

WEIKLE & Co.

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REDACTED – FOR PUBLIC INSPECTION

Received & Inspected

OCT 31 2013

FCC Mail Room

October 25, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th St, SW
Washington, D.C. 20554

RE: WC Docket No. 10-90, WC Docket No. 11-42
FCC Form 481 – Carrier Annual Reporting
Pineville Telephone Company

Dear Secretary:

This FCC Form 481- Carrier Annual Reporting is being submitted on behalf of Pineville Telephone Company in accordance with FCC Rules 54.313 and 54.422. There are two copies of a Redacted – For Public Inspection version. In addition there is one copy with financial information marked as confidential information in accordance with a November 16, 2013 Protective Order, DA12-1857. A Redacted – For Public Inspection version is also being filed via ECFS.

If there are any questions, I can be reached at 704.699.9451.

Sincerely,



Jerry Weikle
Consultant to Pineville Telephone Company

Attachments

cc: Charles Tyler, Telecommunications Access Policy Division (Two Confidential Copies)

No. of Copies rec'd 0+1
List ABCDE

151 SPRING STREET NW
CONCORD, NC 28025-4749

JERRY L. WEIKLE
President

jweikle@windstream.net
704.699.9451

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0265/OMB Control No. 3060-0219
July 2013

<010> Study Area Code 230494
 <015> Study Area Name PINEVILLE TEL CO
 <020> Program Year 2014
 <030> Contact Name: Person USAC should contact with questions about this data Jerry Weikle
 <035> Contact Telephone Number: 704 782 7738
 Number of the person identified in data line <030>
 <039> Contact Email Address: jweikle@windstream.net
 Email of the person identified in data line <030>

Received & Inspected

OCT 9 1 2013

FCC Mail Room

ANNUAL REPORTING FOR ALL CARRIERS

54.313 Completion Required	54.422 Completion Required
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(check box when complete)

<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report			
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)		
<320> Unfulfilled Service Requests (broadband)			
<330> Detail on Attempts (broadband)	(attach descriptive document)		
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>		
<420> Mobile	<input type="text"/>		
<430> Number of Complaints per 1,000 customers (broadband)			
<440> Fixed	<input type="text"/>		
<450> Mobile	<input type="text"/>		
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="230494NC510"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="230494NC610"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		
<710> Company Price Offerings (broadband)	(complete attached worksheet)		
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)		
<1010> <input type="text"/>	(attach descriptive document)		
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)		
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<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>	(check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

**(100) Service Quality Improvement Reporting
Data Collection Form**

<010> Study Area Code 230494

<015> Study Area Name PINEVILLE TEL CO

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jerry Weikle

<035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738

<039> Contact Email Address - Email Address of person identified in data line <030> jweikle@windstream.net

<110> Has your company received its ETC certification from the FCC? (yes / no) (yes / no)

<111> If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no) (yes / no)

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.

<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

<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.

(900) Tribal Lands Reporting Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 230494

<015> Study Area Name PINEVILLE TEL CO

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jerry Weikle

<035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738

<039> Contact Email Address - Email Address of person identified in data line <030> jweiklewindstream.net

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

<920> Tribal Government Engagement Obligation

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:

Select (Yes, No, NA)

- <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.

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 230494

<015> Study Area Name PINEVILLE TEL CO

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jerry Weikle

<035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738

<039> Contact Email Address - Email Address of person identified in data line <030> jweikle@windstream.net

<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)

**(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 230494

<015> Study Area Name PINNACLE TEL CO

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jerry Weikle

<035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738

<039> Contact Email Address - Email Address of person identified in data line <030> jweikle@windstream.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

230494NC1210

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.

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<010> Study Area Code 230494
 <015> Study Area Name PINEVILLE TEL CO
 <020> Program Year 2014
 <030> Contact Name - Person USAC should contact regarding this data Jerry Weikle
 <035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738
 <039> Contact Email Address - Email Address of person identified in data line <030> jweikle@windstream.net

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

FCC Form 481
OMB Control No. 3060-0598/OMB Control No. 3060-0819
July 2013

(3000) Rate of Return Carrier Additional Documentation
Data Collection Form

<010> Study Area Code 230494
 <015> Study Area Name PINEVILLE TEL CO
 <020> Program Year 2014
 <030> Contact Name - Person USAC should contact regarding this data Jersey, Heikle
 <035> Contact Telephone Number - Number of person identified in data line <030> 704 782 7738
 <039> Contact Email Address - Email Address of person identified in data line <030> jheik1@windstream.net

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	Name of Attached Document Listing Required Information	(Yes/No)
(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), 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.		<input type="checkbox"/>
(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) 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: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows If the response is yes on line 3014, attach your company's RUS annual report and all required documentation 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:		<input type="checkbox"/> <input type="checkbox"/>
(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3020) 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:		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
(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.		<input type="checkbox"/>
(3023) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024) Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026) Attach the worksheet listing required information		<input type="checkbox"/>

230494NC3026

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0810 July 2013
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<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	704 782 7738
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	PINEVILLE TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date
Printed name of Authorized Officer:	Gary Creech
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	704-889-2001
Study Area Code of Reporting Carrier:	230494 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	PCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	230494
<015> Study Area Name	PINEVILLE TEL CO
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035> Contact Telephone Number - Number of person identified in data line <030>	704 782 7738
<039> Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

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	
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.	
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:
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.	

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	
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.	
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:
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.	

Attachments

Pineville Telephone
 Service Quality Standards and Consumer Protection Rules Compliance Explanation
 Line 510

Service Quality

Pineville Telephone Company is regulated by the North Carolina Utilities Commission (NCUC). The NCUC has service quality rules in effect that Pineville must comply with. These service quality rules are found in NCUC Chapter 9, Rule R9-8. Here is a link to Chapter 9 rules located on the NCUC website:
<http://www.ncuc.net/ncrules/Chapter09.pdf>

Rule R9-8 requires that certain service objectives be met and that company results be reported to the NCUC on a quarterly basis within 45 days after the end of each quarter. Pineville has set up procedures and processes to remain in compliance with the Rule R9-8 objectives. This includes maintaining procedures and processes to record monthly results, tabulate them, and report them to the NCUC.

During the calendar year 2012, Pineville met all required objectives. The NCUC objectives are listed below:

Rule R9-8. Service objectives for regulated local exchange telephone companies and competing local providers (CLPs).

(a) Service Objectives. Each regulated local exchange telephone company and CLP shall perform and provide service in accordance with the following uniform service objectives:

<i>Measure No.</i>	<i>Description</i>	<i>Objective</i>
1	Intraoffice completion rate	99% or more
2	Interoffice completion rate	98% or more
3	EAS transmission loss	95% or more between 2 and 10 dB
4	EAS trunk noise	95% or more 30 dBrc or less
5	Operator "0" answertime	90% or more of calls answered within 10 seconds or ASA of 6 seconds
6	Directory assistance answertime	85% or more of calls answered within 10 seconds or ASA of 6 seconds
7	Business office answertime	ASA of 30 seconds
8	Repair service answertime	ASA of 30 seconds
9	Initial customer trouble reports	4.75 or less per 100 total access lines
10	Repeat reports	1.0 report or less per 100 total access lines

11	Out-of-service troubles cleared within 24 Hours	95% or more
12	Regular service orders completed within 5 working days	90% or more
13	New service installation appointments not met for Company reasons	5% or less
14	New service held orders not completed within 30 days	0.1% or less of total access lines

Consumer Protection

Pineville Telephone Company is committed to maintain the privacy of customer information. In addition to protecting personal information the company is obligated to protect information on how customers use their services. Pineville Telephone Company follows all requirements the FCC has mandated concerning Customer Proprietary Network Information (CPNI). As required, Pineville files annual CPNI compliance certifications with the FCC by March 1 each year.

Pineville Telephone
Lifeline Terms and Conditions
Line 1210

As a state regulated wireline carrier, Pineville Telephone offers Lifeline service in accordance with FCC rules and terms and conditions in its tariff. The terms and conditions of the tariff are included starting on the next page of this file.

Minutes of Use

Each Lifeline customer has unlimited local usage and is able to make local calls at no additional charge. Each Lifeline customer is also able to receive unlimited local and long distance calls at no additional charge.

Toll Charges

Each Lifeline customer is able to receive toll blocking to avoid incurring unexpected toll charges. In the event the customer would like to make toll calls then the customer is able to choose which long distance company they would like to use and then choose which rate plan is best for them.

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY
NORTH CAROLINA

SECTION 3

FOURTH REVISED PAGE 10
CANCELS THIRD REVISED PAGE 10
EFFECTIVE: October 11, 2013

ISSUED: October 11, 2013
By: MANAGER

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE

3.12.1 Description of Service

a. The Lifeline Program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit for monthly recurring local service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's rules found in CFR § 54.410. Customers must be certified by the appropriate state agency that they participate in one of the following programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; Temporary Assistance for Needy Families (TANF); or, be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States. Such certification must be provided to the Company. Specific terms and conditions are as prescribed by the North Carolina Utilities Commission and are set forth in this Tariff.

(C)
|
(C)

b. Lifeline is supported by federal and state universal service support mechanisms.

c. Federal baseline support of \$9.25 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 credit is provided by the state.

(I)
(C)
(C)
(R)

The total Lifeline credit available to an eligible customer in North Carolina is \$12.75. The amount of the Lifeline credit will not exceed the charge for local service, which includes the access line, touch tone service, the Subscriber Line Charge and local usage.

d. The Lifeline program enables eligible subscribers to pay reduced charges for the following package of services: voice-grade access to the public switch network; local usage; dual tone multi-frequency signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll blocking.

3.12.2 Regulations

a. General

(1)

(D)
(D)

(2) One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in Section 3.12.2b following.

(3) A Lifeline customer may subscribe to any local service offering available to other residence customers.

(4) Toll blocking is available to all Lifeline subscribers at no charge. Toll blocking will consist of Customized Code Restriction Option #2 as specified in Section 13.6 of this Tariff, and Billed Number Screening, as specified in Section 13.10.1 of this Tariff.

(5) The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required.

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY
NORTH CAROLINA

SECTION 3

SECOND REVISED PAGE 11
CANCELS FIRST REVISED PAGE 11
EFFECTIVE: October 11, 2013

ISSUED: October 11, 2013
By: MANAGER

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE (Continued)

3.12.2 Regulations and Applications (continued)

- (6) A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll Charges. Local service may be denied for non-payment of local calls in accordance with Section 2. Access to toll service may be denied for non-payment of regulated tolls. In such cases Customized Code Restriction Option #2 and Billed Number Screening will be applied to the Lifeline service at no charge. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges as long as all outstanding local charges are paid.
- (7) The Presubscribed Interexchange Carrier Charge ("PICC") will not be billed to customers who subscribe to toll blocking and who do not presubscribe to a long distance carrier.

b. Eligibility

- (1) To be eligible for Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
 - (a) Temporary Assistance For Needy Families (TANF)
 - (b) Supplemental Security Income (SSI)
 - (c) Supplemental Nutrition Assistance Program (SNAP)
 - (d) Medicaid;
 - (e) Low Income Home Energy Assistance Program ("LIHEAP");
 - (f) Federal Public Housing Assistance (Section 8);
 - (g) National School Lunch Program's free lunch program; or
 - (i) Provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines.
- (2) A standard applications form will be available only from the agency administering the qualifying program and not from the Company. All applications are subject to verification with the state agency responsible for administration of the qualifying program.

c. Certification

- (1) Proof of eligibility in any of the qualifying programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. Customers must be recertified every 12 months. Without recertification, the customer's assistance will be discontinued.

(C)
|
(C)

(D)
(D)

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY
NORTH CAROLINA

SECTION 3
FOURTH REVISED PAGE 12
CANCELS THIRD REVISED PAGE 12
EFFECTIVE: October 11, 2013

ISSUED: October 11, 2013
BY: MANAGER

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE (Continued)

3.12.2 Regulations and Applications (continued)

- (2) The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
- (3) When a customer is determined to be ineligible as a result of an audit, the Company will send the customer a written notice of ineligibility.

3.12.3 Rates and Charges

a. General

- (1) Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
- (2) Service Charges in Section 4 are applicable for installing or changing Lifeline service.

(D)
(D)

b. The total Lifeline credit consists of one federal credit plus one state credit.

(1) Federal credit

Monthly
Credit

(a) All programs

\$9.25

(R)(C)

(C)

(2) State credit

(a) All programs, one per Lifeline service

\$3.50

c. Partial payments that are received from Lifeline customers shall first be applied to local service charges and then to outstanding toll charges.

(D)
(D)

TOWN OF PINEVILLE, NORTH CAROLINA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011**

Major Funds

Assets:

Current assets:

Cash and cash equivalents
Accounts receivable, net
Prepays
Due from other funds
Inventories
Cash and cash equivalents, restricted
Total current assets

Non-current assets:

Accounts receivable (net)
Capital assets:
Land
Depreciable capital assets, net
Capital assets, net
Total non-current assets

Total assets

Liabilities:

Current liabilities:

Accounts payable and accrued expenses
Unearned revenue
Customer deposits
Due to other funds
Compensated absences, current
Total current liabilities

Non-current liabilities:

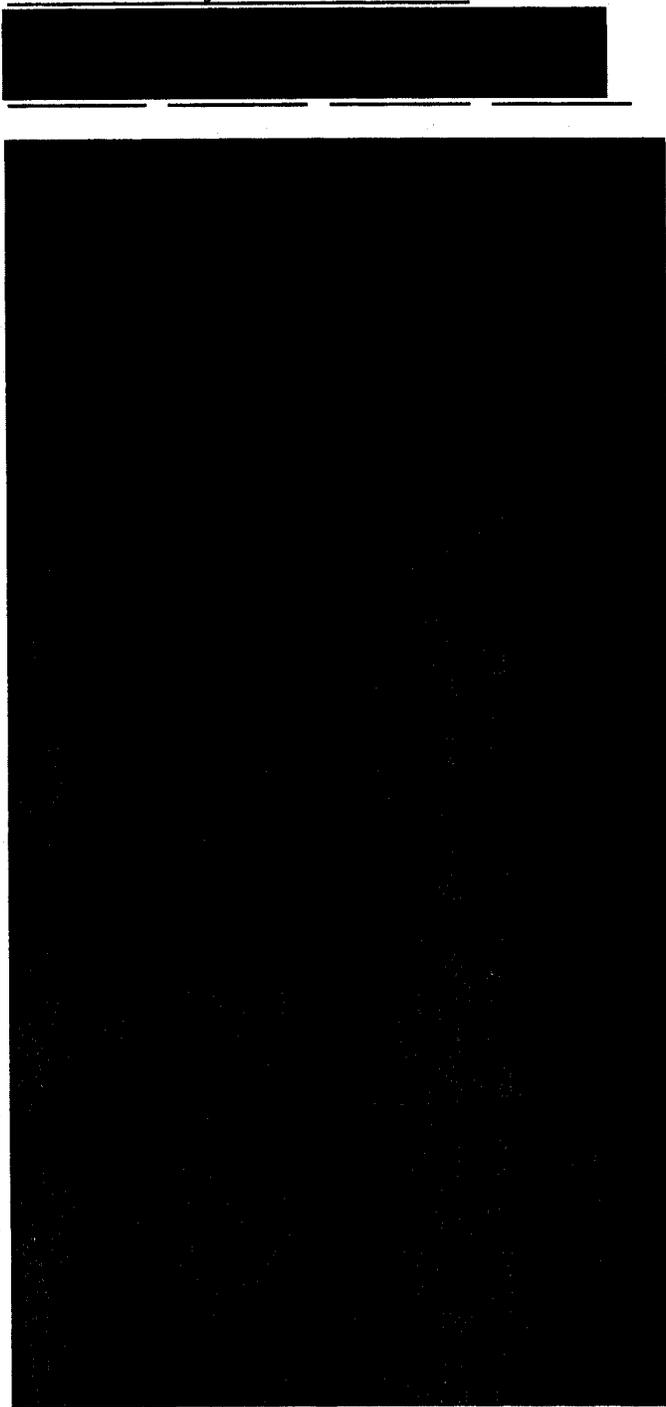
Other post-employment benefits
Compensated absences
Total non-current liabilities

Total liabilities

Net Assets:

Invested in capital assets
Unrestricted

Total net assets



The accompanying notes are an integral part of the financial statements.

TOWN OF PINEVILLE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Major Funds			
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating Revenues:				
Charges for services	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other operating revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total operating revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating Expenses:				
Administration	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General operations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Electric power purchases	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Telephone access and service charges	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total operating expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating income (loss)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Operating Revenues (Expenses):				
Investment earnings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest and other charges	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gain/loss on sale of capital assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total non-operating revenues (expenses)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income (loss) before contributions and transfers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfers out	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfer to General Fund - payment in lieu of taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfers in	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Change in net assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Assets:				
Beginning of year - July 1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
End of year - June 30	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of the financial statements.

TOWN OF PINEVILLE, NORTH CAROLINA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

Major Funds

Assets:

Current assets:

Cash and cash equivalents

Accounts receivable, net

Prepays

Due from other funds

Inventories

Cash and cash equivalents, restricted

Total current assets

Non-current assets:

Accounts receivable (net)

Capital assets:

Land

Construction in progress

Depreciable capital assets, net

Capital assets, net

Total non-current assets

Total assets

Liabilities:

Current liabilities:

Accounts payable and accrued expenses

Unearned revenue

Customer deposits

Due to other funds

Compensated absences, current

Total current liabilities

Non-current liabilities:

Other post-employment benefits

Compensated absences

Total non-current liabilities

Total liabilities

Net Assets:

Invested in capital assets

Unrestricted

Total net assets

The accompanying notes are an integral part of the financial statements.

TOWN OF PINEVILLE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

Major Funds

Operating Revenues:

Charges for services
Other operating revenues
Total operating revenues

Operating Expenses:

Administration
General operations
Electric power purchases
Telephone access and service charges
Depreciation
Total operating expenses

Operating income (loss)

Non-Operating Revenues (Expenses):

Investment earnings
Gain/loss on sale of capital assets
Total non-operating revenues (expenses)

Income (loss) before contributions
and transfers

Transfers out

Transfer to General Fund -
payment in lieu of taxes

Transfers in

Total transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

The accompanying notes are an integral part of the financial statements.

TOWN OF PINEVILLE, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Major Funds</u>			
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows from Operating Activities:				
Cash received from customers	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash paid for goods and services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash paid to or on behalf of employees for services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash provided by (used) operating activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows from Non-Capital Financing Activities:				
Due to (from) other funds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfers to other funds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfers from other funds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash provided (used) by non-capital financing activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash provided (used) by capital and related financing activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows from Investing Activities:				
Investment earnings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net increase (decrease) in cash and cash equivalents	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash and Cash Equivalents:				
Beginning of year - July 1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
End of year - June 30	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(Increase) decrease in prepaids	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(Increase) decrease in inventory	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Increase (decrease) in accounts payable and accrued liabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Increase (decrease) in customer deposits	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash provided (used) by operating activities	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of the financial statements.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor and
Members of the Town Council
Town of Pineville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pineville, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pineville, North Carolina, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2012 on our consideration of the Town of Pineville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was performed for the purpose of forming opinions on financial statements that collectively comprise the basic financial statements of Town of Pineville, North Carolina as a whole. The combining and individual major and nonmajor fund statements, budget and actual schedules, supplemental ad valorem tax schedules, and other financial data are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

October 17, 2012