

Mescalero Apache Telecom, Inc. (SAC 491231)

Tribal Government Engagement Obligation

47 CFR § 54.313(a)(9)

Form 481, Line 920

Mescalero Apache Telecommunications, Inc. (MATI) is a Tribally owned incumbent local exchange carrier operating on the Mescalero Apache Indian Reservation. As a Tribally owned company MATI's primary purpose is to make sure that Tribal customers receive quality telecommunications service.

MATI management engages Tribal government once every other month during board meetings. Those meetings are all focused on MATI's primary purpose of providing telecommunications service on Tribal lands. Some of the topics discussed in the board meetings include the following:

- Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Compliance with Rights of way processes;
- Compliance with Land Use permitting requirements;
- Compliance with Facilities Siting rules;
- Compliance with Environmental Review processes;
- Compliance with Cultural Preservation review processes;
- Compliance with Tribal Business and Licensing requirements;
- Public Safety
- Education
- MATI's involvement community improvement projects



Mescalero Apache Telecom Inc.
PO Box 229, Mescalero, NM 88340
Office 575/464-4039 Fax 575/464-0311



Federal Lifeline Re-Certification Form

Customer Name _____ Date of Birth: _____

Social Security Number _____ Telephone Number: _____
Please print clearly

Physical Address: _____ Permanent _____ Temporary _____
If temporary must verify residential address every 90 days

Billing Address: _____
If different from physical address

Lifeline is a federal benefit and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline is a non-transferable benefit and may not be transferred to any other person.

You must re-certify within 30 days from the date of this letter, should you fail to re-certify the lifeline credits will be removed. Please check the appropriate box(es), complete the remainder of the following Eligibility Certification Form, and return it to the address listed above; I understand that proof of my participation will be verified from the National Lifeline Accountability Database.

I certify under the penalty of perjury that I am not receiving lifeline service from another provider (wireless or wireline). I also certify under penalty of perjury that I currently receive benefits from the following program (check the box next to the program that applies):

- | | |
|--|--|
| <input type="checkbox"/> Federal Public Housing Assistance or Section 8 | <input type="checkbox"/> BIA General Assistance Program |
| <input type="checkbox"/> Temporary Assistance for Needy Families | <input type="checkbox"/> National School Lunch Program (<i>Free meals</i>) |
| <input type="checkbox"/> Supplemental Security Income (SSI) (<i>cannot use Social Security Income</i>) | |
| <input type="checkbox"/> Head Start (<i>Only those meeting its income qualifying standard</i>) | <input type="checkbox"/> Food stamps |
| <input type="checkbox"/> Medicaid (<i>cannot use Medicare</i>) | <input type="checkbox"/> LIHEAP |
| <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) | |
| <input type="checkbox"/> Income at or below 135% of the Federal Poverty Guidelines | <input type="checkbox"/> Number of Household Member _____ |

Family Size	Annual Income	Family Size	Annual Income
1	\$ 15,080.00	4	\$ 31,118.00
2	\$ 20,426.00	5	\$ 36,464.00
3	\$ 25,772.00	6	\$ 41,810.00

For each additional person, add \$5,346.00

Please read and initial each of the following lines to certify your participation:

- Applicants applying for lifeline under the income criteria must submit document of proof of household income to determine eligibility (prior year's tax return, current paycheck stubs(3 months), SSI statement of benefits, etc.)
- I further agree to notify MATI immediately if I cease to participate in the program listed above.
- I understand that it is my responsibility, as the customer to re-certify for lifeline every 12 months.
- Only one lifeline service is available per household

CUSTOMER SIGNS UNDER PENALTY OF PERJURY THAT THE INFORMATION OF ELIGIBILITY IS TRUE AND ACCURATE TO THE BEST OF THEIR KNOWLEDGE

Authorized Signer's Signature

X

Date

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 11 TELECOMMUNICATIONS
PART 11 LIFELINE AND LINKUP BENEFITS

17.11.11.1 ISSUING AGENCY: New Mexico Public Regulation Commission.
 [17.11.11.1 NMAC - N, 11-15-10]

17.11.11.2 SCOPE: This rule applies to all entities that have been designated by the commission as eligible telecommunications carriers and that may receive disbursements from the state rural universal service fund or the federal universal service fund.
 [17.11.11.2 NMAC - N, 11-15-10]

17.11.11.3 STATUTORY AUTHORITY: Sections 8-8-4, 63-9C-4 and 63-9H-6 NMSA 1978.
 [17.11.11.3 NMAC - N, 11-15-10]

17.11.11.4 DURATION: Permanent.
 [17.11.11.4 NMAC - N, 11-15-10]

17.11.11.5 EFFECTIVE DATE: November 15, 2010, unless a later date is cited at the end of a section.
 [17.11.11.5 NMAC - N, 11-15-10]

17.11.11.6 OBJECTIVE: The purpose of this rule is to ensure that each eligible telecommunications carrier designated by the commission provides lifeline and link-up benefits intended to make basic telecommunications services available to qualifying individuals and households under specified public assistance programs or income-based criteria. Lifeline and linkup have also been known in New Mexico as low-income telephone assistance programs or "LITAP".
 [17.11.11.6 NMAC - N, 11-15-10]

17.11.11.7 DEFINITIONS:

- A. Applicant** means an eligible customer of an eligible telecommunications carrier.
- B. Carrier** means an entity that provides intrastate retail public telecommunications services or comparable retail alternative services in New Mexico.
- C. Eligible telecommunications carrier ("ETC")** means a carrier that has been designated by the commission as eligible to receive disbursement from the state rural universal service fund or the federal universal service fund.
- D. Federal poverty guidelines** means the poverty guidelines issued each year by the federal health and human services department and published in the federal register.
- E. Income** means all income actually received by all members of the household. This includes salary before deductions of taxes, public assistance benefits, inheritances, alimony, child support payments, workers' compensation benefits, gifts, lottery winnings, and the like. The only exceptions are student financial aid, military housing and cost-of-living allowances, irregular income from occasional small jobs such as baby-sitting or lawn mowing, and the like.
- F. Responsible agency** means the state government agency or other entity designated by the commission to administer the certification, verification and continued verifications of lifeline enrollment.
 [17.11.11.7 NMAC - N, 11-15-10]

17.11.11.8 ELIGIBILITY REQUIREMENTS:

- A. Program-Based Criteria.** All ETCs shall provide lifeline and linkup benefits to any applicant who self-certifies, under penalty of perjury, that his or her household is eligible for public assistance under one or more of the following programs:
- (1) temporary assistance to needy families (TANF);
 - (2) food stamps;
 - (3) low income home energy assistance program (LIHEAP);
 - (4) medicaid;
 - (5) supplemental security income;
 - (6) national school lunch program; or
 - (7) federal public housing assistance.
- B. Income Based Criteria.** All ETCs shall provide lifeline and linkup benefits to any applicant who certifies, with supporting documentation and under penalty of perjury, that his or her household income is at or below 150 percent of the applicable federal poverty guidelines upon annual publication by the U.S. department of health and human services in the federal register.
- (1) Income-based eligibility is based, in part, on household size. Therefore, an applicant must certify, under penalty

of perjury, the number of individuals residing in his or her household.

(2) An applicant must certify, under penalty of perjury, that the documentation supporting income-based certification accurately represents the applicant's annual household income. The following documents, or any combination of these documents, are acceptable to support certification based upon income:

- (a) prior year's state, federal or tribal tax returns;
- (b) current year-to-date earnings statement from an employer or three consecutive months of paycheck stubs;
- (c) social security administration statement of benefits;
- (d) veteran's administration statement of benefits;
- (e) retirement/pension statement of benefits;
- (f) unemployment/workers' compensation statement of benefits;
- (g) federal or tribal notice of participation in bureau of Indian affairs general assistance; or
- (h) divorce decree or child support wage assignment statement.

C. **Application.** The application form for participation in lifeline and linkup benefits shall be available from each ETC, the commission's consumer relations division, and the responsible agency, if one has been designated by the commission. Each completed application shall contain the following information, where applicable:

- (1) applicant's name, telephone number and home address;
- (2) the particular public assistance program(s), if applicable, and identification of the ETC that the applicant anticipates will provide service;
- (3) an affirmative statement that the applicant qualifies for lifeline or linkup benefits;
- (4) an affirmative statement under penalty of perjury affirming that the applicant is participating in one of the programs listed in Subsection A of 17.11.11.8 NMAC, or a statement under penalty of perjury affirming that the applicant's household income is at or below 150 percent of the federal poverty guideline; and if the application is based on income criteria, a statement under penalty of perjury that identifies the number of individuals residing in the household and affirms that the documentation presented to support income-based eligibility accurately represents the applicant's household income;
- (5) the following affirmative statement under penalty of perjury that the applicant is not receiving lifeline benefits of any kind on any other telephone or wireless account: "I agree to notify (name of carrier) when I no longer participate in any of the above qualifying public assistance programs or when there has been a change in the size or income level of my household. I certify under penalty of perjury the above information and attached documentation are true and that I and no one else is receiving lifeline benefits at this address, on either a telephone or wireless telephone account"; and
- (6) the applicant's signature.

D. **Document Retention.** The ETC or responsible agency shall retain eligibility applications for three (3) calendar years.

E. **Tribal Land Lifeline and Linkup Benefits.** Customers who live on tribal lands and who qualify for state lifeline and linkup benefits based on the program or income criteria set forth in Subsections A and B of 17.11.11.8 NMAC are eligible to receive prescribed federal benefits. Such federal benefits are not within the scope of, nor governed by, this rule. [17.11.11.8 NMAC - N, 11-15-10]

17.11.11.9 CONTINUING ELIGIBILITY:

A. **Annual Verification.** The continuing eligibility of customers for lifeline benefits shall be verified annually.

B. **Verification Methods.** The ETC or responsible agency shall verify the continued eligibility of lifeline customers under the program-based and income-based eligibility criteria. The ETC or responsible agency shall establish methods by which program-based and income-based eligibility shall be verified on an annual basis including, but not limited to, self-certification, reviews of state computer data bases, beneficiary audits, income documentation, or the continued eligibility of a statistically valid sample of lifeline customers.

C. **Restoration Of Service And Payment Plans.** ETCs must restore service for any customer who has had telephone service discontinued for nonpayment of basic service charges, provided that the customer was not a participant in LITAP at the time of discontinuance, but now qualifies. The ETC must also make a reasonable payment arrangement allowing six months for payment for past due basic service charges.

D. **Termination Notices and Dispute Resolution.** If a customer fails to establish continued eligibility, the ETC or responsible agency shall notify the customer of its intent to discontinue the customer's eligibility and the basis for that decision.

- (1) The eligibility termination notice shall be in writing and shall be delivered to the customer's mailing address.
- (2) The eligibility termination notice must allow the customer at least 60 days to demonstrate continued eligibility consistent with the rule. The customer's participation in lifeline service may not be discontinued during this 60-day period.
- (3) The eligibility termination notice shall include a statement advising the customer of the option to continue local telephone service after termination of lifeline service benefits at the non-discounted rate.
- (4) If the customer fails to provide proof of continued eligibility as required, or the ETC or responsible agency does not accept the customer's proof of continued eligibility, the ETC or responsible agency shall notify the customer in writing of its determination to discontinue the customer's participation in lifeline benefits. The notice shall include instructions for filing an appeal of the determination.
- (5) If the customer disputes the non-eligibility determination, he or she shall notify the ETC or responsible agency.

If the customer is still unable to resolve the dispute, he or she may appeal a non-eligibility determination within sixty (60) days of the date of the notice from the ETC or responsible agency by filing a written notice of appeal with the commission. Lifeline benefits will continue pending an appeal of a non-eligibility determination.

(6) An appeal pursuant to this rule shall be addressed by the commission consistent with the complaint procedures set forth in the commission's Consumer Protection rule (17.11.16 NMAC).

[17.11.11.9 NMAC - N, 11-15-10]

17.11.11.10 LIFELINE AND LINKUP BENEFITS:

A. Benefits. Lifeline benefits provided by ETCs shall consist of basic service, or its functional equivalent, and usage charges, less a discount of not less than \$3.50 and any other lifeline benefits established by the federal communications commission. ETCs shall provide linkup benefits in accordance with the federal linkup program utilizing the eligibility criteria set forth in Subsections A and B of 17.11.11.8 NMAC.

B. Deposits. When customer security deposits are otherwise required, they will be waived for lifeline service customers if the customer voluntarily elects to receive toll blocking.

C. Nonrecurring Charge Waiver. Lifeline customers will receive a waiver of the nonrecurring charge for changing the type of local exchange usage service to lifeline, or changing from flat rate service to message rate service, or vice versa, but only one such waiver shall be allowed during any 12-month period.

D. Termination. Lifeline benefits shall not be terminated for nonpayment of toll service.

E. Restrictions. A lifeline customer may receive lifeline and linkup benefits only for the customer's principal service line. Lifeline and linkup benefits are not available for service lines used for business purposes.

F. Other Services. A lifeline customer will not be required to purchase other services from the ETC, nor prohibited from purchasing other services, either separately or in a bundle with lifeline supported services, unless the customer has failed to comply with the ETC's terms and conditions for those services.

[17.11.11.10 NMAC - N, 11-15-10]

17.11.11.11 FUNDING OF LIFELINE AND LINKUP BENEFITS:

A. Reporting Requirements. All ETCs seeking cost recovery shall submit to the commission a monthly report, on or before the 15th day of each month, containing a description of the ETC's lifeline and linkup benefits. The report shall contain monthly information on:

(1) the foregone revenue resulting from the discounts provided to lifeline customers;

(2) the amounts of administrative, advertising, voucher and other lifeline and linkup expenses, including only those administrative costs borne by the ETCs over and above what they have expended in connection with their federal universal service duties;

(3) interest accrual amounts on lifeline and linkup funds; and

(4) the number of lifeline customers.

B. Cost Recovery. The total cost of providing lifeline service, including the administrative costs of the ETCs as provided at Paragraph (2) of Subsection A of 17.11.11.11 NMAC, and the costs incurred by the responsible agency, shall be recovered and funded from the state rural universal service fund pursuant to 17.11.10 NMAC.

C. ETC Payment. Within thirty (30) days after review and audit of an ETC's monthly report, the administrator of the state rural universal service fund shall disburse an amount equal to the ETC's lifeline and linkup expenses as provided in this rule, plus lifeline discounts up to \$3.50 per lifeline subscriber.

[17.11.11.11 NMAC - N, 11-15-10]

HISTORY OF 17.11.11 NMAC: [RESERVED]

Mescalero Apache Telecom, Inc. (SAC 491231)
Milestone Certification
47 CFR 54.313(f)(1)(i)
Form 481, Line 3010

The Company hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 4 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

Mescalero Apache Telecom, Inc. (SAC 491231)
Community Anchor
47 CFR 54.313 (f)(1)(ii)
Form 481, Line 3012

The Company did not begin providing broadband service to any community anchor institutions during 2014. The Company had previously provided broadband service meeting the Commission's public interest obligation standards to all community anchor institutions in its study area and, to the company's knowledge, no new community anchor institutions began operating in the Company's study area during 2014.

CONFIDENTIAL INFORMATION -

According to the Paperwork Reduction Act of 1995, an estimate of the burden for this information collection is 1677-1631. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. OMB control number for this information collection is 0570-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. SUBJECT TO PROTECTION ORDER IN WFO DOCKET NO. 10-99-07133, 05-037, 0318, 0319, 0320, 0321, 0322, 0323, 0324, 0325, 0326, 0327, 0328, 0329, 0330, 0331, 0332, 0333, 0334, 0335, 0336, 0337, 0338, 0339, 0340, 0341, 0342, 0343, 0344, 0345, 0346, 0347, 0348, 0349, 0350, 0351, 0352, 0353, 0354, 0355, 0356, 0357, 0358, 0359, 0360, 0361, 0362, 0363, 0364, 0365, 0366, 0367, 0368, 0369, 0370, 0371, 0372, 0373, 0374, 0375, 0376, 0377, 0378, 0379, 0380, 0381, 0382, 0383, 0384, 0385, 0386, 0387, 0388, 0389, 0390, 0391, 0392, 0393, 0394, 0395, 0396, 0397, 0398, 0399, 0400, 0401, 0402, 0403, 0404, 0405, 0406, 0407, 0408, 0409, 0410, 0411, 0412, 0413, 0414, 0415, 0416, 0417, 0418, 0419, 0420, 0421, 0422, 0423, 0424, 0425, 0426, 0427, 0428, 0429, 0430, 0431, 0432, 0433, 0434, 0435, 0436, 0437, 0438, 0439, 0440, 0441, 0442, 0443, 0444, 0445, 0446, 0447, 0448, 0449, 0450, 0451, 0452, 0453, 0454, 0455, 0456, 0457, 0458, 0459, 0460, 0461, 0462, 0463, 0464, 0465, 0466, 0467, 0468, 0469, 0470, 0471, 0472, 0473, 0474, 0475, 0476, 0477, 0478, 0479, 0480, 0481, 0482, 0483, 0484, 0485, 0486, 0487, 0488, 0489, 0490, 0491, 0492, 0493, 0494, 0495, 0496, 0497, 0498, 0499, 0500, 0501, 0502, 0503, 0504, 0505, 0506, 0507, 0508, 0509, 0510, 0511, 0512, 0513, 0514, 0515, 0516, 0517, 0518, 0519, 0520, 0521, 0522, 0523, 0524, 0525, 0526, 0527, 0528, 0529, 0530, 0531, 0532, 0533, 0534, 0535, 0536, 0537, 0538, 0539, 0540, 0541, 0542, 0543, 0544, 0545, 0546, 0547, 0548, 0549, 0550, 0551, 0552, 0553, 0554, 0555, 0556, 0557, 0558, 0559, 0560, 0561, 0562, 0563, 0564, 0565, 0566, 0567, 0568, 0569, 0570, 0571, 0572, 0573, 0574, 0575, 0576, 0577, 0578, 0579, 0580, 0581, 0582, 0583, 0584, 0585, 0586, 0587, 0588, 0589, 0590, 0591, 0592, 0593, 0594, 0595, 0596, 0597, 0598, 0599, 0600, 0601, 0602, 0603, 0604, 0605, 0606, 0607, 0608, 0609, 0610, 0611, 0612, 0613, 0614, 0615, 0616, 0617, 0618, 0619, 0620, 0621, 0622, 0623, 0624, 0625, 0626, 0627, 0628, 0629, 0630, 0631, 0632, 0633, 0634, 0635, 0636, 0637, 0638, 0639, 0640, 0641, 0642, 0643, 0644, 0645, 0646, 0647, 0648, 0649, 0650, 0651, 0652, 0653, 0654, 0655, 0656, 0657, 0658, 0659, 0660, 0661, 0662, 0663, 0664, 0665, 0666, 0667, 0668, 0669, 0670, 0671, 0672, 0673, 0674, 0675, 0676, 0677, 0678, 0679, 0680, 0681, 0682, 0683, 0684, 0685, 0686, 0687, 0688, 0689, 0690, 0691, 0692, 0693, 0694, 0695, 0696, 0697, 0698, 0699, 0700, 0701, 0702, 0703, 0704, 0705, 0706, 0707, 0708, 0709, 0710, 0711, 0712, 0713, 0714, 0715, 0716, 0717, 0718, 0719, 0720, 0721, 0722, 0723, 0724, 0725, 0726, 0727, 0728, 0729, 0730, 0731, 0732, 0733, 0734, 0735, 0736, 0737, 0738, 0739, 0740, 0741, 0742, 0743, 0744, 0745, 0746, 0747, 0748, 0749, 0750, 0751, 0752, 0753, 0754, 0755, 0756, 0757, 0758, 0759, 0760, 0761, 0762, 0763, 0764, 0765, 0766, 0767, 0768, 0769, 0770, 0771, 0772, 0773, 0774, 0775, 0776, 0777, 0778, 0779, 0780, 0781, 0782, 0783, 0784, 0785, 0786, 0787, 0788, 0789, 0790, 0791, 0792, 0793, 0794, 0795, 0796, 0797, 0798, 0799, 0800, 0801, 0802, 0803, 0804, 0805, 0806, 0807, 0808, 0809, 0810, 0811, 0812, 0813, 0814, 0815, 0816, 0817, 0818, 0819, 0820, 0821, 0822, 0823, 0824, 0825, 0826, 0827, 0828, 0829, 0830, 0831, 0832, 0833, 0834, 0835, 0836, 0837, 0838, 0839, 0840, 0841, 0842, 0843, 0844, 0845, 0846, 0847, 0848, 0849, 0850, 0851, 0852, 0853, 0854, 0855, 0856, 0857, 0858, 0859, 0860, 0861, 0862, 0863, 0864, 0865, 0866, 0867, 0868, 0869, 0870, 0871, 0872, 0873, 0874, 0875, 0876, 0877, 0878, 0879, 0880, 0881, 0882, 0883, 0884, 0885, 0886, 0887, 0888, 0889, 0890, 0891, 0892, 0893, 0894, 0895, 0896, 0897, 0898, 0899, 0900, 0901, 0902, 0903, 0904, 0905, 0906, 0907, 0908, 0909, 0910, 0911, 0912, 0913, 0914, 0915, 0916, 0917, 0918, 0919, 0920, 0921, 0922, 0923, 0924, 0925, 0926, 0927, 0928, 0929, 0930, 0931, 0932, 0933, 0934, 0935, 0936, 0937, 0938, 0939, 0940, 0941, 0942, 0943, 0944, 0945, 0946, 0947, 0948, 0949, 0950, 0951, 0952, 0953, 0954, 0955, 0956, 0957, 0958, 0959, 0960, 0961, 0962, 0963, 0964, 0965, 0966, 0967, 0968, 0969, 0970, 0971, 0972, 0973, 0974, 0975, 0976, 0977, 0978, 0979, 0980, 0981, 0982, 0983, 0984, 0985, 0986, 0987, 0988, 0989, 0990, 0991, 0992, 0993, 0994, 0995, 0996, 0997, 0998, 0999, 1000. SEARCHING EXISTING DATA SOURCES, GATHERING AND MAINTAINING THE DATA NEEDED, AND COMPLETING AND REVIEWING THE COLLECTION OF INFORMATION. SUBJECT TO PROTECTION ORDER IN WFO DOCKET NO. 10-203 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>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.</i></p> <p>BORROWER NAME</p> <p>Mescalero Apache Telecom, Inc.</p> <p align="center">(Prepared with Audited Data)</p>
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<p><i>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.</i></p>	<p>PERIOD ENDING December, 2014</p>	<p>BORROWER DESIGNATION NM0523</p>
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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)

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.

Godfrey Enjady 6/23/2015

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	404,442	372,047	25. Accounts Payable	324,693	264,701
2. Cash-RUS Construction Fund	116,811	116,811	26. Notes Payable		258,310
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt	835,614	884,432
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases	216,352	63,568
a. Telecom, Accounts Receivable	51,815	48,533	32. Income Taxes Accrued		
b. Other Accounts Receivable	396,341	527,531	33. Other Taxes Accrued	3,559	1,110
c. Notes Receivable			34. Other Current Liabilities	56,180	92,663
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,436,398	1,564,784
6. Material-Regulated	41,952	45,597	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	3,554,157	2,872,948
8. Prepayments	56,501	39,988	37. Funded Debt-RTB Notes	868,123	703,906
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,067,862	1,150,507	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. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease	88,627	88,917
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	121,444	139,677
b. Nonrural Development	1,000	1,000	46. Total Long-Term Debt (36 thru 45)	4,632,351	3,805,448
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	45,364	106,534	47. Other Long-Term Liabilities	30,108	30,108
15. Deferred Charges		2,830	48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	46,364	110,364	50. Total Other Liabilities and Deferred Credits (47 thru 49)	30,108	30,108
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	16,116,729	13,235,786	51. Cap. Stock Outstand. & Subscribed	400,000	400,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	12,704	1,166	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	10,311,904	7,469,696	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	5,817,529	5,767,256	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	432,898	1,227,787
	6,931,755	7,028,127	58. Total Equity (51 thru 57)	832,898	1,627,787
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	6,931,755	7,028,127

Total Equity = 23.16% % of Total Assets

**OPERATING REPORT FOR
 TELECOMMUNICATIONS BORROWERS**

NM0523

PERIOD ENDING

December, 2014

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	2,711,625	2,756,803
2. Network Access Services Revenues	1,916,076	2,368,424
3. Long Distance Network Services Revenues	263	(2,152)
4. Carrier Billing and Collection Revenues	222	248
5. Miscellaneous Revenues	216,301	315,931
6. Uncollectible Revenues	(1,702)	10,514
7. Net Operating Revenues (1 thru 5 less 6)	4,846,189	5,428,740
8. Plant Specific Operations Expense	1,388,639	1,344,499
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	606,134	558,021
10. Depreciation Expense	795,973	755,793
11. Amortization Expense	155,459	145,630
12. Customer Operations Expense	285,284	240,005
13. Corporate Operations Expense	1,400,894	1,399,230
14. Total Operating Expenses (8 thru 13)	4,632,383	4,443,178
15. Operating Income or Margins (7 less 14)	213,806	985,562
16. Other Operating Income and Expenses	(40)	(168)
17. State and Local Taxes		
18. Federal Income Taxes	1,208	
19. Other Taxes	9,629	12,901
20. Total Operating Taxes (17+18+19)	10,837	12,901
21. Net Operating Income or Margins (15+16-20)	202,929	972,493
22. Interest on Funded Debt	297,635	260,008
23. Interest Expense - Capital Leases	22,349	16,104
24. Other Interest Expense		936
25. Allowance for Funds Used During Construction	9,287	3,395
26. Total Fixed Charges (22+23+24-25)	310,697	273,653
27. Nonoperating Net Income	(15,034)	(4,921)
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	57,659	100,971
31. Total Net Income or Margins (21+27+28+29+30-26)	(65,143)	794,890
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	539,147	474,004
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		41,107
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	474,004	1,227,787
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	1,119,638	1,348,608
45. Cash Ratio [(14+20-10-11) / 7]	0.7618	0.6548
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0222	0.8712
47. TIER [(31+26) / 26]	0.7903	3.9047
48. DSCR [(31+26+10+11) / 44]	1.0691	1.4607

**OPERATING REPORT FOR
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BORROWER DESIGNATION
 NM0523
 PERIOD ENDED
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INSTRUCTIONS - See RUS Bulletin 1744-2

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Mescalero						243.00	115.70
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			0	0	0	243.00	115.70
No. Exchanges	1						

**OPERATING REPORT FOR
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INSTRUCTIONS - See RUS Bulletin 1744-2

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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)
Mescalero				1,500	512	19.99	Package	
Total	0	0						

SUBJECT TO RUS PROTECTIVE ORDER IN WC DOCKET NOS. 10-90 GN DOCKET NO. 09-51, CC DOCKET NOS. 01-92, 96-45, WT DOCKET NO. 10-208 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION NM0523
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INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees <p style="text-align: center;">11</p>	2. No. Other Employees <p style="text-align: center;">13</p>	3. Square Miles Served <p style="text-align: center;">740</p>	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 491231 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
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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)	849,497
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	849,497

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	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development					

USDA-BUS
 SUBJECT TO PROTECTIVE ORDER IN WT DOCKET NOS. 10-90, 07-135, 05-337, 03-109,
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**OPERATING REPORT FOR
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 December, 2014

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	16.00%
2. Land and support assets - Aircraft	14.30%
3. Land and support assets - Special purpose vehicles	8.33%
4. Land and support assets - Garage and other work equipment	10.00%
5. Land and support assets - Buildings	3.00%
6. Land and support assets - Furniture and Office equipment	10.00%
7. Land and support assets - General purpose computers	16.67%
8. Central Office Switching - Digital	8.80%
9. Central Office Switching - Analog & Electro-mechanical	8.80%
10. Central Office Switching - Operator Systems	12.50%
11. Central Office Transmission - Radio Systems	12.50%
12. Central Office Transmission - Circuit equipment	11.00%
13. Information origination/termination - Station apparatus	20.00%
14. Information origination/termination - Customer premises wiring	20.00%
15. Information origination/termination - Large private branch exchanges	20.00%
16. Information origination/termination - Public telephone terminal equipment	14.29%
17. Information origination/termination - Other terminal equipment	20.00%
18. Cable and wire facilities - Poles	4.00%
19. Cable and wire facilities - Aerial cable - Metal	5.00%
20. Cable and wire facilities - Aerial cable - Fiber	4.00%
21. Cable and wire facilities - Underground cable - Metal	5.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.10%
24. Cable and wire facilities - Buried cable - Fiber	5.60%
25. Cable and wire facilities - Conduit systems	3.50%
26. Cable and wire facilities - Other	5.00%

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION NM0523 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)	521,253
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	794,890
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	755,793
4. Add: Amortization	145,630
5. Other (Explain) Depreciation on Non-Regulated Plant	8,512
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	(127,908)
7. Decrease/(Increase) in Materials and Inventory	(3,645)
8. Decrease/(Increase) in Prepayments and Deferred Charges	13,683
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	(59,992)
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	34,034
13. Net Cash Provided/(Used) by Operations	1,560,997
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	0
15. Increase/(Decrease) in Notes Payable	258,310
16. Increase/(Decrease) in Customer Deposits	0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(930,869)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	0
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	0
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	(672,559)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	2,892,481
25. Other Long-Term Investments	0
26. Other Noncurrent Assets & Jurisdictional Differences	(61,170)
27. Other (Explain) Cost of Plant Retired and Net Salvage	(3,752,144)
28. Net Cash Provided/(Used) by Investing Activities	(920,833)
29. Net Increase/(Decrease) in Cash	(32,395)
30. Ending Cash	488,858

CONFIDENTIAL INFORMATION -

SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109,

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USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION NM0523
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NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION NM0523
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CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	