



CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 1 was successfully certified on 2013-09-23 13:34:34.0 by dkluser@ortelco.net .

SAC : 520581

SPIN : 143031039

Carrier Name : BEAVER CREEK TELEPHONE COMPANY

Program Year : 2014

[Return to 481 Search](#)

**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	520581
<015> Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020> Program Year	2014
<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>	541 932 4411
<039> Contact Email Address: Email of the person identified in data line <030>	dkluser@ortelco.net

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510> 520581wa510	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610> 520581WA610	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="checkbox"/>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

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

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

**(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 520581

<015> Study Area Name BEAVER CREEK TELEPHONE COMPANY

<020> Program Year 2014

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

<035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411

<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? (yes / no) (yes) (no)

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

If your answer to line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

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

(200) Service Outage Reporting (Voice)
Data Collection Form

<010> Study Area Code 520581
<015> Study Area Name BEAVER CREEK TELEPHONE COMPANY
<020> Program Year 2014
<030> Contact Name - Person USAC should contact regarding this data DELINDA KJUSER
<035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411
<039> Contact Email Address - Email Address of person identified in data line <030> dkuser@rtelco.net

NORS Reference Number	Outage Start Date	Outage Start Time	Outage End Date	Outage End Time	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	Service Outage Description (Check all that apply)	Did This Outage Affect Multiple Study Areas (Yes / No)	Service Outage Resolution	Preventative Procedures
-- See attached worksheet --											

**(700) Price Offerings Including Voice Rate Data
Data Collection Form**

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

<010> Study Area Code 520581
 <015> Study Area Name BEAVER CREEK TELEPHONE COMPANY
 <020> Program Year 2014
 <030> Contact Name - Person USAC should contact regarding this data DELINDA KJUSER
 <035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411
 <039> Contact Email Address - Email Address of person identified in data line <030> dkuser@ortelco.net
 <701> Residential Local Service Charge Effective Date

1/1/2013

 <702> Single State-wide Residential Local Service Charge

<703>	<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
	State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
					-- See attached worksheet				
					--				

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

**(710) Broadband Price Offerings
Data Collection Form**

<010> Study Area Code 520581
<015> Study Area Name BEAVER CREEK TELEPHONE COMPANY
<020> Program Year 2014
<030> Contact Name - Person USAC should contact regarding this data DELINDA KLUSER
<035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411
<039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortelco.net

<711> <a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
-- See attached worksheet --								

<010> Study Area Code 520581

<015> Study Area Name BEAVER CREEK TELEPHONE COMPANY

<020> Program Year 2014

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

<035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411

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

<810> Reporting Carrier Skyline Telecom Inc

<811> Holding Company North-State Telephone Co.

<812> Operating Company NA

<A1>	<A2>	<A3>
Affiliates	SAC	Doing Business As Company or Brand Designation
-- See attached worksheet --		

**(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 520581

<015> Study Area Name BEAVER CREEK TELEPHONE COMPANY

<020> Program Year 2014

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

<035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411

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

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

<920> Tribal Government Engagement Obligation

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, No, NA)	

Name of Attached Document (.pdf)

**(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	520581
<015>	Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

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

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

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

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

<010>	Study Area Code	520581
<015>	Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans
520581wa1222
Name of attached document (.pdf)
HTTP <http://www.utcc.wa.gov/consumers/telephone/Pages/telephoneassistanceProgram.aspx>

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

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation
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	520581
<015>	Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KIUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkuser@orttelco.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification (47 CFR § 54.313(b)(1))

<2011> 3rd Year Certification (47 CFR § 54.313(b)(2))

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

<2012> 2013 Frozen Support Certification

<2013> 2014 Frozen Support Certification

<2014> 2015 Frozen Support Certification

<2015> 2016 and future Frozen Support Certification

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

<2016> Certification Support Used to Build Broadband

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

<2017> 3rd year Broadband Service Certification

<2018> 5th year Broadband Service Certification

<2019> Interim Progress Certification

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

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information _____

(3000) 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 520581
 <015> Study Area Name BEAVER CREEK TELEPHONE COMPANY
 <020> Program Year 2014
 <030> Contact Name - Person USAC should contact regarding this data DELINDA KLUSSER
 <035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411
 <039> Contact Email Address - Email Address of person identified in data line <030> dklu@rotelco.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

- (3010) Milestone Certification (47 CFR § 54.313(f)(1)(i))
 Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
 Name of Attached Document Listing Required Information
- (3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))
 Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
 If yes, does your company file the RUS annual report
 Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:
 Name of Attached Document Listing Required Information (Yes/No)
 (Yes/No)
- (3012) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
- (3013) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
- (3014) 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 520581wa3017
 (Yes/No)
- (3015) If the response is no on line 3014, Is your company audited?
- (3016) 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:
- (3017) 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,
- (3018) Underlying information subjected to a review by an independent certified public accountant
- (3019) Underlying information subjected to an officer certification.
- (3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
- (3021) Attach the worksheet listing required information
- (3022) Name of Attached Document Listing Required Information 520581wa3026
- (3023) Name of Attached Document Listing Required Information
- (3024)
- (3025)
- (3026)

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	520581
<015> Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035> Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<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:	BEAVER CREEK TELEPHONE COMPANY
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/08/2013
Printed name of Authorized Officer:	Delinda Kluser
Title or position of Authorized Officer:	Vice-Pres, Manager
Telephone number of Authorized Officer:	541-932-4411
Study Area Code of Reporting Carrier:	520581 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	520581
<015>	Study Area Name	BEAVER CREEK TELEPHONE COMPANY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<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: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Service Quality Standards & Consumer Protection Rules Compliance

Study Area Code	520581
Study Area Name	Skyline Telecom Inc
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

Consumer Protection

Skyline Telecom Inc. complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Skyline Telecom Inc. complies with the service standards of the State of Washington as promulgated in the Washington Administrative Code WAC 480-123-030(1)(h). Skyline Telecom Inc. is committed to providing the highest quality service to its subscribers.

Functionality in Emergency Situations

Study Area Code 520581
 Study Area Name BEAVER CREEK TELEPHONE CO dba SKYLINE TELECOM
 Program Year 2014
 Contact Name DELINDA KLUSER
 Contact Telephone Number 541 932 4411
 Contact E-Mail Address dkluser@ortelco.net

<u>Exchange</u>	<u>Site Name</u>	<u>Battery Ah</u>	<u>Est Battery Life</u>	<u>Backup Pwr</u>	<u>Fuel Type</u>	<u>Capacity</u>	<u>Est Run Time</u>	<u>Notes</u>
Silverton	Silverton Central Office	1400 Ah	67 hrs	Generator	Diesel	100 gal	48 hrs	
Mt Hull	Mt Hull Central Office	130 Ah	5 hrs	Generator	Gasoline	5 gal	Indefinite	
Mt Hull	Summit Lake AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A	
Mt Hull	Big Rock AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A	

1200

Terms and Conditions for Lifeline
Customers

Study Area Code	520581
Study Area Name	BEAVER CREEK TELEPHONE dba SKYLINE TELECOM
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 923 441
Contact E-Mail Address	<u>dkluser@ortelco.net</u>

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Beaver Creek Telephone dba Skyline Telecom subscriber, are free to choose their own toll usage plans through IXCs that serve Beaver Creek Telephone dba Skyline Telecom.

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 OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<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> BORROWER NAME Beaver Creek Telephone Company
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<i>INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>	PERIOD ENDING December, 2012	BORROWER DESIGNATION WA0546
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CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

_____ Delinda Kluser _____ 3/21/2013 _____
 DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	192,371	204,129	25. Accounts Payable	117,497	91,916
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	81,815	67,728	28. Customer Deposits	530	670
b. Other Accounts Receivable			29. Current Mat. L/T Debt	226,566	165,828
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	3,232	2,288
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	347,825	260,702
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	614,067	549,178
8. Prepayments	1,174	1,217	37. Funded Debt-RTB Notes	360,604	323,682
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	275,360	273,074	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired 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	131,318	67,232
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	1,105,989	940,092
13. Nonregulated Investments	4,587	2,648	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	75,817	73,223
15. Deferred Charges	24,335	22,794	48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	28,922	25,442	50. Total Other Liabilities and Deferred Credits (47 thru 49)	75,817	73,223
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	3,047,067	3,047,888	51. Cap. Stock Outstand. & Subscribed	262,582	262,582
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	1,329,383	1,541,047	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	1,717,684	1,506,841	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)	2,021,966	1,805,357	57. Retained Earnings or Margins	229,753	268,758
			58. Total Equity (51 thru 57)	492,335	531,340
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	2,021,966	1,805,357

Total Equity = 29.43% of Total Assets

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

BORROWER DESIGNATION

WA0546

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	34,231	33,093
2. Network Access Services Revenues	816,872	741,425
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues	7,941	(310)
7. Net Operating Revenues (1 thru 5 less 6)	843,162	774,828
8. Plant Specific Operations Expense	147,634	148,225
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	3,521	4,532
10. Depreciation Expense	208,543	211,664
11. Amortization Expense	18,684	1,540
12. Customer Operations Expense		
13. Corporate Operations Expense	262,679	265,133
14. Total Operating Expenses (8 thru 13)	641,061	631,094
15. Operating Income or Margins (7 less 14)	202,101	143,734
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes	33,892	24,841
19. Other Taxes	9,380	9,007
20. Total Operating Taxes (17+18+19)	43,272	33,848
21. Net Operating Income or Margins (15+16-20)	158,829	109,886
22. Interest on Funded Debt	52,809	48,367
23. Interest Expense - Capital Leases		
24. Other Interest Expense	26,242	13,308
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	79,051	61,675
27. Nonoperating Net Income	166	4,726
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(11,338)	(13,932)
31. Total Net Income or Margins (21+27+28+29+30-26)	68,606	39,005
32. Total Taxes Based on Income	33,892	20,099
33. Retained Earnings or Margins Beginning-of-Year	161,147	229,753
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		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	229,753	268,758
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	342,062	288,308
45. Cash Ratio [(14+20-10-11) / 7]	0.5421	0.5830
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9054	0.9378
47. TIER [(31+26) / 26]	1.8679	1.6324
48. DSCR [(31+26+10+11) / 44]	1.0960	1.0887

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0546
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2012
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		192,371
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net income		39,005
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		211,664
4. Add: Amortization		1,540
5. Other (Explain) PPD Adj/Accrued Taxes Adj		(2,484)
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		14,087
7. Decrease/(Increase) in Materials and Inventory		0
8. Decrease/(Increase) in Prepayments and Deferred Charges		1,498
9. Decrease/(Increase) in Other Current Assets		0
10. Increase/(Decrease) in Accounts Payable		(25,581)
11. Increase/(Decrease) in Advance Billings & Payments		0
12. Increase/(Decrease) in Other Current Liabilities		0
13. Net Cash Provided/(Used) by Operations		239,729
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		0
15. Increase/(Decrease) in Notes Payable		0
16. Increase/(Decrease) in Customer Deposits		140
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(226,635)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(2,594)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20. Less: Payment of Dividends		0
21. Less: Patronage Capital Credits Retired		0
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		(229,089)
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(821)
25. Other Long-Term Investments		1,939
26. Other Noncurrent Assets & Jurisdictional Differences		0
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		1,118
29. Net Increase/(Decrease) in Cash		11,758
30. Ending Cash		204,129

Revision Date 2010

SKYLINE TELECOM, INC.
RUS MANAGEMENT LETTER
DECEMBER 31, 2012 AND 2011



INDEPENDENT AUDITOR'S MANGEMENT LETTER FOR TELECOMMUNICATIONS
BORROWERS

February 20, 2013

Board of Directors
Skyline Telecom, Inc.
Mt. Vernon, Oregon

We have audited the financial statements of Skyline Telecom, Inc. for the years ended December 31, 2012 and 2011, and have issued our report thereon dated February 20, 2013. We conducted our audits in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utility Services (RUS) Borrowers. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of Skyline Telecom, Inc. for the years ended December 31, 2012 and 2011, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A description of the responsibility of management for establishing and maintaining the internal control over financial reporting and the objectives of and inherent limitations in such control is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated February 20, 2013, and should be read in conjunction with this report.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be prevented or detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Section 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific

RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33 (e)(2), and related party transactions and investments. In addition, our audits of the financial statements also included the procedures specified in 7 CFR 1773.38-.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports other than our independent auditor's report and our independent auditor's report on internal control over financial reporting and on compliance, all dated February 20, 2013, or summary of recommendations related to our audits have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Skyline Telecom, Inc. internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- * The accounting procedures and records;
- * The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- * The materials control.

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

Management's responsibility for compliance with laws, regulations, contracts, and grants is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated February 20, 2013, and should be read in conjunction with this report. At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- * Procedure performed with respect to the requirement to maintain all funds in institutions whose accounts are insured by an Agency of the Federal government:

1. Obtained information from financial institutions with which Skyline Telecom, Inc. maintains funds that indicated that the institutions are insured by an agency of the Federal government.
- * Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, for the use of mortgaged property by others, or for services pertaining to toll traffic, operator assistance, or switching for the years ended December 31, 2012 and 2011, of Skyline Telecom, Inc.
 1. Obtained and read a borrower-prepared schedule of new written contracts, agreements or leases entered into during the years between the borrower and an affiliate as defined in §1773.33 (e)(2)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 3. Noted the existence of written RUS approval of each contract listed by the borrower.
- * Procedure performed with respect to the requirement to submit RUS Form 479 to the RUS:
 4. Agreed amounts reported in Form 479 to Skyline Telecom, Inc.'s records.

The results of our tests indicate that, with respect to the items tested, Skyline Telecom, Inc. complied, except as noted below, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- * The borrower maintains all funds in institutions whose accounts are insured by an agency of the Federal government.
- * The borrower has obtained written approval of the RUS to enter into any contract, agreement or lease with an affiliate as defined in §1773.33 (e)(2)(i); and
- * The borrower has submitted its Form 479 to the RUS and the Form 479, Financial and Statistical Report, as of December 31, 2011, represented by the borrower as having been submitted to RUS, is in agreement with the Skyline Telecom, Inc.'s audited records in all material respects. Form 479 for 2012 was not completed as of our report date.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audits of the financial statements of Skyline Telecom, Inc., nothing came to our attention that caused us to believe that Skyline Telecom, Inc. failed to comply with respect to:

1. The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33 (c)(1);
 - * The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33 (c)(2);
 - * The retirement of plant addressed at 7 CFR 1773.33 (c)(3) and (4);
 - * The approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33 (c)(5);
 - * The disclosure of material related party transactions, in accordance with *FASB Accounting Standards Codification 850, Related Party Transactions*, for the years ended December 31, 2012 and 2011 in the financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33 (e); and
 - * The detailed schedule of investments: The subsidiary of the Company was merged into the Company as of June 30, 2011 and as such, the Company did not have any investments in subsidiaries or affiliates at December 31, 2012 and 2011.

The Company met the tier ratio requirement for 2012 and 2011.

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., LLC

Brigham City, Utah 84302
February 20, 2013

3026

Miscellaneous Information

Study Area Code	520581
Study Area Name	Skyline Telecom Inc.
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	<u>dkluser@ortelco.net</u>

Effective July 1, 2011 the name of Beaver Creek Telephone was changed to Skyline Telecom Inc. This change was reported to USAC and all other such documents state the name correctly. Please change the name in this filing to reflect the appropriate name of Skyline Telecom Inc.