

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	391670
<015> Study Area Name	MIDSTATE COMM., INC.
<020> Program Year	2017
<030> Contact Name: Person USAC should contact with questions about this data	Judy Christiansen
<035> Contact Telephone Number: Number of the person identified in data line <030>	4028181322 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	jchristiansen@consortiaconsulting.com
Form Type	54.313 and 54.422

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<110> Has your company received its ETC certification from the FCC? (yes / no)

If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no)

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

391670sd112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets

<114> Report how much universal service (USF) support was received

<115> How much (USF) was used to improve service quality and how support was used to improve service quality

<116> How much (USF) was used to improve service coverage and how support was used to improve service coverage

<117> How much (USF) was used to improve service capacity and how support was used to improve service capacity

<118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Not Applicable

**(300) Unfulfilled Service Request
Data Collection Form**

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<300> Unfulfilled service request (voice)

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

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<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form**FCC Form 481
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<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes

391670sd510.pdf

<510> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance

**(600) Functionality in Emergency Situations
Data Collection Form**

FCC Form 481

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	391670sd610.pdf

**(900) Tribal Lands Reporting
Data Collection Form**

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<900> Does the filing entity offer tribal land services? (Y/N) Yes

Crow Creek Sioux Tribal Authority

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

391670sd920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes

(1000) Voice and Broadband Service Rate Comparability Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<1210> Terms & Conditions of Voice Telephony Lifeline Plans	391670sd1210.pdf Name of Attached Document
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<1220> Link to Public Website	HTTP
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“Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
|--|-------------------------------------|
- | | |
|---|-------------------------------------|
| <1222> Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
|---|-------------------------------------|
- | | |
|---|-------------------------------------|
| <1223> Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |
|---|-------------------------------------|

(2000) Price Cap Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	July 2013

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Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support	<input style="width: 100%; height: 20px;" type="text"/>	
<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support	<input style="width: 100%; height: 20px;" type="text"/>	
<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	<input style="width: 100%; height: 20px;" type="text"/>	
<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.	<input style="width: 100%; height: 20px;" type="text"/>	
<2024A> Round 2 Recipient of Incremental Support?	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 60px;" type="text"/>
<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 60px;" type="text"/>
<2025A> Round 1 or Round 2 Recipient of Incremental Support?	<input style="width: 100%; height: 20px;" type="text"/>	
<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 60px;" type="text"/>
<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		<input style="width: 100%; height: 20px;" type="text"/>

(2000) Price Cap Carrier Additional Documentation (Continued)

FCC Form 481

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OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

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Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)} Yes - Attach Certification

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} No - No New Community Anchors

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or
(2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
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Financial Data Summary

(3027) Revenue	[REDACTED]
(3028) Operating Expenses	[REDACTED]
(3029) Net Income	[REDACTED]
(3030) Telephone Plant In Service(TPIS)	[REDACTED]
(3031) Total Assets	[REDACTED]
(3032) Total Debt	[REDACTED]
(3033) Total Equity	[REDACTED]
(3034) Dividends	[REDACTED]

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4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481. Name of Attached Document Listing Required Information

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area. Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I certify that (Name of Agent) <u>Consortia Consulting</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.</p>	
Name of Authorized Agent:	Consortia Consulting
Name of Reporting Carrier:	MIDSTATE COMM., INC.
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/27/2016
Printed name of Authorized Officer:	Mark Benton
Title or position of Authorized Officer:	General Manager/CEO
Telephone number of Authorized Officer:	6057786221 ext.
Study Area Code of Reporting Carrier:	391670 Filing Due Date for this form: 07/01/2016
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.</p>	
Name of Reporting Carrier:	MIDSTATE COMM., INC.
Name of Authorized Agent Firm:	Consortia Consulting
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/27/2016
Name of Authorized Agent Employee:	Judy Christiansen
Title or position of Authorized Agent or Employee of Agent	Consultant
Telephone number of Authorized Agent or Employee of Agent:	4028181322 ext.
Study Area Code of Reporting Carrier:	391670 Filing Due Date for this form: 07/01/2016
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

Attachments

MIDSTATE COMMUNICATIONS, INC.
(SAC 391670)

**Certification of Compliance with Applicable Service Quality Standards and
Consumer Protection Rules**

Service Quality Standards

The Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.
- Advertises the availability of its services and the charges using media of general distribution and on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during normal business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

MIDSTATE COMMUNICATIONS, INC.
(SAC 391670)

Functionality in Emergency Situations

Back-Up Power

With our current infrastructure there are three locations within our network, where backup battery is a concern; central offices, remote cabinets and ONT's locations at the customer premise. Each are addressed below:

CO

Midstate Communications has 10 central offices which serve 100% of our customer base. The switching and transport systems inside these CO's are powered by DC power with current draws ranging from approx 20 amps to 250 amps. The runtime of each battery system is slightly different based on current draw and geographical location but they range from approx. 12 hours to 40 hours. Each central office is equipped with an on-site generator and an automatic transfer switch; thus we expect the **required** run time of these battery systems to be only a few seconds but have designed them to support our network for significantly longer runtimes in case of a generator failure. We also possess a 60 KW portable generator for deployment ensuring Central Office operation throughout an on-site generator failure.

REMOTE CABINETS

Approximately 5% of our current customer base is served by these remote cabinets located in the field within 3 miles of the subscriber premises served. Each DC system inside these cabinets is designed to support 8 hours of runtime in case of a power failure. We possess 22 portable generators in all, with several of them being staged in strategic geographical locations for easy deployment in the event of a power failure.

ONT

The ONT's are located at the customer premise in our Fiber-To-The-Home network configurations. We have approximately 3000 deployed ONT's delivering service to approximately 40% of our subscribers. Any ONT located within the city limits are equipped with a 7.2 amp-hour batteries and provide an expected runtime of 8 hours. Knowing the power failure outside the city limits can be

longer, we deploy a larger battery providing additional run time. These batteries are 20AH and deliver an expected runtime of greater than 16 hours.

RE-ROUTING OF TRAFFIC AROUND DAMAGED FACILITIES

ALL core network connections are ring protected and any established traffic is automatically re-routed without impact to these customers. Any call not yet established or in a “setup” state during a reroute situation (fiber cut, central office failure, etc.) would fail and these callers would need to reacquire dial tone and replace the call. The time the routes would be unavailable is less than one second, thus any subsequent call attempts would be successful.

Our connection to the outside world is via our centralized equal access provider: South Dakota Network. The Kimball office is positioned in the logical center of our network and houses a node on the above mentioned statewide DWDM MPLS network. This network utilized alternate fiber routes throughout the state of South Dakota functioning in a mesh environment to deliver our traffic to the SDN location in Sioux Falls, SD. As for our intra-company Interexchange facilities; they include 3- EPS Rings (Calix), 1 – OC-48 ring (Fujitsu), and 1 MPLS ring (Brocade) functioning in a mesh environment.

TRAFFIC SPIKES

Currently Midstate provides dial tone to approximately 4200 subscribers. The soft-switch we utilize is manufactured by Meta Switch and can support 250,000 subscribers before any expansion or upgrade is required. Our customer connections to this switch are MGCP and in this configuration the switch can support 1.3 M Busy Hour Call Attempts. As for the trunking, we have toll and 911 routes to South Dakota Network and CenturyLink. These routes are actively monitored for overflow and near overflow states. Any near overflow or overflow situations are addressed immediately after receiving any alarm.

Midstate Communications, Inc.
Description of Tribal Engagement

Midstate Communications, Inc., Study Area 391670, (Midstate) provides services in areas of the Crow Creek Sioux Tribe. Midstate periodically, and when requested, actively engages in discussions with Tribal leaders that include deployment of services to Tribal anchor institutions, and feasibility and sustainability planning of those services. Midstate reached a resolution with Crow Creek Sioux Tribe to begin planning for a fiber to the home deployment in 2016. Construction is to commence in the summer of 2016. Midstate markets its services in a culturally sensitive manner, including advertisements and written notifications via certified mail of required filings of services and rates. Midstate is in compliance with right of way processes, land use permitting, facilities siting, and environmental and cultural preservation review processes. Midstate is in compliance with Crow Creek Sioux Tribe business and licensing requirements

Midstate Communications, Study Area 399011 (formerly Midstate Telecom) provides services in areas of the Lower Brule Sioux Tribe. Midstate, periodically, and when requested, actively engages in discussions with Tribal leaders that include deployment of services to Tribal anchor institutions, and feasibility and sustainability planning of those services. Midstate markets its services in a culturally sensitive manner, including advertisements and written notifications via certified mail of required filings of services and rates. Midstate is in compliance with right of way processes, land use permitting, facilities siting and environmental and cultural preservation review processes. Midstate is in compliance with Lower Brule Sioux Tribe business and licensing requirements.



120 EAST FIRST • P.O. BOX 48
KIMBALL, SD 57355-0048
PHONE (605) 778-6221 • FAX (605) 778-8080
www.midstatesd.net

Sent Return Receipt Requested

September 15, 2015

Secretary/Treasurer Orville Langdeau
Lower Brule Tribe
PO Box 187
Lower Brule, SD 57548-0187

Dear Mr. Langdeau:

The Federal Communications Commission (FCC), as part of its 2012 Order reforming the federal universal service mechanisms related to telecommunications and information services, adopted new "Tribal Engagement" provisions that are intended to improve communications and foster a greater understanding between service providers and Tribal entities of the factors necessary to deploy and sustain telecommunication services on Tribal lands. See FCC Public Notice, Office of Native Affairs and Policy, Wireless Telecommunications Bureau, and Wireline Competition Bureau Issue Further Guidance on Tribal Engagement Obligation Provisions of the Connect America Fund, DA 12-1165, released July 19, 2012.

Pursuant to the FCC's rules related to Tribal Engagement Midstate Communications would, as soon as possible, like to begin discussions with the Lower Brule Tribe in a manner consistent with the FCC rules. Accordingly, we would request a meeting with the Tribe and it is our hope that this meeting could be held sometime prior to the end of October, 2015. The purpose of this meeting will, generally, be to exchange information related to the deployment and provisioning of communications services on Tribal lands.

While Midstate Communications leaves to your discretion attendees from the tribe at this requested meeting, it is important that at least some of the tribal representative attendees at the meeting are "decision-makers," as this can change the perspectives of the discussions. Midstate Communications asks that the Lower Brule Tribe provide a name and contact information for a Tribal representative who can assist in scheduling and arranging a meeting with the appropriate Tribal government staff and leaders to discuss deployment and sustainability of telecommunications services on Tribal lands. This information may be provided to the undersigned by calling (605) 778-6221, or through an e-mail directed to mark@midstaff.net.

Thank you for your cooperation in this matter. We look forward to discussing these important matters with you.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Mark Benton', with a long horizontal flourish extending to the right.

Mark Benton, GM

Midstate Communications, Inc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Orville Langdeau
Secyreas LB Tribe
PO Box 187
Lower Brule SD
57548-0187

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
- X *Orville Langdeau*
- B. Received by (Printed Name) Agent Addressee
- Orville Langdeau* C. Date of Delivery *2-17-15*
- D. Is delivery address different from item 1? Yes No
- If YES, enter delivery address below:

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Transfer from service label) **7006 2150 0002 8262 3578**

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 4.85
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 11.15



Sent to
Street No. *PO Box 187*
City, State, Zip+4
Lower Brule SD 57548-0187

7006 2150 0002 8262 3578

PS Form 3800, August 2006

See Reverse for Instructions



120 EAST FIRST • P.O. BOX 48
KIMBALL, SD 57355-0048
PHONE (605) 778-6221 • FAX (605) 778-8080
www.midstatesd.net

Sent Return Receipt Requested

September 15, 2015

Chairwoman Roxanne Sazue
Office of the Chairman, Crow Creek Sioux Tribe
PO Box 50
Fort Thompson, SD 57339-0050

Dear Chairman Sazue:

The Federal Communications Commission (FCC), as part of its 2012 Order reforming the federal universal service mechanisms related to telecommunications and information services, adopted new "Tribal Engagement" provisions that are intended to improve communications and foster a greater understanding between service providers and Tribal entities of the factors necessary to deploy and sustain telecommunication services on Tribal lands. See FCC Public Notice, Office of Native Affairs and Policy, Wireless Telecommunications Bureau, and Wireline Competition Bureau Issue Further Guidance on Tribal Engagement Obligation Provisions of the Connect America Fund, DA 12-1165, released July 19, 2012.

Pursuant to the FCC's rules related to Tribal Engagement Midstate Communications would, as soon as possible, like to begin discussions with the Crow Creek Sioux Tribe in a manner consistent with the FCC rules. Accordingly, we would request a meeting with the Tribe and it is our hope that this meeting could be held sometime prior to the end of October, 2015. The purpose of this meeting will, generally, be to exchange information related to the deployment and provisioning of communications services on Tribal lands.

While Midstate Communications leaves to your discretion attendees from the tribe at this requested meeting, it is important that at least some of the tribal representative attendees at the meeting are "decision-makers," as this can change the perspectives of the discussions. Midstate Communications asks that the Crow Creek Sioux Tribe provide a name and contact information for a Tribal representative who can assist in scheduling and arranging a meeting with the appropriate Tribal government staff and leaders to discuss deployment and sustainability of telecommunications services on Tribal lands. This information may be provided to the undersigned by calling (605) 778-6221, or through an e-mail directed to mark@midstaff.net.

Thank you for your cooperation in this matter. We look forward to discussing these important matters with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Benton', with a long, sweeping horizontal flourish extending to the right.

Mark Benton, GM

Midstate Communications, Inc.

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
OFFICIAL USE

For delivery information visit our website at www.usps.com

7006 2150 0002 8262 3608

Postage	\$.485
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.74



PS Form 3811, August 2006

Street, Apt. No. or P.O. Box No. PO Box 50
 City, State, ZIP+4® Fort Thompson SD 57339

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Roxanne Sazue
 Chairwoman, CEST
 PO Box 50
 Fort Thompson SD
 57339

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

B. Received by (Printed Name) Roxanne Sazue Date of Delivery 9-22-15

C. Is delivery address different from item 1? Yes No

D. If YES, enter delivery address: **RECEIVED**
 SEP 23 2015

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number 7006 2150 0002 8262 3608
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Midstate Communications, Inc.

Lifeline Terms and Conditions

Midstate Communications, Inc. (“Midstate”) offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

Lifeline Program Eligibility Information

Program Based Eligibility

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- National School Lunch Program’s Free Lunch Program
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year’s statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer’s participation in a qualifying state, federal or Tribal program.

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2016 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$16,038	\$20,034	\$18,455
2	\$21,627	\$27,027	\$24,881
3	\$27,216	\$34,020	\$31,307
4	\$32,805	\$41,013	\$37,733
5	\$38,394	\$48,006	\$44,159
6	\$43,983	\$54,972	\$50,585
7	\$49,586	\$61,992	\$57,010
8	\$55,202	\$69,012	\$63,464
For each additional person, add	\$5,616	\$7,020	\$6,453

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Tribal Eligibility

A subscriber who lives on Tribal lands and is an eligible resident of Tribal lands is eligible for Tribal Lifeline service or Tribal Link Up if the subscriber, one or more of the subscriber's dependents, or the subscriber's household participates in any of the above-listed qualifying assistance programs or one of the following Tribal-specific federal assistance programs: Bureau of Indian Affairs General Assistance; Tribally Administered Temporary Assistance for Needy Families; Head Start (if income eligibility criteria are met); or the Food Distribution Program on Indian Reservations (FDPIR). Tribal subscribers may also qualify if the household income is at or below 135% of the Federal Poverty Guidelines.

Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service

Midstate's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Midstate's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Midstate. Advertised rates do not include any applicable taxes or surcharges.

Recertification of Lifeline Eligibility

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

Additional Lifeline Program Information

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

Midstate Communications, Inc.

Progress Report of 5 Year Plan – Milestone Certification

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream:

- Midstate Communications certifies that it has taken reasonable steps to provide upon a reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

REDACTED – FOR PUBLIC INSPECTION

REDACTED - FOR PUBLIC INSPECTION

Five-Year Plan Progress Report

Midstate Communications, Inc. 391670

Year 2015 Federal Universal Service Receipts:

Interstate Access Support	\$ █
Interstate Common Line Support	\$ █
Connect America Fund Support	\$ █
High Cost Loop Support	\$ █
Safety Net Additive Support	\$ █
Safety Valve Loop Cost Adjustment	\$ █
TOTAL	\$ █

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

	Actual
	2015
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ █
General support (Accts 6120-24)	\$ █
Central office (Accts 6210-6232)	\$ █
Cable and wire facilities (Accts 6410-41)	\$ █
Network operations (Accts 6530-35)	\$ █
Depreciation and amortization (Accts 6560-65)	\$ █
Customer Operations Expenses	
Customer services (Accts 6611-23)	\$ █
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ █
General and administrative (Accts 6720-28)	\$ █
Total Years Supported Expenses, Before Return on Investment	\$ █
Additions/Capx	
Switching (Acct 2210)	\$ █
Transmission (Acct 2230)	\$ █
Cable and wire (Acct 2410)	\$ █
Total	\$ █
Total Supported Expenditures, Before Return on Investment	\$ █

REDACTED - FOR PUBLIC INSPECTION

It is estimated that [REDACTED] of universal service funding received in 2015 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same % of universal service funding received in 2015 will be used to ensure and improve service quality in 2016.

It is estimated that [REDACTED] of universal service funding received in 2015 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area currently have access to our broadband capable network. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis We believe it is reasonable to conclude the same % of universal service funding received in 2015 will be used to improve service coverage in 2016.

It is estimated that [REDACTED] of universal service funding received in 2015 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 10Mbps/1Mbps. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis We believe it is reasonable to conclude the same % of universal service funding received in 2015 will be used to improve service capacity in 2016.

REDACTED - FOR PUBLIC INSPECTION

HYDE

HUGHES

Fort Thompson

Gann Valley

BUFFALO

JERAULD

SANBORN MINER

Chamberlain

Pukwana

Kimball

White Lake

Stickney

AURORA

DAVISON HANSON

LYMAN

BRULE

Academy

New Holland

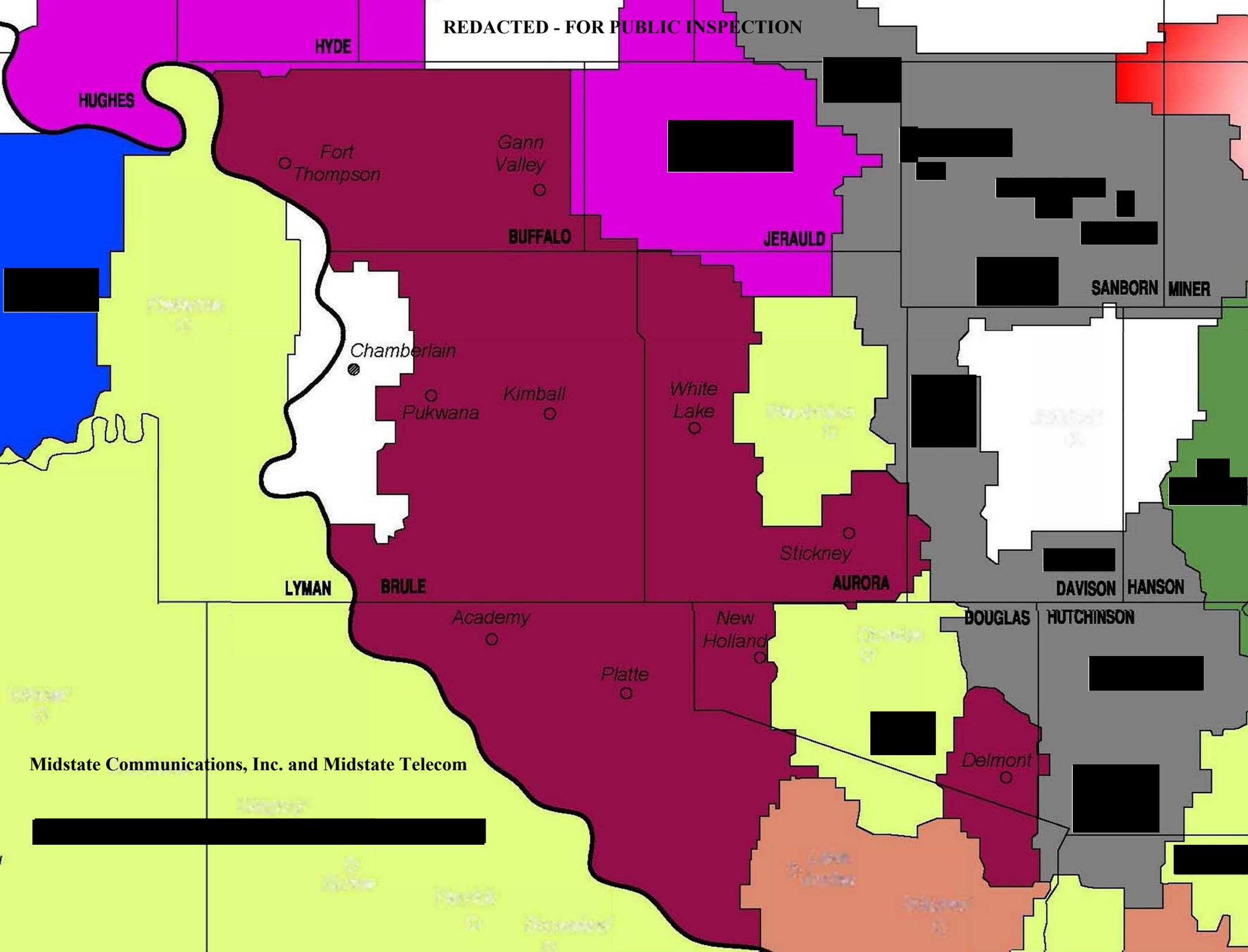
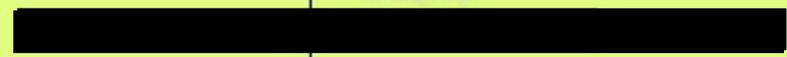
DOUGLAS

HUTCHINSON

Platte

Delmont

Midstate Communications, Inc. and Midstate Telecom



REDACTED - FOR PUBLIC INSPECTION

REDACTED - FOR PUBLIC INSPECTION

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 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 Midstate Communications, Inc.
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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, 2015	BORROWER DESIGNATION SD0524
--	---------------------------------	--------------------------------

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)

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

 Mark Benton

4/5/2016
 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			CURRENT LIABILITIES		
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 = [REDACTED] % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

SD0524

PERIOD ENDING

December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

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

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

SD0524

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
█	█	█	█	█

PART E. TOLL DATA

1. Study Area ID Code(s) a. 391670 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)			
	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	█
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 (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development				█	█
2. Investment in Affiliated Companies - Nonrural Development		█		█	█

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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) YES NO

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

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

REDACTED - FOR PUBLIC INSPECTION

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INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

REDACTED - FOR PUBLIC INSPECTION

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>SD0524</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2015</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	