

DOCKET NO. UM 1726

**Cover Sheet for Submission of
2015 Annual ETC Certification Reports**

Name of Eligible Telecommunications Carrier: Oregon Telephone Corp

Filing date: June 25, 2015

Is this: Original submission? X
OR
Revised submission? _____

Person to contact for questions:

Name Delinda Kluser

Phone number 541-932-4411

E-mail address dkluser@oretelco.net

Documents included in this filing (please check applicable items):

_____ CAF/ICC Support (47 CFR § 54.304)

_____ Rate Floor Data (47 CFR § 54.313(h))

X Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422)¹

_____ Form 690 (Mobility Fund per 47 CFR § 54.1009)

_____ Affidavit for High-Cost Support

Filing deadlines: The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by July 1, 2015. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

¹ Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the FCC.



USAC Home | High Cost Program | Search Tools | Form 481

CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 2 was successfully certified on Wed 24 Jun 15 08:18:04 PM EDT by dkluser@ortelco.net .
SAC : 5333336
SPIN : 143002611
Carrier Name : Oregon Tel. Corp. (MTE - Oregon)
Program Year : 2016

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at HCCERTS@USAC.ORG if you do not receive this email within 24 hours.

[Return to 481 Search](#) [Print Confirmation Page](#)

© 1997-2015, Universal Service Administrative Company. All Rights Reserved.

[Website & Privacy Policies](#)

Deedee Kluser

From: Form481@usac.org
Sent: Thursday, June 25, 2015 10:18 AM
To: dkluser@ortelco.net
Subject: Form 481 Certification Confirmation

x

Form 481 Certification Confirmation

Congratulations. Your filing has been successfully certified.

Filing Number: 2

Certification Date and Time: Thu Jun 25 13:17:32 EDT 2015

Filing Created By: dkluser@ortelco.net

SAC: 533336

SPIN: 143002611

Carrier: Oregon Tel. Corp. (MTE - Oregon)

Program Year: 2016

This is a system generated email.
Please do not respond to this message.

© 1997-2015, Universal Service Administrative Company, All Rights Reserved.
USAC | 2000 L Street NW | Suite 200 | Washington, DC 20036

<010> Study Area Code: 533336
 <015> Study Area Name: Oregon Tel. Corp. (MTE - Oregon)
 <020> Program Year: 2016
 <030> Contact Name: Person USAC should contact with questions about this data: Delinda Kluser
 <035> Contact Telephone Number: Number of the person identified in data line <030>: 5419324411 ext.
 <039> Contact Email Address: Email of the person identified in data line <030>: dkluser@ortelco.net

ANNUAL REPORTING FOR ALL CARRIERS

54.315 Completion Required	54.422 Completion Required
----------------------------------	----------------------------------

(check box when complete)

<100> Service Quality Improvement Reporting (complete attached worksheet)

<200> Outage Reporting (voice) (complete attached worksheet)

<210> <-- check box if no outages to report

<300> Unfulfilled Service Requests (voice) 0

<310> Detail on Attempts (voice) [Redacted] (attach descriptive document)

<320> Unfulfilled Service Requests (broadband) 0

<330> Detail on Attempts (broadband) [Redacted] (attach descriptive document)

<400> Number of Complaints per 1,000 customers (voice)

<410> Fixed 0.0

<420> Mobile 0.0

<430> Number of Complaints per 1,000 customers (broadband)

<440> Fixed 0.0

<450> Mobile 0.0

<500> Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)

<510> 533336or510.pdf (attached descriptive document)

<600> Functionality in Emergency Situations (check to indicate certification)

<610> 533336or610.pdf (attached descriptive document)

<700> Company Price Offerings (voice) (complete attached worksheet)

<710> Company Price Offerings (broadband) (complete attached worksheet)

<800> Operating Companies and Affiliates (complete attached worksheet)

<900> Tribal Land Offerings (Y/N)?

<1000> Voice Services Rate Comparability Certification (if yes, complete attached worksheet) Yes

<1010> [Redacted] (attach descriptive document)

<1100> Certify whether terrestrial backhaul options exist (Yes or No) (if not, check to indicate certification)

<1110>

<1200> Terms and Condition for Lifeline Customers (complete attached worksheet)

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
 (complete attached worksheet)

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
 Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers (check to indicate certification)

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet
 (complete attached worksheet)

<2000> (check to indicate certification)

<2005> (complete attached worksheet)

<3000> (check to indicate certification)

<3005> (complete attached worksheet)

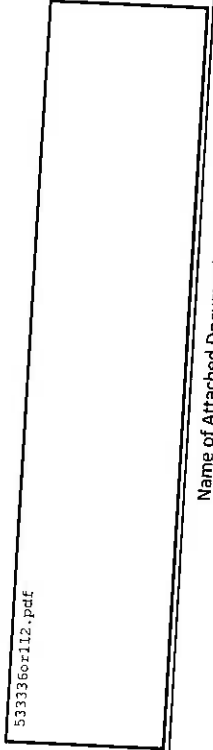
**(100) Service Quality Improvement Reporting
Data Collection Form**

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

<010> Study Area Code 533336
 <015> Study Area Name Oregon Tel. Corp. (MPE - Oregon)
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kluser
 <035> Contact Telephone Number - Number of person identified in data line <030> 541924411 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> dk1user@ortelco.net

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

<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

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

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
CMB Control No. 3020-09886, CMB Control No. 3020-0839
July 2013

<010> Study Area Code 533336
 <015> Study Area Name Oregon Tel. Corp. (MTE - Oregon)
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kluser
 <035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortelco.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

No

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

Yes

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

FCC Form 481
OMB Control No. 3000-0096/OMB Control No. 3160-0819
July 2013

<010> Study Area Code 533336

<015> Study Area Name Oregon Tel. Corp. (MTE - Oregon)

<020> Program Year 2016

<030> Contact Name - Person USAC should contact regarding this data Dellinda Kluser

<035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ext.

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

533336or1222.docx

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP <http://www.puc.state.or.us/Pages/rspfi/otap.aspx>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <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 Addition Documentation
Data Collection Form

Including Rate of Return Certificates of Need with Price Cap Lic. of Domestic Carriers

Form 471
OMB Control No. 3000-0-80/OMB Control No. 3160-0819
July 2013

<010> Study Area Code 333376

<015> Study Area Name Oregon Tel. Corp. (NTE - Oregon)

<020> Program Year 2016

<030> Contact Name - Person USAC should contact regarding this data DELINDA KILSEF

<035> Contact Telephone Number - Number of person identified in data line <030> 5419224411 ext.

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

Select the appropriate responses below (Yes, No, Not Applicable) 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)(3)(i)-(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))
 - <2011a> 3rd Year Certification (47 CFR § 54.313(b)(1))
 - <2011b> Attachment (47 CFR § 54.313(b)(1)(ii))

- Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))
- <2012> 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))
 - <2013> 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))
 - <2014> 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))
 - <2015> 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4))

- 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> Interim Progress Certification

Please check the box to confirm that the attached document(s), 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.

Interim Progress Community Anchor Institutions

[Redacted Box]

Name of Attached Document(s) Listing Required Information

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

[Redacted Box]

Name of Attached Document(s) Listing Required Information

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

FD-7 Form 481
OMB Control No. 3000-0057
OMB Control No. 3000-0059
July 2011

<010> Study Area Code 5333336
 <015> Study Area Name Oregon Tel. Corp. (MIE - Oregon)
 <020> Program Year 2016
 <030> Contact Name - Person USAF should contact regarding this data Delinda Kluser
 <035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> dk.luser@ortel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.313(f)(2)) 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.

- (3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i))
- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))
 Name of Attached Document Listing Required Information
 533336or3012.docx
- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
- (3014) If yes, does your company file the RUS annual report
 Name of Attached Document Listing Required Information
 533336or3017.pdf
- Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:
 (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
 (3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation
- (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
 (3019) Either a copy of their audited financial statement; or (2) a financial report, in a format comparable to RUS Operating Report for Telecommunications
 (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
 (3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit
 If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:
 (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,
 (3023) Underlying information subjected to a review by an independent certified public accountant
 (3024) Underlying information subjected to an officer certification.
 (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
- (3026) Attach the worksheet listing required information
 Name of Attached Document Listing Required Information

(3000) Data of Regulatory Carrier Additional Documentation (Continued)
Data Collection Form

FCI Form 485
OMB Control No. 3065-0107
July 1983
Contract No. 3360-0819

<010> Study Area Code 533336
 <015> Study Area Name Oregon Tel. Corp. (MFE - Oregon)
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kluser
 <035> Contact Telephone Number - Number of person identified in data line <030> 5413324411 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortelco.net

Financial Data Summary

(3027) Revenue	441550
(3028) Operating Expenses	395180
(3029) Net Income	0
(3030) Telephone Plant In Service(TPIS)	2109434
(3031) Total Assets	2109794
(3032) Total Debt	0
(3033) Total Equity	0
(3034) Dividends	0

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0086/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.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: Oregon Tel. Corp. (MTE - Oregon)	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer: Delinda Kluser	
Title or position of Authorized Officer: Vice-Pres, Manager	
Telephone number of Authorized Officer: 5419324411 ext.	
Study Area Code of Reporting Carrier: 533336	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 GMB Control No. 5050-0986/OMB Control No. 3060-0019 July 2013
---	--

<010> Study Area Code	533336
<015> Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.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:	
Printed name of Authorized Officer:	Date:
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:	
Printed name of Authorized Agent or Employee of Agent:	Date:
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



P. O. Box 609 • Mt. Vernon, Oregon 97865 • (541) 932-4411 • FAX (541) 932-4498

Date: June 24, 2015

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

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient
54.313(f)(1) "Milestone Certification"

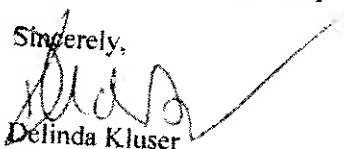
Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Oregon Telephone Corporation-MTE provides High Speed Internet service to its customers and:

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

If there are questions, I may be contacted at 541-932-4411.

Sincerely,


Delinda Kluser
Vice-Pres, Manager

[Type text]



3010

Terrestrial Backhaul Certification

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2016
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313(g) Areas with no terrestrial backhaul

All Oregon Telephone Corporation-MTE (OTC-MTE) exchanges, with the exception of Juntura have terrestrial backhaul. The satellite backhaul for Juntura supports a minimum service level of 128kdown/128kup. Satellite backhaul is being used because the cost to obtain commercial backhaul is cost prohibitive. Oregon Telephone Corporation-MTE continues to seek economically sound solutions to address this exchange for both terrestrial backhaul and in meeting minimum service speed levels.

OTC-MTE understands that the minimum speed requirements according to the Third Order on Reconsideration are not being met. OTC-MTE requests that the Commission take into account this unique circumstance as it relates to the subject in the Third Order on Reconsideration.

Oregon Telephone Corporation-MTE
2015
PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule to the requisite regulatory authorities.

Oregon Telephone Corporation-MTE (OTC-MTE) advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan, filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology, vendor-driven support, weather, or emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, OTC-MTE has received a total of \$60,721 to date for 2015 (as of 06/04/15). The breakdown of the funding for the year is:

- \$ 17,061 High Cost Loop Support
- \$ 23,804 Connect America Fund-Intercarrier Compensation Support
- \$ 19,856 Interstate Common Line Support
- \$ 0 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and

operating expenditures; USF is expended in the same proportion as the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$41,000 (21%); for OPEX \$151,065 (79%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

PROGRESS REPORT

2015

Juntura Fiber Project: The Fiber Project cost is estimated at \$756,000 to be spread between multiple years. The project involves placement of approximately 37 route miles of fiber to 60 subscribers currently served over copper. When complete, these 60 subscribers will have a minimum of 1 MB upload and 6 MB download broadband speeds available. The area currently has 11 internet subscribers served by a satellite backhaul. Many of the existing customers have dial-up internet or satellite internet. MTE expects an increase in broadband services as a result of this project based on past experience with fiber upgrades to existing exchanges. This project was staked in fall 2012 and existing subscribers were informed at that time of the Company's plans to upgrade their service. As a result of a short construction season necessitated by extreme weather conditions, this project is scheduled for completion in the third quarter 2015. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide weekly Progress Reports to Company Management to ensure deadlines are met.

The project however is facing delays due to archeological concerns from the Bureau of Land Management. The project was slated to begin in 2014 however at this time work has not yet begun.

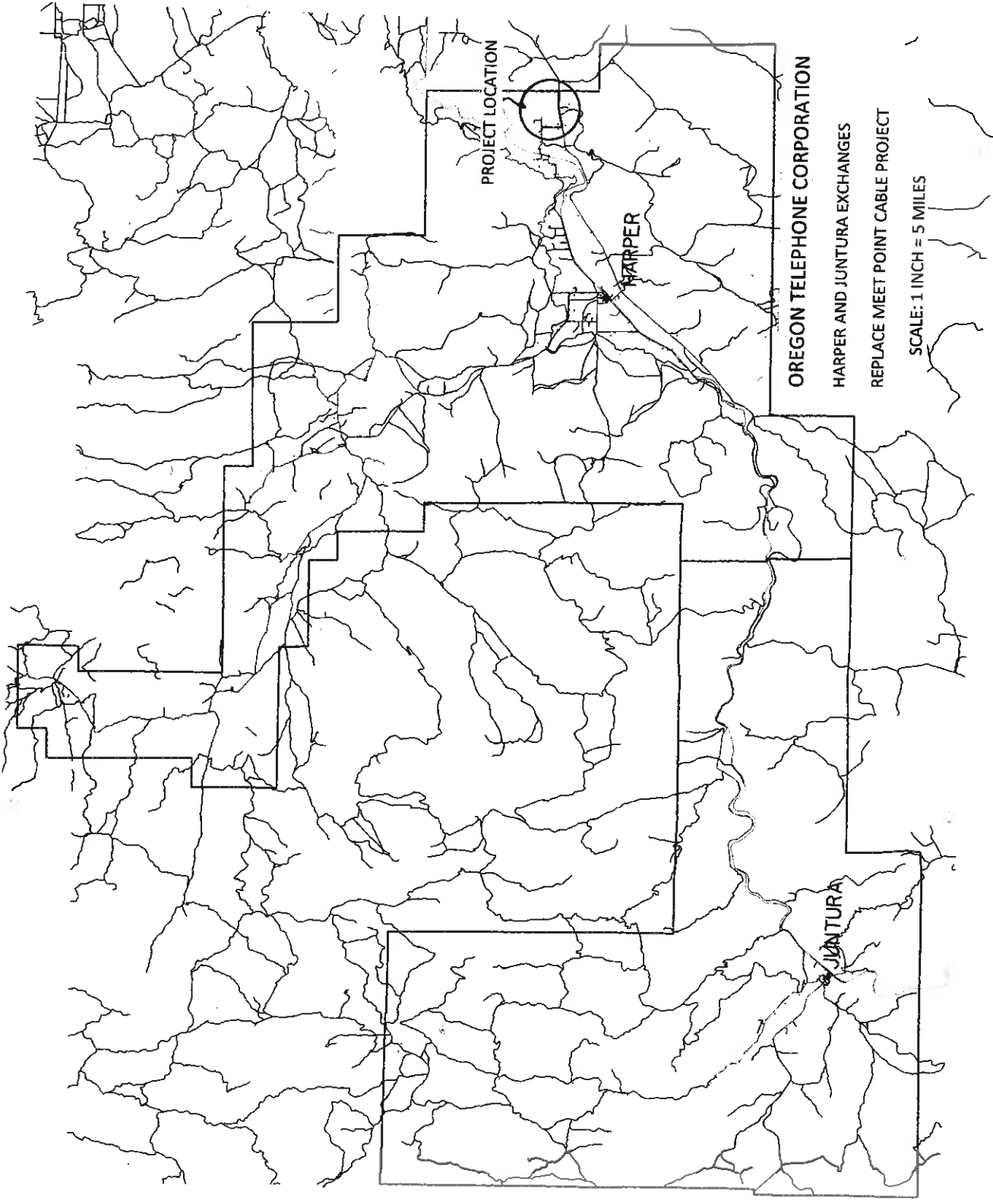
Little Valley Meetpoint Fiber: In December 2014, it was determined that the buried copper had been severely water damaged and was no longer functional. A ground lay of copper was temporarily installed in order to restore toll services. This spring it was determined that replacing the ground lay with fiber and upgrading the electronics would be a better solution to replacing it with copper. This project is nearly complete with a cost of \$40,500.

NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT
AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2015

01:20:00:001 FOR 2015(DTC-MTE-481 NETWORK UPGRADE DETAILS -06/30/15

MAP REF.	A		B	C	D	E	F	G	H	I	J	K	L	M	N	O	
	WIRE CENTER NAME & CLI	DESCRIPTION OF IMPROVEMENT															PURPOSE
	2015 Wire Center Name & CLI Harpo, NIPROXCDS0	Replace Meet Point Cable	Service Quality	\$41,000		100%	\$41,000	50%	50%	554 sq miles	150	8/1/2015					
	Juntura, JINTORXCRSZ	Juntura Fiber Build Upgrade Fiber Electronics	Service Quality and Capacity Service Quality and Capacity	\$756,000 \$45,000		100%	\$756,000 \$45,000	50% 50%	50% 50%	554 sq miles 554 sq miles	49 49	12/1/2015 12/1/2015		1 1			
	2015 TOTAL PROJECTS													\$842,000			

NOTES
 1 Project delayed due to permitting issues with BLM



PROJECT LOCATION

HARPER

JUNTURA

OREGON TELEPHONE CORPORATION

HARPER AND JUNTURA EXCHANGES

REPLACE MEET POINT CABLE PROJECT

SCALE: 1 INCH = 5 MILES

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
Oregon Telephone Corporation

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

PERIOD ENDING
December, 2014

BORROWER DESIGNATION
OR0510

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

Delinda Kluser

4/10/2015

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE	BALANCE	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	3,962,676	3,287,662	25. Accounts Payable	205,692	518,945
2. Cash-RUS Construction Fund	1	1	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	7,805	
a. Telecom, Accounts Receivable	160,059	148,257	28. Customer Deposits	5,025	7,050
b. Other Accounts Receivable	330,112	307,232	29. Current Mat. L/T Debt	1,812,891	1,705,163
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued	74,773	116,483
b. Other Accounts Receivable	536,556	628,705	33. Other Taxes Accrued		
c. Notes Receivable		603,798	34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	216,573	249,097
a. Material-Regulated	25,277	49,691	LONG-TERM DEBT	2,322,759	2,596,738
b. Material-Nonregulated	1,627	3,402	36. Funded Debt-RUS Notes	14,890,320	14,145,844
c. Prepayments	5,696	9,237	37. Funded Debt-RTB Notes	2,501,194	2,219,296
d. Other Current Assets			38. Funded Debt-FFB Notes		
Total Current Assets (1 Thru 9)	5,022,004	5,037,985	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	4,022,295	6,336,781	43. Obligations Under Capital Lease		
c. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	1,001,217	1,529,054
b. Nonrural Development	74,158	74,158	46. Total Long-Term Debt (36 thru 45)	18,392,731	17,894,194
c. Nonregulated Investments	389,419	405,768	OTHER LIAB. & DEF. CREDITS		
d. Other Noncurrent Assets			47. Other Long-Term Liabilities	7,265	3,846
e. Deferred Charges			48. Other Deferred Credits	2,096,990	2,154,475
f. Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	4,485,872	6,816,707	50. Total Other Liabilities and Deferred Credits (47 thru 49)	2,104,255	2,158,321
INT, PROPERTY, AND EQUIPMENT			EQUITY		
Telecom, Plant-in-Service	32,281,977	32,439,705	51. Cap. Stock Outstand. & Subscribed	2,674,715	2,674,715
Property Held for Future Use			52. Additional Paid-in-Capital	13,204	13,204
Plant Under Construction			53. Treasury Stock	11,531,268	11,892,471
Plant Adj., Nonop. Plant & Goodwill	859,299	859,299	54. Membership and Cap. Certificates		
Less Accumulated Depreciation	13,508,270	14,832,615	55. Other Capital		
Net Plant (18 thru 21 less 22)	19,633,006	18,466,389	56. Patronage Capital Credits		
TOTAL ASSETS (10+17+23)	29,140,882	30,321,081	57. Retained Earnings or Margins	15,164,486	16,876,380
			58. Total Equity (51 thru 57)	6,321,137	7,671,828
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	29,140,882	30,321,081

Total Equity = 25.30% % of Total Assets

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0510

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues	418,264	429,555
3. Long Distance Network Services Revenues	6,714,907	6,946,211
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	26,841	26,973
6. Uncollectible Revenues	35,495	20,115
7. Net Operating Revenues (1 thru 5 less 6)	3,290	3,989
8. Plant Specific Operations Expense	7,192,217	7,418,865
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	775,674	813,275
10. Depreciation Expense	219,954	259,884
11. Amortization Expense	1,602,529	1,647,637
12. Customer Operations Expense		
13. Corporate Operations Expense	141,867	149,777
14. Total Operating Expenses (8 thru 13)	992,127	1,038,712
15. Operating Income or Margins (7 less 14)	3,732,151	3,909,285
16. Other Operating Income and Expenses	3,460,066	3,509,580
17. State and Local Taxes	5,630	3,307
18. Federal Income Taxes	153,844	122,757
19. Other Taxes	716,079	612,877
20. Total Operating Taxes (17+18+19)	353,012	382,768
21. Net Operating Income or Margins (15+16-20)	1,222,935	1,118,402
22. Interest on Funded Debt	2,242,761	2,394,485
23. Interest Expense - Capital Leases	953,764	915,226
24. Other Interest Expense		
25. Allowance for Funds Used During Construction	35,717	63,760
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income	989,481	978,986
28. Extraordinary Items	773,952	68,116
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)	92,740	119,603
32. Total Taxes Based on Income	2,119,972	1,603,218
33. Retained Earnings or Margins Beginning-of-Year	869,923	817,225
34. Miscellaneous Credits Year-to-Date	13,358,468	15,164,486
35. Dividends Declared (Common)		108,676
36. Dividends Declared (Preferred)	313,954	
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year	15,164,486	16,876,380
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
4. Annual Debt Service Payments	0	0
5. Cash Ratio [(14+20-10-11) / 7]	2,759,949	3,306,705
6. Operating Accrual Ratio [(14+20+26) / 7]	0.4661	0.4556
7. TIER [(31+26) / 26]	0.8265	0.8096
8. DSCR [(31+26+10+11) / 44]	3.1425	2.6376
	1.7073	1.2792

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0510

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Bates	16.50	11.95		12	20	23.35	19.54
Hereford/Unity	16.50	11.95	8	159	206	279.26	226.94
Prairie City	16.50	11.95	47	388	491	146.00	142.19
MT Vernon	16.50	11.95	103	404	464	157.32	84.24
Dayville	16.50	11.95	60	94	139	72.26	41.52
Harper	19.00	14.35	24	117	141	123.10	47.53
Juntura	19.00	14.35	20	28	48	56.18	
MobileWireless							
Route Mileage Outside Exchange Area					0	0.00	0.00
Total							
No. Exchanges	7		307	1,202	1,509	857.49	561.96

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0510

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

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)	Details on Least Expensive Broadband Service					
			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)
Bates	25	9	3	512	256	29.95	StandAlone	DSL
Hereford/Unity	210	121	30	512	256	29.95	StandAlone	Fiber to the Home
Prairie City	500	334	72	512	256	29.95	StandAlone	Fiber to the Home
MT Vernon	500	317	47	512	256	29.95	StandAlone	Fiber to the Home
Dayville	145	87	15	512	256	29.95	StandAlone	Fiber to the Home
Harper	145	71	15	512	256	29.95	StandAlone	DSL
Juntura	25	10	9	256	256	19.95	StandAlone	DSL
Total	1,550	949						

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0510

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
5	12	1,860	.81	1.76

PART E. TOLL DATA

1. Study Area ID Code(s) a. 532389 b. 533336 c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)	
	Interstate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	260,521
3. Funds Expended Under RUS Interim Approval	45,846
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	215,371
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	
	521,738

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	2,348,005		3,653,650	2,683,131	6,336,781

*8/16
Rural*

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0510

PERIOD ENDING

December, 2014

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY

DEPRECIATION RATE

1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	11.40%
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	7.50%
6. Land and support assets - Furniture and Office equipment	6.00%
7. Land and support assets - General purpose computers	6.40%
8. Central Office Switching - Digital	15.00%
9. Central Office Switching - Analog & Electro-mechanical	6.00%
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	10.60%
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	6.00%
20. Cable and wire facilities - Aerial cable - Fiber	6.00%
21. Cable and wire facilities - Underground cable - Metal	5.80%
22. Cable and wire facilities - Underground cable - Fiber	4.60%
23. Cable and wire facilities - Buried cable - Metal	5.30%
24. Cable and wire facilities - Buried cable - Fiber	5.30%
25. Cable and wire facilities - Conduit systems	4.80%
26. Cable and wire facilities - Other	2.10%

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0510

INSTRUCTIONS – See help in the online application.

PERIOD ENDED

December, 2014

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
CASH FLOWS FROM OPERATING ACTIVITIES		3,962,677
2. Net Income		1,603,218
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		1,647,637
5. Other (Explain)		0
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		(57,467)
8. Decrease/(Increase) in Prepayments and Deferred Charges		(26,189)
9. Decrease/(Increase) in Other Current Assets		(3,541)
10. Increase/(Decrease) in Accounts Payable		0
11. Increase/(Decrease) in Advance Billings & Payments		313,253
12. Increase/(Decrease) in Other Current Liabilities		(7,805)
13. Net Cash Provided/(Used) by Operations		74,234
CASH FLOWS FROM FINANCING ACTIVITIES		3,543,340
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		(603,798)
16. Increase/(Decrease) in Customer Deposits		0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		2,025
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(606,265)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		54,066
20. Less: Payment of Dividends		(361,203)
21. Less: Patronage Capital Credits Retired		0
22. Other (Explain)		0
23. Net Cash Provided/(Used) by Financing Activities		(1,515,175)
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(157,728)
25. Other Long-Term Investments		(2,330,835)
26. Other Noncurrent Assets & Jurisdictional Differences		0
27. Other (Explain) Retirements/Long-term Inv		(214,616)
28. Net Cash Provided/(Used) by Investing Activities		(2,703,179)
29. Net Increase/(Decrease) in Cash		(675,014)
30. Ending Cash		3,287,663

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OR0510
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
Resubmitted due to final audit numbers. Affiliated company net income included. Final 2014 audit also included.	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OR0510
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF
CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR
TELEPHONE BORROWERS

The Board of Directors
Oregon Telephone Corporation
Mt. Vernon, Oregon

We have audited, 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, the consolidated financial statements of Oregon Telephone Corporation and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of revenue, comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 6, 2015. In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2015, on our consideration of Oregon Telephone Corporation and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that Oregon Telephone Corporation and Subsidiaries failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Oregon Telephone Corporation and Subsidiaries' noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding Oregon Telephone Corporation and Subsidiaries' accounting and records to indicate that Oregon Telephone Corporation and Subsidiaries did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telephone system;

Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of investments in affiliated companies.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The detailed schedule of investments in affiliated companies, which is required by 7 CFR 1733.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. This information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements, taken as a whole.

See Schedule of Investments in Affiliated Companies

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Wiggins & Co., PC

Brigham City, Utah

April 6, 2015