QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570003	623894359

4. Recipient Organization

South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2012	○ Yes ◉ No

7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official	7c. Telephone (area code, number and extension)
Mark Shlanta	6053347185
Chief Executive Officer	**7d. Email Address** mark.shlanta@sdncommunications.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-09-2012

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

SDN focused on construction activities this quarter with the project nearing completion. Additional Community Anchor Institutions were connected to the network as we now approach nearly 500 subscribers receiving new or improved service as a result of BTOP funds. Sub Recipient projects are also completed or nearing completion as we enter the final phase of the project. Planning for closeout of the award is taking place to insure a smooth and seamless process.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	87	An aggressive Baseline projection coupled with a longer than anticipated Environmental process has continued to see us lag in original Baseline projections. Minimal mileage remains to be built and will reach the end of construction in Q3 with final administrative tasks being completed in Q4 2012.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance.
2f.	Site Preparation	100	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	95	The Network build is nearing completion with final lateral routes still remaining with anticipation of completing construction in Q3 2012.
2i.	Equipment Deployment	100	No Variance.
2j.	Network Testing	80	Once construction is completed and final subscriber connections are made, testing will be completed with an anticipated date sometime in the fourth quarter of 2012.
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

None at this time in the project cycle.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	341	With minimal miles remaining to build, completion of construction is planned for next quarter and meeting Baseline projection.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	341	See "New network miles deployed' narrative above.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No interconnection points have been identified at this point in the project. This will be clarified during the final phase of the project.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
N/A

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in $ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).
Sub Recipients identified below will own and operate their portion of the Network they build for expansion to their footprint.
City of Faith-Telephone Department, 204 N. Main Street, Faith, South Dakota 57626
Interstate Telecommunications Cooperative, Inc., 312 4th Street West, Clear Lake, South Dakota 57226
Northern Valley Communications, LLC, 235 East First Ave., Groton, South Dakota 57445
Northern Hills Transport, LLC, 2900 West 10th Street, Sioux Falls, South Dakota 57104
TrioTel Communications, Inc., 330 S. Nebraska St., Salem, South Dakota 57058
Venture Communications, Inc., 218 Commercial Ave. SE, Highmore, South Dakota 57345

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	**Providers with signed agreements receiving new access**	0	This milestone originally included the Sub Recipients to calculate the Baseline projection. Based upon feedback from NTIA, we will not be counting Sub Recipients as Last Mile Providers. Agreements with Sub Recipients do not involve interconnection, peering or other related verbiage. It is not anticipated that we will have any agreements with Wholesalers or Last Mile Providers
	Providers with signed agreements receiving improved access	0	See narrative above under "Providers with signed agreements receiving new access."

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	493	Exceeding Baseline.
	Subscribers receiving new access	276	Exceeding Baseline.
	Subscribers receiving improved access	217	Exceeding Baseline.
	Please identify the speed tiers that are available and the number or subscribers for each	12	8-5Mb/s, 163-10Mb/s, 4-15Mb/s, 4-20Mb/s, 1-25Mb/s, 2-30Mb/s, 2-40Mb/s, 3-45Mb/s, 1-80Mb/s, 39-100Mb/s, 1-175Mb/s, 4-1000Mb/s Not all of the CAI's being served are subscribing to service at this time.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).

None at this time of the project.

8a. Have your network management practices changed over the last quarter?   ◯ Yes   ◉ No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:
Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
Union County Courthouse	Elk Point	Otheer Government Facility	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Elk Point Schools	Elk Point	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Estelline High School	Estelline	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith Clinic	Faith	Health	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith Library	Faith	Library	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith City Hall	Faith	Public Safety	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith Fire Department	Faith	Public Safety	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith Central Office	Faith	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith Schools	Faith	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Faith State Shop	Faith	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Fort Pierre High School	Fort Pierre	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Dakota Game, Fish, And Parks Fisheries Center	Fort Pierre	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Department of Transportation	Hayti	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Parker Schools	Parker	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Turner County Court House	Parker	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Department of Labor	Pierre	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Department of Social Services-Energy Assistance	Pierre	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
General Beadle Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Canyon Lake Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Rapid City South Middle School	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Park Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Jefferson Academy	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Black Hills Surgery Center	Rapid City	Medical and Healthcare Providers	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Canyon Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Saint Thomas More High School	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Meadowbrook Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Dakota National Guard Range Road	Rapid City	Public Safety Entities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Southwest Schools	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Dakota Air Guard	Rapid City	Public Safety Entities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Wilson Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Horace Mann Elementary	Rapid City	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Regional W Center Behavioral Health	Rapid City	Medical and Healthcare Providers	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
DOH Medical Examiner Board	Sioux Falls	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Sioux Falls Public Schools Howard Wood Field	Sioux Falls	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Dakota National Guard	Sioux Falls	Public Safety Entities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
South Dakota Game, Fish, and Parks Bear Butte Park	Sturgis	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
National Guard	Watertown	Public Safety Entities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
SSD B.O.R.	Watertown	Other Institutions of Higher Education	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Garfield Elementary School	Watertown	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.

Lincoln Elementary School	Watertown	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Roosevelt Elementary	Watertown	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Multi District School	Watertown	School (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

Next quarter will find this project near completion with minimal 'tidying' up to be done. Community Anchor Institutions yet to be connected will be completed during the final quarter of planned construction activity. Closeout activities will be reviewed and planning done for quarter four of this year as we finalize all necessary requirements of the grant. Public and Community Outreach events will be held signifying and celebrating the completion of the project. An additional 31 miles of fiber are scheduled to be deployed, with 29 Community Anchor Institutions being connected in the third quarter of 2012. As stated in past reports, no wholesale or last mile provider agreements are anticipated.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	93	All remaining Construction activity will be completed in this quarter with remaining invoices being paid following completion of the project. Payments will linger into Q4 2012 with the final report showing 100% completion.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance.
2f.	Site Preparation	100	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance
2i.	Equipment Deployment	100	No Variance.
2j.	Network Testing	90	Final Network Testing will be completed in Q4 2012.
2k.	Other (please specify):	0	N/A

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

None at this time.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Cost Classification	Budget for Entire Project			Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	$150,000	$30,000	$120,000	$129,913	$25,983	$103,930	$131,000	$26,200	$104,800
b. Land, structures, right-of-ways, appraisals, etc.	$520,000	$104,000	$416,000	$512,980	$102,596	$410,384	$512,980	$102,596	$410,384
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$2,173,894	$434,779	$1,739,115	$2,170,610	$434,122	$1,736,488	$2,173,894	$434,779	$1,739,115
e. Other architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$17,558,230	$3,511,646	$14,046,584	$14,609,432	$2,921,886	$11,687,546	$16,000,000	$3,200,000	$12,800,000
j. Equipment	$4,670,270	$934,054	$3,736,216	$4,632,892	$926,578	$3,706,314	$4,670,270	$934,054	$3,736,216
k. Miscellaneous	$642,909	$128,582	$514,327	$442,623	$88,525	$354,098	$500,000	$100,000	$400,000
l. SUBTOTAL (add a through k)	$25,715,303	$5,143,061	$20,572,242	$22,498,450	$4,499,690	$17,998,760	$23,988,144	$4,797,629	$19,190,515
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$25,715,303	$5,143,061	$20,572,242	$22,498,450	$4,499,690	$17,998,760	$23,988,144	$4,797,629	$19,190,515

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: $0	b. Program Income to Date: $558,600