,500,000
36. Dividends Declared (Preferred)	47,563	47,563
37. Other Debits Year-to-Date		695,765
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	36,362,254	38,007,097
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	3,157,769	3,758,756
45. Cash Ratio [(14+20-10-11) / 7]	0.5150	0.5287
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9211	0.8757
47. TIER [(31+26) / 26]	14.0535	6.4441
48. DSCR [(31+26+10+11) / 44]	5.2402	3.1637

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CA0526 PERIOD ENDED December, 2014
INSTRUCTIONS – See help in the online application.	

	PART I – STATEMENT OF CASH FLOWS	
1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	32,629,330
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	3,888,171
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	7,289,235
4.	Add: Amortization	0
5.	Other (Explain) Non Op Depreciation / Amortiz of Discount / RUS Cushion of Credit / Deferred Taxes / Misc Other	(981,605)
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	(645,739)
7.	Decrease/(Increase) in Materials and Inventory	(47,915)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(3,448,470)
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(1,799,770)
11.	Increase/(Decrease) in Advance Billings & Payments	(12,077)
12.	Increase/(Decrease) in Other Current Liabilities	1,324,250
13.	**Net Cash Provided/(Used) by Operations**	5,566,080
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	(200)
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	452
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(3,026,248)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	(1,444,080)
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	(1,547,563)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	**Net Cash Provided/(Used) by Financing Activities**	(6,017,639)
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	(3,628,882)
25.	Other Long-Term Investments	(457,227)
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain)	
28.	**Net Cash Provided/(Used) by Investing Activities**	(4,086,109)
29.	**Net Increase/(Decrease) in Cash**	(4,537,668)
30.	**Ending Cash**	28,091,662