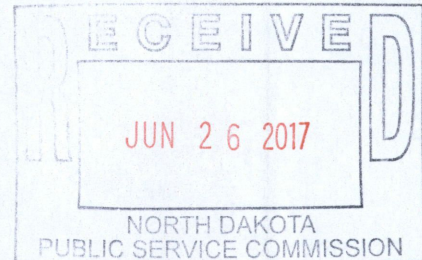




June 26, 2017

Mr. Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Avenue, Dept. 408  
Bismarck, North Dakota 58505-0480



Re: Nemont Telephone Cooperative, Inc. FCC Form 481 – Carrier Annual Reporting Data Collection Form, in Compliance with 47 C.F.R. §§ 54.313 and 54.422 – SAC 482247

Dear Mr. Nitschke:

On behalf of Nemont Telephone Cooperative, Inc. (Nemont), attached is our FCC Form 481 – Carrier Annual Reporting Data Collection Form, in compliance with 47 C.F.R. §§ 54.313 and 54.422, for Study Area Code 482247.

Redacted financial information is included as an attachment to the FCC Form 481.

A copy of the non-redacted confidential financial information that has been filed with the Federal Communications Commission (FCC) subject to a Protective Order, issued by the FCC on November 16, 2012, and the FCC's confidentiality rules, is also being submitted in a sealed envelope labeled "Trade Secret – Private," as confidential information that is exempt from disclosure under the North Dakota Administrative Code, Chapter 69-02-09. The information is proprietary in nature and is not generally available to the public through regulatory disclosure or other means, and would give an advantage to a competitor if made public.

Our application to protect information is also enclosed.

If you have any questions or need additional information, please contact me at 406-449-3214 or via e-mail at [barrowsconsulting@gmail.com](mailto:barrowsconsulting@gmail.com).

Sincerely,

*Sandra Barrows*

Sandra Barrows  
Regulatory Consultant for  
Nemont Telephone Cooperative, Inc.

Enclosures

7 PU-17-30 Filed 06/26/2017 Pages: 45  
Copy of FCC 47 CFR Sections 54.313 & 54.422 Local Rate Floor Data & Collection – redacted  
Nemont Telephone Cooperative, Inc.  
Sandra Barrows, Regulatory Consultant



MOSSADAMS

REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

June 23, 2017

Mariene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Room TW-A325  
Washington, DC 20554

---

RE: **Nemont Telephone Cooperative Inc., SAC 482247**  
**Submission of FCC Form 481 Annual Report**  
**WC Docket No. 14-58 – ETC Annual Reports and Certifications**

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Nemont Telephone Cooperative, Inc. (“the Cooperative”), Study Area Code 482247, hereby files its FCC Form 481 – Carrier Annual Reporting Data Collection Form. *The version of the Cooperative’s FCC Form 481 submitted via the FCC’s Electronic Comment Filing System (ECFS) is a redacted version of the filing that contains no confidential information.*

Section 3005 of FCC Form 481 requires privately-held rate-of-return carriers receiving high cost support to attach a full and complete annual report of the company’s financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Nemont Telephone Cooperative, Inc., by its authorized representative, hereby seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.<sup>1</sup> The *Protective Order* specifically covers the information required by 47 C.F.R. §54.313(f)(2).

Nemont Telephone Cooperative, Inc. is providing to the Office of the Secretary, under seal, this cover letter and the FCC Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

---

<sup>1</sup> *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, *Protective Order*, 31 FCC Rcd 2089 (2016).

T (972) 387-4300  
F (972) 960-2810

8750 N. Central Expressway  
Suite 300  
Dallas, TX 75231

For more information, please contact:  
Director, ETC Reporting, 315 E. 12th St.  
Washington, DC 20540  
or (202) 418-7400

Each page of the Cooperative's financial annual report and the financial summary page on the FCC Form 481 bear the legend, "CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via the ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

The FCC Form 481 has also been filed with the Universal Service Administrative Company and with the relevant state commissions and Tribal governments, as appropriate.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Stuart Polikoff". The signature is written in a cursive style with a large, prominent initial 'S'.

Stuart Polikoff  
Authorized Representative for  
Nemont Telephone Cooperative, Inc.

SP/ag

cc: Remi Sun, Nemont Telephone Cooperative, Inc.

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

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

<010>	Study Area Code	482247
<015>	Study Area Name	NEMONT TEL COOP-MT
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Remi Sun
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4067832358 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	remi.sun@nemont.coop
	Form Type	54.313 and 54.422



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

FCC Form 481  
OMB Control No. 3060-0966/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482247
<015>	Study Area Name	NEWPORT TEL COOP-RI
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Perm. Sun
<035>	Contact Telephone Number - Number of person identified in data line <030>	4057633358 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	perm.sun@newport-coop
<300>	Unfulfilled service request (voice)	<input type="text" value="0"/>
<310>	Detail on attempts (voice)	
<320>	Unfulfilled service request (broadband)	<input type="text" value="2"/>
<330>	Detail on attempts (broadband)	482247MT030.pdf

Name of Attached Document

Name of Attached Document

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

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

<010>	Study Area Code	48024
<015>	Study Area Name	000000000000000000
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	Name: John
<035>	Contact Telephone Number - Number of person identified in data line <030>	4007121000000000
<039>	Contact Email Address - Email Address of person identified in data line <030>	Name: jsmith@usac.gov
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(50) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form

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

<010>	Study Area Code	102314
<015>	Study Area Name	1000001 1000002-00
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Doe
<035>	Contact Telephone Number - Number of person identified in data line <030>	408 834 568 EXT.
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.doe@usac.fcc.gov
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes

482347MTELO.PDF

<S10> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance

---

<S15> Certify compliance with applicable minimum service standards

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

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

<010>	Study Area Code	432237
<015>	Study Area Name	ARMED AND DANGEROUS
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	Paul Dugan
<035>	Contact Telephone Number - Number of person identified in data line <030>	3615433800
<039>	Contact Email Address - Email Address of person identified in data line <030>	pdugan@army.mil
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	48004746760.pdf







**(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 492247  
 <015> Study Area Name NEWONT TEL COOP-NT  
 <020> Program Year 2018  
 <030> Contact Name - Person USAC should contact regarding this data Peni Stitt  
 <035> Contact Telephone Number - Number of person identified in data line <030> 405732358 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> peni\_stitt@newont-coop

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

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

Port Peck Indian Reservation

482247MT920.pdf


<920> Tribal Government Engagement Obligation

482247MT920.pdf

Name of Attached Document

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

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

Select Yes or No or Not Applicable
Yes

Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1000) Voice and Broadband Service Rate Comparability Data Collection Form**

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

<010>	Study Area Code	482247
<015>	Study Area Name	NEWPORT TEL COOP-KT
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Rami Sun
<035>	Contact Telephone Number - Number of person identified in data line <030>	4067832158 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rami.sun@newport.coop

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	482247MT1010.pdf

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1020>	Broadband comparability certification	
--------	---------------------------------------	--

482247MT1030.pdf

<1030>	Attach detailed description for broadband comparability compliance	
--------	--	--

Name of Attached Document

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

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

<010>	Study Area Code	402247
<015>	Study Area Name	REMONI TEL COOP-RT
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Reed Sun
<035>	Contact Telephone Number - Number of person identified in data line <030>	4057832393 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	reed_sun@remonit.coop

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

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

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

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

<010> Study Area Code 482247  
 <015> Study Area Name NEWPORT TEL COOP-WV  
 <020> Program Year 2012  
 <030> Contact Name - Person USAC should contact regarding this data Remi Satt  
 <035> Contact Telephone Number - Number of person identified in data line <030> 4067833568 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> remi\_satt@newport-coop

482247MT1210.pdf

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP

"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.

**(2005) Price Cap Carrier Additional Documentation  
Data Collection Form**

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

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

<010>	Study Area Code	482247
<015>	Study Area Name	NEMONT TEL COOP-MT
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Remi Sun
<035>	Contact Telephone Number - Number of person identified in data line <030>	4067832358 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	remi_sun@nemont.coop

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

**Incremental Connect America Phase I reporting**

<2011> 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.

<2022> Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.

<2025A> Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information

(2005) Price Cap Carrier Additional Documentation  
Data Collection Form  
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers  
FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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

<2016> Certification support used to build broadband

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

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing  
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

**(3095) Rate Of Return Carrier Additional Documentation**  
Data Collection Form

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

<010>	Study Area Code	482247
<015>	Study Area Name	NEMONT TEL COOP-MT
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Remi Sun
<035>	Contact Telephone Number - Number of person identified in data line <030>	4067832358 ext .
<039>	Contact Email Address - Email Address of person identified in data line <030>	remi.sun@nemont.coop

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

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

Yes - Attach Certification

(3010A) Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}  482247MT3010.pdf

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3024) Underlying information subjected to an officer certification.

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

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information  482247MT3026.pdf

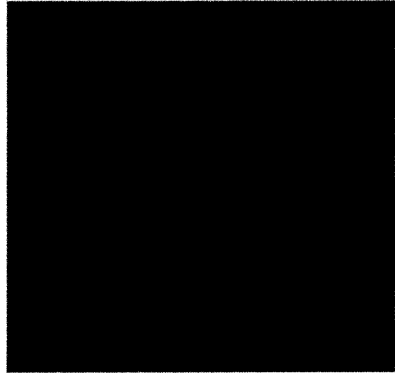
(3005) Rate Of Return Carrier Additional Documentation (Continued)  
Data Collection Form

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

<010> Study Area Code 482247  
<015> Study Area Name NERBERT TEL CODE-NI  
<020> Program Year 2018  
<030> Contact Name - Person USAC should contact regarding this data RICK STU  
<035> Contact Telephone Number - Number of person identified in data line <030> 4087832353 ext.  
<039> Contact Email Address - Email Address of person identified in data line <030> r.stu@nerbert.com

Financial Data Summary

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



<010>	Study Area Code	<010>
<015>	Study Area Name	<015>
<020>	Program Year	<020>
<030>	Contact Name - Person USAC should contact regarding this data	<030>
<035>	Contact Telephone Number - Number of person identified in data line <030>	<035>
<039>	Contact Email Address - Email Address of person identified in data line <030>	<039>

**4005 Rural Broadband Experiment**

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

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

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

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

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

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

If yes to 4003a, please provide a response for 4003b.

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

---

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

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

---

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

---

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<b>&lt;010&gt;</b>	Study Area Code	482247
<b>&lt;015&gt;</b>	Study Area Name	NEMONT TEL COOP MT
<b>&lt;020&gt;</b>	Program Year	2018
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Remi Sun
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	4067232358 ext.
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	remi.sun@nemont.coop

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

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
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.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	482247
<015> Study Area Name	NEMONT TEL COOP MT
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Remi Sun
<035> Contact Telephone Number - Number of person identified in data line <030>	406/832358 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	remi.sun@nemont.coop

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Moss Adams, LLP</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Moss Adams, LLP</u>
Name of Reporting Carrier:	<u>NEMONT TEL COOP-MT</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/20/2017</u>
Printed name of Authorized Officer:	<u>Remi Sun</u>
Title or position of Authorized Officer:	<u>CEO</u>
Telephone number of Authorized Officer:	<u>4067832358 ext.</u>
Study Area Code of Reporting Carrier:	<u>482247</u> Filing Due Date for this form: <u>07/03/2017</u>
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:	<u>NEMONT TEL COOP MT</u>
Name of Authorized Agent Firm:	<u>Moss Adams, LLP</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/20/2017</u>
Name of Authorized Agent Employee:	<u>Moss Adams, LLP</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Staff Consultant</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>503/770231 ext.</u>
Study Area Code of Reporting Carrier:	<u>482247</u> Filing Due Date for this form: <u>07/03/2017</u>
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







## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Nemont Telephone Cooperative, Inc. - MT ("the Cooperative") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its local exchange services tariff, which is approved by the Montana Public Service Commission ("Montana PSC"). The tariff contains provisions regarding the Cooperative's customer service and protection practices.

Service quality standards for voice service are established by the Montana PSC. The Cooperative consistently meets or exceeds those standards and provides reports to the Montana PSC, in accordance with the Montana PSC's rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Cooperative. The Cooperative also complies with the FCC's Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require the Cooperative to publicly disclose information regarding its network management practices, performance, and the commercial terms of its broadband services.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

In particular, the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011).

An explanation of the Cooperative's CPNI practices and FAQ's, as well as other consumer protection information can be found at <https://www.nemont.com/customer-center/consumer-information/>.

## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Nemont Telephone Cooperative, Inc. - MT ("the Cooperative") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its local exchange services tariff, which is approved by the Montana Public Service Commission ("Montana PSC"). The tariff contains provisions regarding the Cooperative's customer service and protection practices.

Service quality standards for voice service are established by the Montana PSC. The Cooperative consistently meets or exceeds those standards and provides reports to the Montana PSC, in accordance with the Montana PSC's rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Cooperative. The Cooperative also complies with the FCC's Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require the Cooperative to publicly disclose information regarding its network management practices, performance, and the commercial terms of its broadband services.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

In particular, the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011).

An explanation of the Cooperative's CPNI practices and FAQ's, as well as other consumer protection information can be found at <https://www.nemont.com/customer-center/consumer-information/>.

## **LINE 610 - FUNCTIONALITY IN EMERGENCY SITUATIONS**

Nemont Telephone Cooperative, Inc. - MT ("the Cooperative") is able to remain functional in emergency situations for both voice and broadband service. The Cooperative has a reasonable amount of backup power to ensure functionality without an external power source. Buildings and central offices are equipped with uninterruptible power supply ("UPS") using battery backup and standalone generators. Access nodes are equipped with eight hours of battery backup and plug-ins for portable generators.

The Cooperative is able to reroute voice, Internet and cellular traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. The Cooperative is fully protected for all voice, Internet and cellular traffic which will transfer over to the redundant path in case of an emergency or maintenance. All network transport is designed and installed in a redundant, geo diverse, ring architecture that will automatically transfer over in case of a disruption in service. This includes redundant routing / switching hardware to facilitate a seamless transfer of traffic.

## **LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION**

Nemont Telephone Cooperative, Inc. - MT ("the Cooperative") serves on tribal lands of the Fort Peck Indian Reservation ("the Reservation"). During 2016, the Cooperative had a series of meetings, telephone discussions, and email exchanges with tribal government officials of the Reservation. The purpose of these meetings and discussions was to confirm that the Cooperative is meeting all of the Reservation's expectations and to plan and prepare for any future service requirements. Among other things, these meetings and discussions included the following topics:

- Needs assessment and deployment planning with a focus on the Reservation's community anchor institutions.
- Feasibility and sustainability planning.
- Marketing services in a culturally sensitive manner.
- Compliance with right of way processes.
- Compliance with land use permitting requirements.
- Compliance with facilities siting rules.
- Compliance with environmental review processes.
- Compliance with cultural preservation review processes.
- Compliance with the Reservation's business and licensing requirements.

The Cooperative is proud of its relationship with the Reservation and works hard to help the Reservation prosper and improve the quality of life of its members.

## LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's 2017 reasonable comparability benchmark for voice services is \$49.51, which includes the federal subscriber line charge ("SLC").<sup>1</sup>

In all of the exchanges served by Nemont Telephone Cooperative, Inc.-MT ("the Cooperative"), the single line residential local rate in effect as of January 1, 2017 was \$21.00. When the federal SLC (\$6.50) is included, the rate was \$27.50. Therefore, the Cooperative's pricing of fixed voice services is less than the reasonable comparability benchmark of \$49.51.

---

<sup>1</sup> *Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations*, Public Notice, WC Docket No. 10-90, 32 FCC Red 1358 (2017).

## **LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY**

As of January 1, 2017, Nemont Telephone Cooperative, Inc. - MT was charging a residential rate of \$65.00 for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than \$77.98, which is the 2017 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.<sup>1</sup>

---

<sup>1</sup> *Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations*, Public Notice, WC Docket No. 10-90, 32 FCC Red 1358 (2017).

## **LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS**

Residential customers of Nemont Telephone Cooperative, Inc.-MT (“the Cooperative”) residing on non-Tribal lands who qualify for the Lifeline Program receive a federal discount of \$9.25 on local voice telephony service. Residential Lifeline customers of the Cooperative residing on Tribal lands receive a discount of \$27.50 on local voice telephony service (\$9.25 federal discount + additional \$18.25 federal discount).

Throughout the Cooperative’s study area, the Lifeline single-line residential rate for non-Tribal customers, including the federal subscriber line charge (“SLC”), is \$18.25 (\$27.50 standard rate - \$9.25 discount). The Lifeline single-line residential rate for customers residing on Tribal lands, including the federal SLC, is \$0 (\$27.50 standard rate - \$27.50 discount).

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

For calls outside of the local calling area, Lifeline customers may subscribe to long distance service offered by the Cooperative at a non-discounted rate of \$.10/minute. Lifeline customer may also choose another long distance carrier. Customers may elect to subscribe to toll blocking at no charge.

The Cooperative does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Lifeline customers may subscribe to any residential voice telephony service package offered by the Cooperative and will receive the applicable Lifeline discount off the regular price of the package.

The Cooperative provides additional information regarding the Lifeline program at <https://www.nemont.com/customer-center/telephone-assistance-lifeline/>.

**LINE 3010 – CERTIFICATION OF PUBLIC INTEREST OBLIGATIONS**

Nemont Telephone Cooperative, Inc. - MT ("the Cooperative") hereby certifies that the Cooperative has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service were met within a reasonable amount of time.



**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
 Nemont Telephone Cooperative, Inc.  
 Scobey, Montana

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Nemont Telephone Cooperative, Inc. and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Nemont Telephone Cooperative, Inc.  
Page Two

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nemont Telephone Cooperative, Inc. and Subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 15, 2017 on our consideration of Nemont Telephone Cooperative, Inc. and Subsidiaries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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* in considering Nemont Telephone Cooperative, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Roseville, Minnesota  
March 15, 2017

*Olsen Thielson & Co., LTD*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

---

Board of Directors and Management  
Nemont Telephone Cooperative, Inc.  
Scobey, Montana

We have audited the financial statements of Nemont Telephone Cooperative, Inc. and Subsidiaries as of and for the year ended December 31, 2016, and have issued our report thereon dated March 15, 2017. We conducted our audit in accordance with auditing standards generally accepted auditing 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.

**Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Nemont Telephone Cooperative, Inc. and Subsidiaries  
Page Two

---

## Compliance and Other Matters

### Management's Responsibility for Compliance

Compliance with certain provisions of laws, regulations, contracts and grant agreements is the responsibility of the Company's management.

### Auditors' Responsibility

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

As required by Section 1773.33 of 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*, we also reported additional information to management of the Company in a separate letter dated March 15, 2017. This information does not include matters that are (a) deficiencies in internal control over financial reporting other than significant deficiencies or material weaknesses, or (b) immaterial violations of provisions of laws, regulations, contracts, or grants or immaterial abuse.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and other matters, and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance and other matters. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and on compliance and other matters. Accordingly, this report is not suitable for any other purpose.

*Olsen Thielson + Co., LTD*

Roseville, Minnesota  
March 15, 2017

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

---

Board of Directors and Management  
Nemont Telephone Cooperative, Inc.  
Scobey, Montana

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 financial statements of Nemont Telephone Cooperative, Inc. and Subsidiaries, which comprise the balance sheet as of December 31, 2016, and the related statements of comprehensive income, members' equity and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2017. In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, on our consideration of the Company's 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 the Company 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 (RUS) 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 the Company's compliance 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 material matters regarding the Company's accounting and records to indicate that the Company 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 for 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 telecommunications system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Comply with the requirements for the detailed schedule of investments as follows:

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments required by Section 1773.33(i), and provided below, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 additional 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 financial statements as a whole.

	Nemont Comm- unication, Inc. (1)	Other (2)	Totals
Investment Cost	[REDACTED]		
Cumulative Earnings (Losses) and Distributions as of December 31, 2015			
Book Value of Investment as of December 31, 2015			
Investment in 2016			
Earnings in 2016			
Distributions in 2016			
Book Value of Investment as of December 31, 2016			

Company (1) is a corporation that leases vehicles, buildings, computers and fiber optic services and provides internet and long distance services. The Company owns [REDACTED] interest in Company (1) and accounts for the investment on the equity basis.

Company (2) consists of patronage capital from local cooperatives and accounts for the investment on the cost basis.

Nemont Telephone Cooperative, Inc. and Subsidiaries  
Page Three

---

The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and regulatory requirements for telecommunication borrowers based on the requirements of 7 CFR Part 1773, as clarified in the RUS policy memorandum dated February 7, 2014. Accordingly, this report is not suitable for any other purpose.

*Olsen Thielson & Co., LTD*

Roseville, Minnesota  
March 15, 2017

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	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i>	
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER NAME Nemont Telephone Cooperative, Inc.  (Prepared with Audited Data)	

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2016	BORROWER DESIGNATION MT0511
---	---------------------------------	--------------------------------

**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

Remi Sun 3/30/2017  
DATE

PART A. BALANCE SHEET					
	BALANCE	BALANCE		BALANCE	BALANCE
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY	PRIOR YEAR	END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Pur. Dev.		
4. Non-Affiliates:			31. Current Mat. Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			<b>46. Total Long-Term Debt (36 thru 45)</b>		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
<b>23. Net Plant (18 thru 21 less 22)</b>			56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			<b>58. Total Equity (51 thru 57)</b>		
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>		

Total Equity = [REDACTED] % of Total Assets

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  MT0511
INSTRUCTIONS- See RUS Bulletin 1744-2	PERIOD ENDING  December, 2016

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
<b>14. Total Operating Expenses (8 thru 13)</b>		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
<b>20. Total Operating Taxes (17+18+19)</b>		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION MT0511
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2016
<b>PART I – STATEMENT OF CASH FLOWS</b>	
1. <b>Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
2. <b>Net Income</b>	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain) Less: Retirements/Salvages	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. <b>Net Cash Provided/(Used) by Operations</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. <b>Net Cash Provided/(Used) by Financing Activities</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. <b>Net Cash Provided/(Used) by Investing Activities</b>	
29. <b>Net Increase/(Decrease) in Cash</b>	
30. <b>Ending Cash</b>	