

<b>FCC Form 481 - Carrier Annual Reporting Data Collection Form</b>	<b>FCC Form 481</b> OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	482246
<015> Study Area Name	MID-RIVERS TEL COOP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Erin Lutts
<035> Contact Telephone Number: Number of the person identified in data line <030>	406-687-3336
<039> Contact Email Address: Email of the person identified in data line <030>	Erin.Lutts@midrivers.coop

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	<b>54.313 Completion Required</b>	<b>54.422 Completion Required</b>
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<i>(check box when complete)</i>		
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input type="checkbox"/>
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	<input type="text" value="1"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	482246mt310 <i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	<input type="text"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<input type="text"/> <i>(attach descriptive document)</i>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>
<420> Mobile	<input type="text"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input type="checkbox"/>
<440> Fixed	<input type="text"/>	<input type="checkbox"/>
<450> Mobile	<input type="text"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>
<510> <input type="text" value="482246mt510"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>
<610> <input type="text" value="482246mt610"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	<i>(if yes, complete attached worksheet)</i>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	<i>(check to indicate certification)</i>	<input type="checkbox"/>
<1010> <input type="text"/>	<i>(attach descriptive document)</i>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	<i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

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

<2000>	<i>(check to indicate certification)</i>	<input type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	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)	<input type="radio"/>	<input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing §54.202(a) "5			
<111> year plan" filed with the FCC?	(yes / no)	<input type="radio"/>	<input type="radio"/>

If your answer to Line <111> is yes, then you are required to 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.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, 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 (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.










<b>(900) Tribal Lands Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<910> Tribal Land(s) on which ETC Serves Fort Peck Tribes of Assiniboine and Sioux  
Crow Nation  
Turtle Mountain Trust Lands

<920> Tribal Government Engagement Obligation

482246mt920

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, 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,No, NA)
Yes
Yes

**(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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<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box 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)

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	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 482246mt1210

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Name of attached document (.pdf)

<1220> Link to Public Website HTTP \_\_\_\_\_

“Please check these boxes below to confirm that the attached PDF, 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,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

**(2000) Price Cap Carrier Additional Documentation**

FCC Form 481

**Data Collection Form**

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

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

July 2013

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**CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen 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)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

**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)}**

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021> Interim Progress Community Anchor Institutions  Name of Attached Document Listing Required Information \_\_\_\_\_

<b>(3000) Rate Of Return Carrier Additional Documentation</b>	FCC Form 481
<b>Data Collection Form</b>	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

-	Study Area Code	482246
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<039>	Contact Email Address - Email Address of person identified in data line <030>	Erin.Lutts@midrivers.coop

**CHECK the boxes below to note compliance on its 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.**

**Progress Report on 5 Year Plan**

<p>(3010) Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF , on line 3012,</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input type="checkbox"/></p>
<p>(3011) contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.</p>		
<p>(3012) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input checked="" type="checkbox"/> (Yes/No)</p>
<p>(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}</p>		<p><input checked="" type="checkbox"/> (Yes/No)</p>
<p>(3014) If yes, does your company file the RUS annual report 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:</p>		<p><input checked="" type="checkbox"/></p>
<p>(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)</p>		<p><input checked="" type="checkbox"/></p>
<p>(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input checked="" type="checkbox"/></p>
<p>(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation</p>	<p>Name of Attached Document Listing Required Information</p>	<p>482246mt3017</p>
<p>(3018) If the response is no on line 3014, Is your company audited?  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 :</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input type="checkbox"/> (Yes/No)</p>
<p>(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications</p>		<p><input type="checkbox"/></p>
<p>(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3021) Management letter 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:</p>		<p><input type="checkbox"/></p>
<p>(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,</p>		<p><input type="checkbox"/></p>
<p>(3023) Underlying information subjected to a review by an independent certified public accountant</p>		<p><input type="checkbox"/></p>
<p>(3024) Underlying information subjected to an officer certification.</p>		<p><input type="checkbox"/></p>
<p>(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input type="checkbox"/></p>

<b>Certification - Reporting Carrier Data Collection Form</b>	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:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
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:	MID-RIVERS TEL COOP
Signature of Authorized Officer:	CERTIFIED ONLINE <span style="float: right;">Date 10/09/2013</span>
Printed name of Authorized Officer:	Alan Sevier
Title or position of Authorized Officer:	PRESIDENT
Telephone number of Authorized Officer:	406-485-3301
Study Area Code of Reporting Carrier:	482246 <span style="float: right;">Filing Due Date for this form: 10/15/2013</span>
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.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	Erin.Lutts@midrivers.coop

**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) _____ 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: _____	
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: _____
<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: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
<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

**(310) Unfulfilled Service Requests (Voice) – Details on Attempts to Provide Voice Service**

Study Area Code: **482246**

Study Area Name: **Mid-Rivers Tel Coop**

Program Year: **2014**

Contact Name : **Erin Lutts**

Contact Telephone Number: **406-687-3336**

Contact Email Address: **Erin.Lutts@midrivers.coop**

Mid-Rivers was unable to reasonably provide wireline voice service to one (1) subscriber located in an extremely remote rural area of Custer County, Montana, in calendar year 2012. This subscriber was previously served using wireless radio equipment. The radio equipment failed and could not be repaired as it was manufacturer discontinued. Construction of wireline facilities to this subscriber would require several miles of construction through difficult terrain, as well as multiple easements and permits from various state and federal agencies. Mid-Rivers has purchased a satellite phone subscription to provide voice service to this customer until a better solution becomes reasonably available.

**CERTIFICATION OF MID-RIVERS TELEPHONE COOPERATIVE, INC.****Reporting Period January 1 – December 31, 2012****Sec. 54.313(a)(5) & 54.422 Service Quality Standards and Consumer Protection Rules Compliance**

Pursuant to § 54.313(a)(5) for High-cost Recipients and § 54.422 for Lifeline Recipients, Mid-Rivers Telephone Cooperative, Inc. (Mid-Rivers), hereby certifies that it is in compliance with applicable service quality standards and consumer protection rules. Mid-Rivers follows Customer Proprietary Network Information (CPNI) rules and also files the annual CPNI certification with the FCC pursuant to the FCC's current CPNI rules and regulations. Attached is a copy of the annual notice sent to customers on matters related to customer privacy. Mid-Rivers has also implemented an Identity Theft Prevention Program in accordance with the federal Red Flag Rules.

I verify that the foregoing is true and correct. Executed on October 8, 2013.

A handwritten signature in blue ink, appearing to read "Bill Wade", is written over a horizontal line.

Bill Wade, General Manager, Mid-Rivers Telephone Cooperative, Inc.

# CPNI

## ***An Important Message About the Privacy of Your Customer Proprietary Network Information (CPNI)***

Protecting customer privacy is of utmost importance to Mid-Rivers Telephone Cooperative, Inc. (Mid-Rivers), its divisions, and its employees. Under federal law you have the right and we have the duty to protect the privacy of your confidential customer information. Your confidential customer information is referred to as "customer proprietary network information" or "CPNI." Please take a moment to read this important message about the privacy of your CPNI.

What is CPNI? CPNI includes the types of telecommunications services and features you purchase, how you use these services and the related billing information. CPNI does not include your telephone number, your name or your address. Note: if your telephone number is non-published, it will be kept confidential. You have the right to restrict use of, disclosure of, and access to your CPNI.

Mid-Rivers offers various communications-related services, including local telephone, long distance, Internet, cable television and wireless services. In order to better serve your communication needs, from time to time, we would like to share your CPNI across the product lines within Mid-Rivers for our own marketing purposes. Our use of CPNI will enhance our ability to offer products and services tailored to your specific needs.

***continued on back***

# CPNI

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Mid-Rivers offers various communications-related services, including local telephone, long distance, Internet, cable television and wireless services. In order to better serve your communication needs, from time to time, we would like to share your CPNI across the product lines within Mid-Rivers for our own marketing purposes. Our use of CPNI will enhance our ability to offer products and services tailored to your specific needs.

***continued on back***

# CPNI

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What is CPNI? CPNI includes the types of telecommunications services and features you purchase, how you use these services and the related billing information. CPNI does not include your telephone number, your name or your address. Note: if your telephone number is non-published, it will be kept confidential. You have the right to restrict use of, disclosure of, and access to your CPNI.

Mid-Rivers offers various communications-related services, including local telephone, long distance, Internet, cable television and wireless services. In order to better serve your communication needs, from time to time, we would like to share your CPNI across the product lines within Mid-Rivers for our own marketing purposes. Our use of CPNI will enhance our ability to offer products and services tailored to your specific needs.

***continued on back***

Mid-Rivers will not sell or otherwise disclose your customer information to third parties, except where required by law.

To allow Mid-Rivers to use your CPNI in this way, no further action is required. If you would prefer that Mid-Rivers not use your CPNI to offer you additional products and services, you may write, email or call our business office at the address/number provided below, at any time. If we do not receive notification from you 33 days after mailing this notice, you are granting us permission to use your information to offer you products and services that you may find beneficial.

Your decision to permit or restrict the use of CPNI will remain in effect until you decide to change it - which you can do at any time without charge. Restricting your information will not affect the provision of any products or services you currently receive from Mid-Rivers. Please note that even if you choose to restrict Mid-Rivers' use of your CPNI, you may receive marketing information that has been developed without using your confidential information.

Thanks for your business.

Mid-Rivers Telephone Cooperative, Inc.  
Attention: Customer Service - CPNI  
P.O. Box 280  
Circle, MT 59215  
1-800-452-2288  
mrtc@midrivers.com  
www.midrivers.com



Mid-Rivers will not sell or otherwise disclose your customer information to third parties, except where required by law.

To allow Mid-Rivers to use your CPNI in this way, no further action is required. If you would prefer that Mid-Rivers not use your CPNI to offer you additional products and services, you may write, email or call our business office at the address/number provided below, at any time. If we do not receive notification from you 33 days after mailing this notice, you are granting us permission to use your information to offer you products and services that you may find beneficial.

Your decision to permit or restrict the use of CPNI will remain in effect until you decide to change it - which you can do at any time without charge. Restricting your information will not affect the provision of any products or services you currently receive from Mid-Rivers. Please note that even if you choose to restrict Mid-Rivers' use of your CPNI, you may receive marketing information that has been developed without using your confidential information.

Thanks for your business.

Mid-Rivers Telephone Cooperative, Inc.  
Attention: Customer Service - CPNI  
P.O. Box 280  
Circle, MT 59215  
1-800-452-2288  
mrtc@midrivers.com  
www.midrivers.com



Mid-Rivers will not sell or otherwise disclose your customer information to third parties, except where required by law.

To allow Mid-Rivers to use your CPNI in this way, no further action is required. If you would prefer that Mid-Rivers not use your CPNI to offer you additional products and services, you may write, email or call our business office at the address/number provided below, at any time. If we do not receive notification from you 33 days after mailing this notice, you are granting us permission to use your information to offer you products and services that you may find beneficial.

Your decision to permit or restrict the use of CPNI will remain in effect until you decide to change it - which you can do at any time without charge. Restricting your information will not affect the provision of any products or services you currently receive from Mid-Rivers. Please note that even if you choose to restrict Mid-Rivers' use of your CPNI, you may receive marketing information that has been developed without using your confidential information.

Thanks for your business.

Mid-Rivers Telephone Cooperative, Inc.  
Attention: Customer Service - CPNI  
P.O. Box 280  
Circle, MT 59215  
1-800-452-2288  
mrtc@midrivers.com  
www.midrivers.com



**CERTIFICATION OF MID-RIVERS TELEPHONE COOPERATIVE, INC.****Reporting Period January 1 – December 31, 2012****Sec. 54.313(a)(6) and 54.422 Ability to Function in an Emergency Situation**

Pursuant to § 54.313(a)(6) for High-cost Recipients and § 54.422 for Lifeline Recipients, Mid-Rivers Telephone Cooperative, Inc. (Mid-Rivers) hereby certifies that it is able to function in emergency situations as set forth in § 54.202(a)(2). Mid-Rivers is able to remain functional in an emergency situation through the use of back-up power to ensure functionality without an external power source. Mid-Rivers has backup battery or equivalent power reserve in its central offices, which enables the provision of service for a reasonable period of time if commercial/external power is lost. Mid-Rivers' network is engineered to handle reasonable excess traffic in the event of traffic spikes resulting from emergency situations. Mid-Rivers has redundancy in its network for use in re-rerouting traffic when facilities are damaged.

I verify that the foregoing is true and correct. Executed on October 8, 2013.



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Bill Wade, General Manager, Mid-Rivers Telephone Cooperative, Inc.



## **TRIBAL LAND OFFERINGS**

**Reporting Period January 1 – December 31, 2012**

### **Sec. 54.313(a)(9) Tribal Government Engagement Obligation Compliance**

Pursuant to § 54.313(a)(9) for High Cost recipients, Mid-Rivers Telephone Cooperative, Inc., conducted engagement efforts with the three Tribal Governments owning Tribal Lands within the Mid-Rivers Study Area. Those efforts are detailed below and on the attached documents.

Mid-Rivers worked with telecommunications consulting firm JSI to accurately identify all additional Tribal Lands located within our Study Area and locate the appropriate contact information for the relevant Tribal Governments as listed on the Bureau of Indian Affairs and National Congress of American Indians. The maps provided by JSI identifying the relevant Tribal Lands are included below. Mid-Rivers then made several attempts to contact these three Tribal Governments to initiate discussions regarding needs assessment and deployment planning, feasibility and sustainability planning, marketing services in a culturally sensitive manner, Rights of Way processes, Land Use permitting, facility siting, environmental and cultural preservation review process requirements, and Tribal business and licensing requirements. Correspondence documenting these outreach efforts is attached.

Mid-Rivers' Rural Development Representative, Kathleen McLane, attended the Montana Broadband Tribal Event hosted by the Montana Broadband Program in Great Falls, Montana, on October 29-30, 2012. At this event she was able to network with Tribal Council members and other delegates from Montana's Tribes and discuss broadband and other telecommunications needs.

## Erin Lutts

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**From:** Erin Lutts  
**Sent:** Tuesday, October 16, 2012 4:25 PM  
**To:** 'Skari, Trudy (SITSD)'  
**Cc:** Kathleen McLane  
**Subject:** RE: Montana Broadband Tribal Event

Trudy,

Thank you very much for the invitation. We plan to send Kathy McLane, our Rural Development Representative. We appreciate you involving the service providers in this effort!

Erin

Erin Lutts  
External Relations Manager  
213 W. Benham  
Glendive, MT 59330  
Phone: (406) 377-7438  
[Erin.Lutts@midrivers.coop](mailto:Erin.Lutts@midrivers.coop)



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**From:** Skari, Trudy (SITSD) [<mailto:TSkari@mt.gov>]  
**Sent:** Tuesday, October 16, 2012 3:48 PM  
**To:** Skari, Trudy (SITSD)  
**Subject:** Montana Broadband Tribal Event

Good Afternoon

We would like to invite you to an upcoming event that the Montana Broadband Program will be hosting in Great Falls on Oct 29, 30<sup>th</sup>.

The event is for Montana Tribal Councils and selected delegates, about broadband and you are invited to attend this event as well because of some of the direct services that you provide to the local Tribes and trust lands.

Please see attached the invitation and if you are interested in attending this event please contact me by OCT 25<sup>th</sup> so we can get an accurate count for meals.

Thank you and we look forward to seeing you at the event!

Sincerely,

Trudy Skari  
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452/330-1

# Mid-Rivers

TELEPHONE COOPERATIVE, INC.

P.O. Box 280 • 904 C Avenue  
Circle, Montana 59215  
(406) 485-3301 • Fax: (406) 485-2924  
800-452-2288 • www.midrivers.com

October 23, 2012

Floyd Azure, Chairman  
Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation  
P.O. Box 1027  
Poplar, MT 59255  
*Via U.S. Mail, Return Receipt Requested-Article Number 7010 0780 0001 6817 5980*

Chairman Azure:

Mid-Rivers Communications (“Mid-Rivers”), an independent telecommunications provider serving rural Eastern and Central Montana, wishes to engage with the Assiniboine and Sioux Tribal government of the Fort Peck Reservation about some potential opportunities for broadband expansion on Tribally-owned lands within our service area. Mid-Rivers has identified an area near Wolf Point that is both within our service area boundaries and part of the Fort Peck Reservation. We at Mid-Rivers are interested in learning about any telecommunications and broadband needs that residents and businesses in this area may have.

In November 2011, the Federal Communications Commission (“FCC”) comprehensively reformed the Universal Service Fund (“USF”) which helps companies like Mid-Rivers provide state-of-the-art communications services in high-cost and rural areas. Among the reforms, the FCC adopted a rule requiring Eligible Telecommunications Carriers (“ETCs”) who receive high-cost USF support to engage with Tribal leaders about broadband deployment on Tribally-owned lands and report annually on five specific outreach activities. In July 2012, the FCC’s Office of Native Affairs Policy (“ONAP”) issued specific guidance on outreach and engagement activities between telecommunications providers and Tribal governments. These initial outreach and engagement activities must take place by the end of 2012.

Mid-Rivers is committed to providing voice, video, and broadband services to rural and remote areas in Montana, and we would value the opportunity to invite you and other leaders from the Fort Peck Reservation Tribal government to discuss ways that we can meet your telecommunications and broadband needs. Specifically, Mid-Rivers would like to discuss the following items:

- Needs assessment and deployment planning focused on anchor institutions (such as schools, libraries and health centers);
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;

- Rights of way, permitting, facilities siting, environmental and cultural preservation processes;
- Compliance with Tribal business licensing requirements.

Mid-Rivers is interested in learning whether the Assiniboine and Sioux Tribes of the Fort Peck Reservation have any specific broadband needs that our company may be able to meet, depending on the scope and scale of the project. For example, are there any of your members within our service area who currently do not have access to broadband? Are there any needs such as distance learning or telemedicine that Mid-Rivers could help facilitate? We also want to make sure that we respect your cultural heritage, property rights, business customs, and any other rules and procedures of your government.

Mid-Rivers is a locally-owned cooperative and has been serving rural Montana for over 60 years. We are dedicated to serving and employing members of our community and we want to ensure that the individuals and businesses of the Fort Peck Reservation are served as best as possible.

Mid-Rivers extends this invitation to set up an in-person meeting or conference call between our management staff and members of your Tribal government at your earliest convenience. Please contact Erin Lutts, our External Relations Manager, at 406-377-7438 or [erin.lutts@midrivers.coop](mailto:erin.lutts@midrivers.coop). We look forward to discussing this important issue with you.

Respectfully,



Bill Wade  
General Manager

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> <i>Judy Grey Bear</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)            Judy Grey Bear • Fort Peck Tribes</p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:  <b>FLOYD AZURE            ASSINIBOINE &amp; SIOUX TRIBES            OF THE FORT PECK INDIAN            RESERVATION            PO BOX 1027            POPLAR, MT 59255</b></p>	<p>D. Is delivery address different from item 1?            PO Box 1027 Poplar, MT 59255            If YES, enter delivery address below.</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number            (Transfer from service label)</p>	<p>7010 0780 0001 6817 5980</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

## Erin Lutts

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**From:** Erin Lutts  
**Sent:** Monday, November 05, 2012 4:41 PM  
**To:** 'fazure@fortpecktribes.org'  
**Subject:** Broadband Needs

Chairman Azure,

We hope that you have received our letter of October 23, 2012, concerning opportunities for broadband expansion on your Tribally-owned lands. While our service area does not include any of your principle communities, schools, or hospitals, we do serve a very rural portion of your Tribal lands to the South of the Wolf Point community. As stated in our letter, Mid-Rivers Telephone Cooperative would like to discuss with you any specific broadband needs you might have in this area. We are not aware of any broadband needs here at the current time but are open to discussing the feasibility of meeting any needs you may identify.

If you would like to schedule a meeting, please contact me at 406-377-7438 or [erin.lutts@midrivers.coop](mailto:erin.lutts@midrivers.coop).

Respectfully,

Erin Lutts  
External Relations Manager  
213 W. Benham  
Glendive, MT 59330  
Phone: (406) 377-7438  
[Erin.Lutts@midrivers.coop](mailto:Erin.Lutts@midrivers.coop)



# Mid-Rivers

TELEPHONE COOPERATIVE, INC.

P.O. Box 280 • 904 C Avenue  
Circle, Montana 59215  
(406) 485-3301 • Fax: (406) 485-2924  
800-452-2288 • www.midrivers.com

October 23, 2012

Cedric Black Eagle, Chairman  
Crow Nation  
P.O. Box 159  
Crow Agency, MT 59022

*Via U.S. Mail, Return Receipt Requested-Article Number 7010 0780 0001 6817 5966*

Chairman Black Eagle:

Mid-Rivers Communications (“Mid-Rivers”), an independent telecommunications provider serving rural Eastern and Central Montana, wishes to engage with the Crow Nation Tribal government about telecommunications and broadband service on Tribally-owned lands within our service area. Mid-Rivers has identified a few small areas near the town of Custer that are both within our service area boundaries and belong to the Crow Off-Reservation Trust. We at Mid-Rivers are interested in learning if there are any telecommunications needs on these properties.

We have no knowledge of any individuals or businesses on these properties, and as such we do not currently provide voice or broadband service there. However, if anyone from the Crow Nation does occupy this land or if you have plans to develop this land, please feel free to reach out to us and we can discuss the needs and feasibility of providing voice and broadband service on these properties. We have included a map of the area for your reference, where Crow Off-Reservation Trust lands are indicated in yellow.

In November 2011, the Federal Communications Commission (“FCC”) comprehensively reformed the Universal Service Fund (“USF”) which helps companies like Mid-Rivers provide state-of-the-art communications services in high-cost and rural areas. Among the reforms, the FCC adopted a rule requiring Eligible Telecommunications Carriers (“ETCs”) who receive high-cost USF support to engage with Tribal leaders about broadband deployment on Tribally-owned lands and report annually on five specific outreach activities. In July 2012, the FCC’s Office of Native Affairs Policy (“ONAP”) issued specific guidance on outreach and engagement activities between telecommunications providers and Tribal governments. These initial outreach and engagement activities must take place by the end of 2012.

Mid-Rivers is committed to providing voice, video, and broadband services to rural and remote areas in Montana; and we would value the opportunity to learn about your members’ needs within our service area. If you wish to engage with us about expanding telecommunications and broadband services to Crow Nation lands, Mid-Rivers is available to discuss the following items:

- Needs assessment and deployment planning focused on anchor institutions (such as schools, libraries and health centers);
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Rights of way, permitting, facilities siting, environmental and cultural preservation processes;
- Compliance with Tribal business licensing requirements.

Mid-Rivers is a locally-owned cooperative and has been serving rural Montana for over 60 years. We are dedicated to serving and employing members of our communities and we want to ensure that any individuals and businesses of the Crow Nation within our service area are served as best as possible.

Mid-Rivers extends this invitation to set up an in-person meeting or conference call with members of your Tribal government at your earliest convenience. Please contact Erin Lutts, our External Relations Manager, at 406-377-7438 or [erin.lutts@midrivers.coop](mailto:erin.lutts@midrivers.coop). We look forward to discussing this important issue with you.

Respectfully,

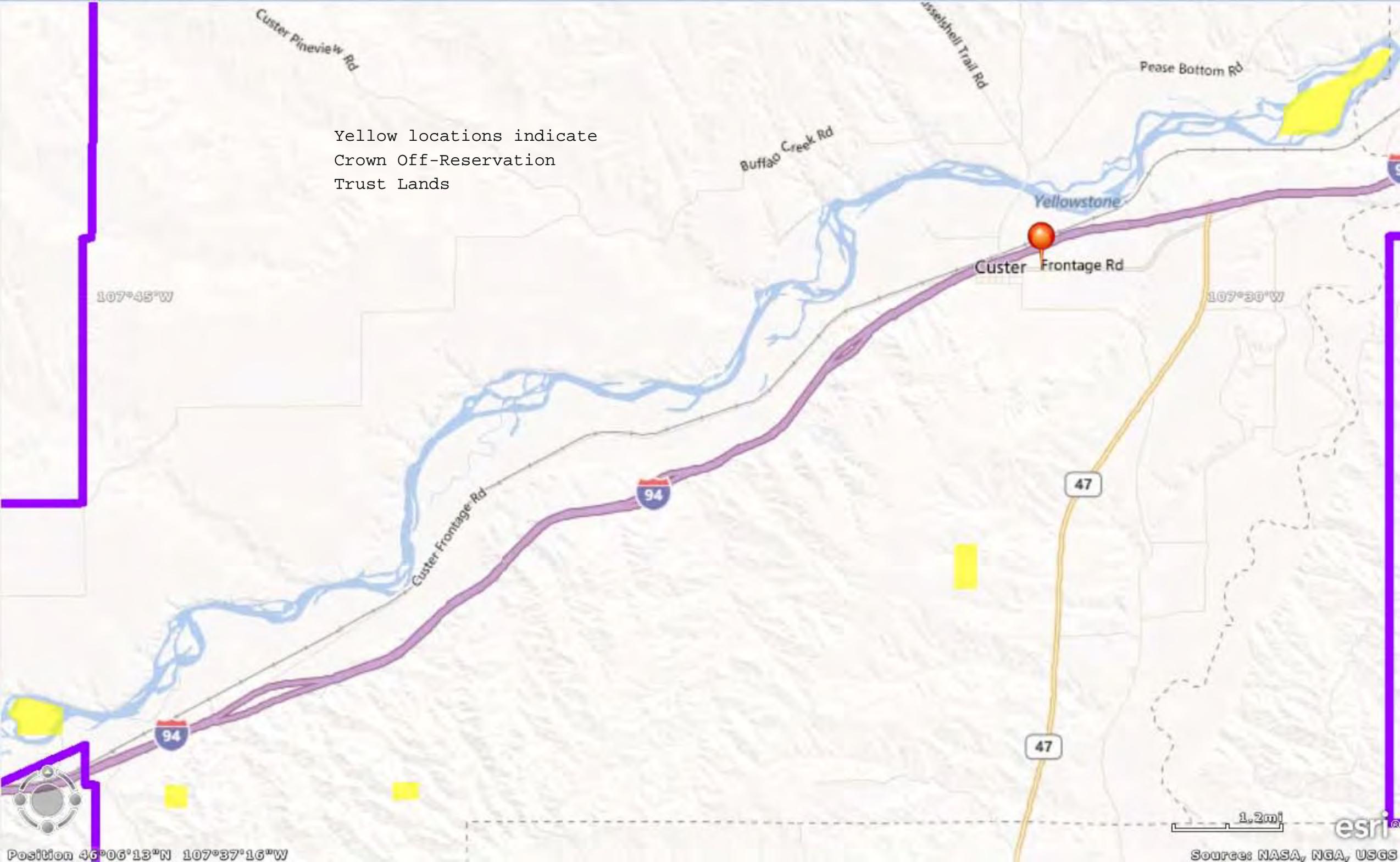


Bill Wade  
General Manager

Enclosure

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>Pauline Stewart</i> <input type="checkbox"/> Addressee
1. Article Addressed to:  <b>CEDRIC BLACK EAGLE CROW NATION PO BOX 159 CROW AGENCY, MT 59022</b>	B. Received by (Printed Name) <input type="checkbox"/> Agent <i>Pauline Stewart</i> <input type="checkbox"/> Addressee C. Date of Delivery
2. Article Number <i>(Transfer from service label)</i>	D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No  
PS Form 3811, February 2004	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes  7010 0780 0001 6817 5966 Domestic Return Receipt 102595-02-M-1540

Yellow locations indicate  
Crown Off-Reservation  
Trust Lands



107°45'W

107°30'W

94

94

47

47

1.2mi

esri

Source: NASA, NGA, USGS

# **Mid-Rivers**

TELEPHONE COOPERATIVE, INC.

P.O. Box 280 • 904 C Avenue  
Circle, Montana 59215  
(406) 485-3301 • Fax: (406) 485-2924  
800-452-2288 • www.midrivers.com

October 23, 2012

Merle St. Clair, Chairman  
Turtle Mountain Band of Chippewa  
P.O. Box 900  
Belcourt, ND 58316-0900

*Via U.S. Mail, Return Receipt Requested-Article Number 7010 0780 0001 6817 5973*

Chairman St. Clair:

Mid-Rivers Communications (“Mid-Rivers”), an independent telecommunications provider serving rural Eastern and Central Montana, wishes to engage with the Turtle Mountain Band of Chippewa government about telecommunications and broadband service on Tribally-owned lands within our service area. Mid-Rivers has identified a few small areas in McCone County Montana that are both within our service area boundaries and belong to the Turtle Mountain Off-Reservation Trust. We at Mid-Rivers are interested in learning if there are any telecommunications needs on these properties.

We have no knowledge of any individuals or businesses on these remote properties, and as such we do not currently provide voice or broadband service there. However, if anyone from the Turtle Mountain Band of Chippewa does occupy this land or if you have plans to develop this land, please feel free to reach out to us and we can discuss the needs and feasibility of providing voice and broadband service on these properties. We have included a map of the area for your reference, where Turtle Mountain Off-Reservation Trust lands are indicated in yellow.

In November 2011, the Federal Communications Commission (“FCC”) comprehensively reformed the Universal Service Fund (“USF”) which helps companies like Mid-Rivers provide state-of-the-art communications services in high-cost and rural areas. Among the reforms, the FCC adopted a rule requiring Eligible Telecommunications Carriers (“ETCs”) who receive high-cost USF support to engage with Tribal leaders about broadband deployment on Tribally-owned lands and report annually on five specific outreach activities. In July 2012, the FCC’s Office of Native Affairs Policy (“ONAP”) issued specific guidance on outreach and engagement activities between telecommunications providers and Tribal governments. These initial outreach and engagement activities must take place by the end of 2012.

Mid-Rivers is committed to providing voice, video, and broadband services to rural and remote areas in Montana; and we would value the opportunity to learn about your community within our service area. If you wish to engage with us about expanding telecommunications and broadband services to Turtle Mountain Off-Reservation Trust lands, Mid-Rivers is available to discuss the following items:

- Needs assessment and deployment planning focused on anchor institutions (such as schools, libraries and health centers);
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Rights of way, permitting, facilities siting, environmental and cultural preservation processes;
- Compliance with Tribal business licensing requirements.

Mid-Rivers is a locally-owned cooperative and has been serving rural Montana for over 60 years. We are dedicated to serving and employing members of our community and we want to ensure that any individuals and businesses of the Turtle Mountain Band of Chippewa within our service area are served as best as possible.

Mid-Rivers extends this invitation to set up an in-person meeting or conference call with members of your Tribal government at your earliest convenience. Please contact Erin Lutts, our External Relations Manager, at 406-377-7438 or [erin.lutts@midrivers.coop](mailto:erin.lutts@midrivers.coop). We look forward to discussing this important issue with you.

Respectfully,



Bill Wade  
General Manager

Enclosure

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<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> <i>Erin Lutts</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <b>MERLE ST. CLAIR            TURTLE MOUNTAIN BAND OF            CHIPPEWA            PO BOX 900            BELCOURT, ND 58316-0900</b>	B. Received by (Printed Name)	C. Date of Delivery 10-20-12
2. Article Number (Transfer from service label)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7010 0780 0001 6817 5973		
Domestic Return Receipt 102595-02-M-1540		

Yellow locations indicate  
Turtle Mountain Off-Reservation  
Trust Lands

106°07'30"W

105°52'30"W

24

47°45'N

M C C O N E

2.1mi

esri®



Position 47°51'10"N 105°59'38"W

Source: USGS

## **Lifeline Terms & Conditions**

### ***Mid-Rivers Telephone Cooperative, Inc.***

#### **Lifeline Program Plan**

The Mid-Rivers Lifeline plan provides voice-grade access to the public switched telephone network, local usage, touch tone, single-party service, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, primary published directory listing, and toll limitation (toll blocking) at the eligible consumer's principal place of residence.

#### **Number of Minutes Provided**

The Mid-Rivers Lifeline plan provides unlimited local calling.

#### **Additional Charges**

Long distance (toll) calling is not included in the Lifeline plan but is available starting at \$0.20 per minute (\$0.10 per minute on weekends and holidays) or \$24.99 per month for 200 minutes. Lifeline subscribers may also choose from any other available long distance service providers.

#### **Rates**

The monthly rate for this service varies depending on the customer's location. The rate is based on the standard monthly residential local service charge in the customer's exchange less the \$9.25 per month discount for eligible Lifeline subscribers.

Additional discounts are available to qualifying individuals residing on Tribal Lands under the Enhanced Lifeline program. Enhanced Lifeline support currently offers additional Lifeline support of up to \$25.00 per month. The lowest generally available residential rate is \$0.00 for Enhanced Lifeline service to qualifying low-income consumers.

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

USDA-RUS		This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER NAME	
		Mid-Rivers Telephone Cooperative, Inc.  (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2012	BORROWER DESIGNATION MT0512
<b>CERTIFICATION</b>			
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.			
<b>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.</b>			
<b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b>			
(Check one of the following)			
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report	
William Wade		3/29/2013	
		DATE	

PART A. BALANCE SHEET					
ASSETS	BALANCE		LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	5,036,296	6,354,521	25. Accounts Payable	1,040,072	1,322,072
2. Cash-RUS Construction Fund	104	104	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	796,750	867,095
a. Telecom, Accounts Receivable	1,902,895	1,950,980	28. Customer Deposits	174,076	226,536
b. Other Accounts Receivable	(360)	2,566	29. Current Mat. L/T Debt	3,591,212	3,701,508
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.	50,000	50,000
4. Non-Affiliates:			31. Current Mat.-Capital Leases	0	0
a. Telecom, Accounts Receivable	0	0	32. Income Taxes Accrued	0	(264,610)
b. Other Accounts Receivable	2,142,854	(1,047,996)	33. Other Taxes Accrued	590,353	612,292
c. Notes Receivable	0	0	34. Other Current Liabilities	3,713,059	4,591,777
5. Interest and Dividends Receivable	385	310	35. Total Current Liabilities (25 thru 34)	9,955,522	11,106,670
6. Material-Regulated	1,356,695	2,350,765	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	16,268,996	14,769,430
8. Prepayments	234,896	243,319	37. Funded Debt-RTB Notes	12,546,086	11,477,828
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	10,673,765	9,854,569	39. Funded Debt-Other	2,777,777	1,666,667
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan	133,333	83,333
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Reacquired Debt	0	0
b. Nonrural Development	16,293,316	17,151,581	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	133,333	83,333	45. Other Long-Term Debt	0	0
b. Nonrural Development	1,789,301	2,006,752	46. Total Long-Term Debt (36 thru 45)	31,726,192	27,997,258
13. Nonregulated Investments	0	0	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	5,336,782	5,520,204
15. Deferred Charges	13,656	6,669	48. Other Deferred Credits	435,000	434,676
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total Noncurrent Assets (11 thru 16)	18,229,606	19,248,335	50. Total Other Liabilities and Deferred Credits (47 thru 49)	5,771,782	5,954,880
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	215,676,981	229,419,285	51. Cap. Stock Outstand. & Subscribed	0	0
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	8,657,271	4,388,704	53. Treasury Stock	0	0
21. Plant Adj., Nonop. Plant & Goodwill	10,649,757	10,019,335	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	148,772,810	157,289,957	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	86,211,199	86,537,367	56. Patronage Capital Credits	62,361,506	66,257,385
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	5,299,568	4,324,078
	115,114,570	115,640,271	58. Total Equity (51 thru 57)	67,661,074	70,581,463
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	115,114,570	115,640,271

Total Equity = 61.04% % of Total Assets

USDA-RUS

BORROWER DESIGNATION

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

MT0512

PERIOD ENDING

December, 2012

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	6,441,793	6,375,273
2. Network Access Services Revenues	18,413,854	17,500,870
3. Long Distance Network Services Revenues	2,648,893	2,453,637
4. Carrier Billing and Collection Revenues	188,315	187,815
5. Miscellaneous Revenues	8,364,432	9,174,978
6. Uncollectible Revenues	17,475	10,647
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>36,039,812</b>	<b>35,681,926</b>
8. Plant Specific Operations Expense	9,130,185	9,581,305
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	6,389,009	5,481,873
10. Depreciation Expense	9,798,823	9,046,454
11. Amortization Expense	631,248	630,422
12. Customer Operations Expense	1,884,052	2,186,024
13. Corporate Operations Expense	2,692,952	2,875,763
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>30,526,269</b>	<b>29,801,841</b>
15. Operating Income or Margins (7 less 14)	5,513,543	5,880,085
16. Other Operating Income and Expenses	9,867	32,216
17. State and Local Taxes	0	0
18. Federal Income Taxes	139,189	138,518
19. Other Taxes	1,180,932	1,224,871
<b>20. Total Operating Taxes (17+18+19)</b>	<b>1,320,121</b>	<b>1,363,389</b>
21. Net Operating Income or Margins (15+16-20)	4,203,289	4,548,912
22. Interest on Funded Debt	1,691,444	1,571,849
23. Interest Expense - Capital Leases	0	0
24. Other Interest Expense	0	0
25. Allowance for Funds Used During Construction	322,906	467,969
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>1,368,538</b>	<b>1,103,880</b>
27. Nonoperating Net Income	270,909	20,768
28. Extraordinary Items	0	0
29. Jurisdictional Differences	0	0
30. Nonregulated Net Income	2,193,907	858,278
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>5,299,567</b>	<b>4,324,078</b>
32. Total Taxes Based on Income	0	0
33. Retained Earnings or Margins Beginning-of-Year	3,828,913	5,299,568
34. Miscellaneous Credits Year-to-Date	175,011	149,817
35. Dividends Declared (Common)	0	0
36. Dividends Declared (Preferred)	0	0
37. Other Debits Year-to-Date	2,171,037	183,422
38. Transfers to Patronage Capital	1,832,886	5,265,963
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>5,299,568</b>	<b>4,324,078</b>
40. Patronage Capital Beginning-of-Year	61,891,377	62,361,506
41. Transfers to Patronage Capital	1,832,886	5,265,963
42. Patronage Capital Credits Retired	1,362,757	1,370,084
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>62,361,506</b>	<b>66,257,385</b>
44. Annual Debt Service Payments	5,460,887	5,190,487
45. Cash Ratio [(14+20-10-11) / 7]	0.5942	0.6022
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9216	0.9044
47. TIER [(31+26) / 26]	4.8724	4.9172
48. DSCR [(31+26+10+11) / 44]	3.1310	2.9101

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**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

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PERIOD ENDED

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**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)
Grass Range - 428	19.55	12.40	43	232	275	498.12	93.39
Jordan - 557	19.55	12.40	178	498	676	1,292.07	272.90
Lambert - 774	19.55	12.40	70	222	292	367.91	111.24
Lavina - 636	24.80	12.40	19	100	119	55.27	17.14
Lindsay - 584	19.55	12.40	13	71	84	177.54	.27
Melstone - 358	24.80	12.40	42	138	180	156.96	10.24
Musselshell - 947	19.55	12.40	28	311	339	574.74	73.94
North Ryegate - 575	19.55	12.40	11	141	152	300.83	3.99
Plevna - 772	19.55	12.40	48	192	240	416.63	83.20
Richey - 773	19.55	12.40	48	168	216	269.13	42.19
Rock Springs - 354	19.55	12.40	10	80	90	340.68	4.18
Roundup - 323	24.80	12.40	412	1,346	1,758	545.68	135.07
Roy - 464	19.55	12.40	37	110	147	280.73	39.93
Ryegate - 568	24.80	12.40	58	171	229	245.96	78.08
Savage - 776	24.80	12.40	34	156	190	62.27	14.87
South Wolf Point - 525	19.55	12.40	41	260	301	258.75	48.44
Terry - 635	19.55	12.40	125	259	384	66.36	18.85
West Glendive - 687	19.55	12.40	47	303	350	494.59	86.49
West Sidney - 798	19.55	12.40	55	278	333	427.59	70.91
Winnett - 429	19.55	12.40	69	266	335	576.79	170.65
Baker - 778	24.80	12.40	594	818	1,412	363.74	107.90
Bloomfield - 583	19.55	12.40	7	84	91	250.38	93.98
Carlisle - 588	19.55	12.40	3	48	51	104.03	8.03
Circle - 485	19.55	12.40	230	581	811	1,176.76	267.56
Custer - 856	19.55	12.40	40	119	159	242.36	152.62
Ekalaka - 775	19.55	12.40	122	448	570	760.78	85.92
Fallon - 486	19.55	12.40	25	237	262	511.80	116.07
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
<b>Total</b>			<b>2,409</b>	<b>7,637</b>	<b>10,046</b>	<b>10,818.45</b>	<b>2,208.05</b>
No. Exchanges	27						

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**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

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PERIOD ENDED

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

**4. BROADBAND SERVICE**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Details on Least Expensive Broadband Service				
				Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	StandAlone/Pckg (f)	Type Of Technology (g)
Baker - 778	1,412	883	271	768	256	32.95	StandAlone	DSL
Bloomfield - 583	91	63	10	768	256	32.95	StandAlone	DSL
Carlyle - 588	51	27	17	768	256	32.95	StandAlone	DSL
Circle - 485	811	484	270	768	256	32.92	StandAlone	DSL
Custer - 856	159	99	55	768	256	32.95	StandAlone	DSL
Ekalaka - 775	570	324	148	768	256	32.95	StandAlone	DSL
Fallon - 486	262	153	81	768	256	32.95	StandAlone	DSL
Grass Range - 428	275	157	82	768	256	32.95	StandAlone	DSL
Jordan - 557	676	354	165	768	256	32.95	StandAlone	DSL
Lambert - 774	292	198	22	768	256	32.95	StandAlone	DSL
Lavina - 636	119	77	42	768	256	32.95	StandAlone	DSL
Lindsay - 584	84	45	20	768	256	32.95	StandAlone	DSL
Melstone - 358	180	92	44	768	256	32.95	StandAlone	DSL
Musselshell - 947	339	210	107	768	256	32.95	StandAlone	DSL
North Ryegate - 575	152	91	35	768	256	32.95	StandAlone	DSL
Plevna - 772	240	137	63	768	256	32.95	StandAlone	DSL
Richey - 773	216	133	72	768	256	32.95	StandAlone	DSL
Rock Springs - 354	90	34	3	768	256	32.95	StandAlone	DSL
Roundup - 323	1,758	1,121	547	768	256	32.95	StandAlone	DSL
Roy - 464	147	75	36	768	256	32.95	StandAlone	DSL
Ryegate - 568	229	114	58	768	256	32.95	StandAlone	DSL
Savage - 776	190	134	64	768	256	32.95	StandAlone	DSL
South Wolf Point - 525	301	192	109	768	256	32.95	StandAlone	DSL
Terry - 635	384	252	150	768	256	32.95	StandAlone	DSL
West Glendive - 687	350	218	94	768	256	32.95	StandAlone	DSL
West Sidney - 798	333	245	101	768	256	32.95	StandAlone	DSL
Winnett - 429	335	185	67	768	256	32.95	StandAlone	DSL
Total	10,046	6,097						

USDA-RUS <b>OPERATING REPORT FOR          TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION MT0512
INSTRUCTIONS- See RUS Bulletin 1744-2	PERIOD ENDING December, 2012

**PART D. SYSTEM DATA**

1. No. Plant Employees 94	2. No. Other Employees 75	3. Square Miles Served 26,828	4. Access Lines per Square Mile .37	5. Subscribers per Route Mile .93
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**PART E. TOLL DATA**

1. Study Area ID Code(s) a. 482246 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 type="checkbox"/> Cost Basis
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**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	0
2. Other Long-Term Loan Funds Expended	0
3. Funds Expended Under RUS Interim Approval	0
4. Other Short-Term Loan Funds Expended	0
5. General Funds Expended (Other than Interim)	10,141,938
6. Salvaged Materials	33,480
7. Contribution in Aid to Construction	(163,096)
8. Gross Additions to Telecom. Plant (1 thru 7)	10,012,322

**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	0	858,275	1,824,830	15,326,751	17,151,581

USDA-RUS  
**OPERATING REPORT FOR  
 TELECOMMUNICATIONS BORROWERS**

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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	20.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	11.65%
5. Land and support assets - Buildings	2.50%
6. Land and support assets - Furniture and Office equipment	14.77%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	14.60%
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	9.86%
13. Information origination/termination - Station apparatus	12.07%
14. Information origination/termination - Customer premises wiring	12.07%
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	18.00%
17. Information origination/termination - Other terminal equipment	10.00%
18. Cable and wire facilities - Poles	10.00%
19. Cable and wire facilities - Aerial cable - Metal	7.00%
20. Cable and wire facilities - Aerial cable - Fiber	7.00%
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	5.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	5.00%
26. Cable and wire facilities - Other	6.00%

USDA-RUS		BORROWER DESIGNATION MT0512	
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		PERIOD ENDED December, 2012	
INSTRUCTIONS – See help in the online application.			
<b>PART I – STATEMENT OF CASH FLOWS</b>			
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		5,036,400	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>2. Net Income</b>		4,324,078	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation		9,046,454	
4. Add: Amortization		630,422	
5. Other (Explain) Other Taxes Accrued		(286,549)	
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable		3,139,839	
7. Decrease/(Increase) in Materials and Inventory		(994,070)	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(1,436)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		282,000	
11. Increase/(Decrease) in Advance Billings & Payments		70,345	
12. Increase/(Decrease) in Other Current Liabilities		878,718	
<b>13. Net Cash Provided/(Used) by Operations</b>		<b>17,089,801</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14. Decrease/(Increase) in Notes Receivable		0	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		52,460	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(3,618,638)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		183,098	
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		(1,370,084)	
22. Other (Explain) Interest and Dividends Receivable		(75)	
<b>23. Net Cash Provided/(Used) by Financing Activities</b>		<b>(4,753,239)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24. Net Capital Expenditures (Property, Plant & Equipment)		(9,473,737)	
25. Other Long-Term Investments		(1,025,716)	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) Subsidiary (Cable & Communications Corp.) Impacts		(518,884)	
<b>28. Net Cash Provided/(Used) by Investing Activities</b>		<b>(11,018,337)</b>	
<b>29. Net Increase/(Decrease) in Cash</b>		<b>1,318,225</b>	
<b>30. Ending Cash</b>		<b>6,354,625</b>	

Revision Date 2010

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  MT0512
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2012
<b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  MT0512
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2012
<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Mid-Rivers Telephone Cooperative, Inc.

(Prepared with Audited Data)

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

PERIOD ENDING  
December, 2011

BORROWER DESIGNATION  
MT0512

**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

William Wade

3/29/2012

DATE

**PART A. BALANCE SHEET**

ASSETS	BALANCE	BALANCE	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	4,334,224	5,036,296	25. Accounts Payable	1,417,783	1,040,072
2. Cash-RUS Construction Fund	1,433,512	104	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	790,323	796,750
a. Telecom, Accounts Receivable	1,935,270	1,902,895	28. Customer Deposits	165,026	174,076
b. Other Accounts Receivable	709,724	(360)	29. Current Mat. L/T Debt	3,721,290	3,591,212
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.	50,000	50,000
4. Non-Affiliates:			31. Current Mat.-Capital Leases	0	0
a. Telecom, Accounts Receivable	0	0	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	1,308,022	2,142,854	33. Other Taxes Accrued	593,239	590,353
c. Notes Receivable	346,982	0	34. Other Current Liabilities	3,052,837	3,713,059
5. Interest and Dividends Receivable	656	385	35. Total Current Liabilities (25 thru 34)	9,790,498	9,955,522
6. Material-Regulated	1,450,424	1,356,695	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	16,245,282	16,268,996
8. Prepayments	149,204	234,896	37. Funded Debt-RTB Notes	13,558,640	12,546,086
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	11,668,018	10,673,765	39. Funded Debt-Other	4,208,043	2,777,777
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan	183,333	133,333
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Recquired Debt	0	0
b. Nonrural Development	14,099,398	16,293,316	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	183,333	133,333	45. Other Long-Term Debt	0	0
b. Nonrural Development	2,649,375	1,789,301	46. Total Long-Term Debt (36 thru 45)	34,195,298	31,726,192
13. Nonregulated Investments	0	0	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	3,165,744	5,336,782
15. Deferred Charges	23,667	13,656	48. Other Deferred Credits	479,000	435,000
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total Noncurrent Assets (11 thru 16)	16,955,773	18,229,606	50. Total Other Liabilities and Deferred Credits (47 thru 49)	3,644,744	5,771,782
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	208,720,809	215,676,981	51. Cap. Stock Outstand. & Subscribed	0	0
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	4,604,596	8,657,271	53. Treasury Stock	0	0
21. Plant Adj., Nonop. Plant & Goodwill	11,280,179	10,649,757	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	139,878,545	148,772,810	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	84,727,039	86,211,199	56. Patronage Capital Credits	61,891,377	62,361,506
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	3,828,913	5,299,568
	113,350,830	115,114,570	58. Total Equity (51 thru 57)	65,720,290	67,661,074
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	113,350,830	115,114,570

Total Equity = 58.78% % of Total Assets

USDA-RUS

BORROWER DESIGNATION

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

MT0512

PERIOD ENDING

December, 2011

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	6,545,634	6,441,793
2. Network Access Services Revenues	18,413,635	18,413,854
3. Long Distance Network Services Revenues	2,781,255	2,648,893
4. Carrier Billing and Collection Revenues	189,175	188,315
5. Miscellaneous Revenues	7,657,501	8,364,432
6. Uncollectible Revenues	19,700	17,475
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>35,567,500</b>	<b>36,039,812</b>
8. Plant Specific Operations Expense	8,614,488	9,130,185
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	6,516,092	6,389,009
10. Depreciation Expense	10,559,891	9,798,823
11. Amortization Expense	640,344	631,248
12. Customer Operations Expense	1,894,968	1,884,052
13. Corporate Operations Expense	2,736,023	2,692,952
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>30,961,806</b>	<b>30,526,269</b>
15. Operating Income or Margins (7 less 14)	4,605,694	5,513,543
16. Other Operating Income and Expenses	4,541	9,867
17. State and Local Taxes	0	0
18. Federal Income Taxes	108,107	139,189
19. Other Taxes	1,188,686	1,180,932
<b>20. Total Operating Taxes (17+18+19)</b>	<b>1,296,793</b>	<b>1,320,121</b>
21. Net Operating Income or Margins (15+16-20)	3,313,442	4,203,289
22. Interest on Funded Debt	1,704,799	1,691,444
23. Interest Expense - Capital Leases	0	0
24. Other Interest Expense	0	0
25. Allowance for Funds Used During Construction	298,047	322,906
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>1,406,752</b>	<b>1,368,538</b>
27. Nonoperating Net Income	445,624	270,909
28. Extraordinary Items	0	0
29. Jurisdictional Differences	0	0
30. Nonregulated Net Income	1,476,600	2,193,907
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>3,828,914</b>	<b>5,299,567</b>
32. Total Taxes Based on Income	0	0
33. Retained Earnings or Margins Beginning-of-Year	4,467,313	3,828,913
34. Miscellaneous Credits Year-to-Date	144,003	175,011
35. Dividends Declared (Common)	0	0
36. Dividends Declared (Preferred)	0	0
37. Other Debits Year-to-Date	(194,586)	2,171,037
38. Transfers to Patronage Capital	4,805,903	1,832,886
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>3,828,913</b>	<b>5,299,568</b>
40. Patronage Capital Beginning-of-Year	58,388,210	61,891,377
41. Transfers to Patronage Capital	4,805,903	1,832,886
42. Patronage Capital Credits Retired	1,302,736	1,362,757
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>61,891,377</b>	<b>62,361,506</b>
44. Annual Debt Service Payments	6,425,743	5,460,887
45. Cash Ratio [(14+20-10-11) / 7]	0.5921	0.5942
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9465	0.9216
47. TIER [(31+26) / 26]	3.7218	4.8724
48. DSCR [(31+26+10+11) / 44]	2.5578	3.1310

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**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)
Carlyle - 588	19.55	12.40	3	48	51	103.90	8.03
Circle - 485	19.55	12.40	229	584	813	1,175.70	266.69
Baker - 778	24.80	12.40	600	842	1,442	318.05	62.65
Bloomfield - 583	19.55	12.40	7	82	89	174.59	18.19
Custer - 856	19.55	12.40	40	126	166	241.56	151.82
Ekalaka - 775	19.55	12.40	118	453	571	757.76	84.38
Fallon - 486	19.55	12.40	27	248	275	511.52	116.07
Grass Range - 428	19.55	12.40	42	244	286	460.03	56.00
Jordan - 557	19.55	12.40	177	513	690	1,290.86	272.83
Lambert - 774	19.55	12.40	68	223	291	366.69	110.46
Lavina - 636	24.80	12.40	20	105	125	55.23	17.14
Lindsay - 584	19.55	12.40	12	72	84	177.45	.03
Melstone - 358	24.80	12.40	45	136	181	155.93	10.24
Musselshell - 947	19.55	12.40	28	330	358	575.65	73.89
North Ryegate - 575	19.55	12.40	13	143	156	300.83	3.99
Plevna - 772	19.55	12.40	47	192	239	416.55	83.20
Richey - 773	19.55	12.40	48	168	216	269.02	42.19
Rock Springs - 354	19.55	12.40	11	79	90	340.67	4.18
Roundup - 323	24.80	12.40	408	1,385	1,793	544.97	129.61
Roy - 464	19.55	12.40	38	107	145	262.14	21.88
Ryegate - 568	24.80	12.40	59	173	232	198.09	30.39
Savage - 776	24.80	12.40	35	158	193	61.98	14.87
South Wolf Point - 525	19.55	12.40	35	255	290	258.21	48.44
West Glendive - 687	19.55	12.40	50	295	345	493.50	86.01
West Sidney - 798	19.55	12.40	53	276	329	423.96	70.11
Winnett - 429	19.55	12.40	70	259	329	575.20	169.81
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			2,283	7,496	9,779	10,510.04	1,953.10
No. Exchanges	26						

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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)
Baker - 778	1,442	824	396	768	256	32.95	Package	DSL
Bloomfield - 583	89	51	29	768	256	32.95	Package	DSL
Carlyle - 588	51	24	15	768	256	32.95	Package	DSL
Circle - 485	813	445	283	768	256	32.95	Package	DSL
Custer - 856	166	99	63	768	256	32.95	Package	DSL
Ekalaka - 775	571	300	153	768	256	32.95	Package	DSL
Fallon - 486	275	154	79	768	256	32.95	Package	DSL
Grass Range - 423	286	142	80	768	256	32.95	Package	DSL
Jordan - 557	690	330	175	768	256	32.95	Package	DSL
Lambert - 774	291	178	45	768	256	32.95	Package	DSL
Lavina - 636	125	69	40	768	256	32.95	Package	DSL
Lindsay - 584	84	44	21	768	256	32.95	Package	DSL
Melstone - 358	181	89	48	768	256	32.95	Package	DSL
Musselshell - 947	358	198	105	768	256	32.95	Package	DSL
North Ryegate - 575	156	92	41	768	256	32.95	Package	DSL
Plevna - 772	239	123	66	768	256	32.95	Package	DSL
Richey - 773	216	123	74	768	256	32.95	Package	DSL
Rock Springs - 354	90	32	5	768	256	32.95	Package	DSL
Roundup - 323	1,793	1,043	559	768	256	32.95	Package	DSL
Roy - 464	145	65	34	768	256	32.95	Package	DSL
Ryegate - 568	232	104	61	768	256	32.95	Package	DSL
Savage - 776	193	120	65	768	256	32.95	Package	DSL
South Wolf Point - 525	290	180	110	768	256	32.95	Package	DSL
West Glendive - 687	345	203	106	768	256	32.95	Package	DSL
West Sidney - 798	329	225	100	768	256	32.95	Package	DSL
Winnett - 429	329	164	67	768	256	32.95	Package	DSL
Total	9,779	5,421						

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**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
95	75	26,734	.37	.93

**PART E. TOLL DATA**

1. Study Area ID Code(s)  a. 482246 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 type="checkbox"/> Cost Basis
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**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	1,149,719
2. Other Long-Term Loan Funds Expended	0
3. Funds Expended Under RUS Interim Approval	0
4. Other Short-Term Loan Funds Expended	0
5. General Funds Expended (Other than Interim)	10,809,609
6. Salvaged Materials	48,105
7. Contribution in Aid to Construction	240,952
8. Gross Additions to Telecom. Plant (1 thru 7)	12,248,385

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  <i>(a)</i>	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development		2,193,907	1,824,830	14,468,476	16,293,306

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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	20.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	11.99%
5. Land and support assets - Buildings	2.50%
6. Land and support assets - Furniture and Office equipment	10.00%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	10.16%
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	9.85%
13. Information origination/termination - Station apparatus	11.58%
14. Information origination/termination - Customer premises wiring	11.58%
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	18.00%
17. Information origination/termination - Other terminal equipment	10.00%
18. Cable and wire facilities - Poles	10.00%
19. Cable and wire facilities - Aerial cable - Metal	7.00%
20. Cable and wire facilities - Aerial cable - Fiber	7.00%
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	5.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	5.00%
26. Cable and wire facilities - Other	6.00%

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<b>PART I – STATEMENT OF CASH FLOWS</b>			
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		5,767,736	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>2. Net Income</b>		5,299,567	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation		9,798,823	
4. Add: Amortization		631,248	
5. Other (Explain) Other Taxes Accrued		(2,886)	
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable		(92,373)	
7. Decrease/(Increase) in Materials and Inventory		93,729	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(75,681)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(377,711)	
11. Increase/(Decrease) in Advance Billings & Payments		6,427	
12. Increase/(Decrease) in Other Current Liabilities		660,222	
<b>13. Net Cash Provided/(Used) by Operations</b>		15,941,365	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14. Decrease/(Increase) in Notes Receivable		346,982	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		9,050	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(2,599,184)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		2,127,038	
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		(1,362,757)	
22. Other (Explain) Interest and Dividends Receivable		(271)	
<b>23. Net Cash Provided/(Used) by Financing Activities</b>		(1,479,142)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24. Net Capital Expenditures (Property, Plant & Equipment)		(11,008,847)	
25. Other Long-Term Investments		(1,283,844)	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) Subsidiary (Cable & Communications Corp.- C&CC) Impacts		(2,900,868)	
<b>28. Net Cash Provided/(Used) by Investing Activities</b>		(15,193,559)	
<b>29. Net Increase/(Decrease) in Cash</b>		(731,336)	
<b>30. Ending Cash</b>		5,036,400	

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<b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

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<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	