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	300656
<015>	Study Area Name	SHERWOOD MUTUAL TEL
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
	Form Type	54.313 and 54.422

(100) Service Quality Improvement Reporting
Data Collection Form

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

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<020>	Program Year	2017
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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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

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

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

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

300656OH112.pdf

Name of Attached Document

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

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

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

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorallc.com

<210> For the prior calendar year, were there any reportable voice service outages? No

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

(300) Unfulfilled Service Request Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	300656
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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<300> Unfulfilled service request (voice) 0

<310> Detail on attempts (voice) ____________________
Name of Attached Document

<320> Unfulfilled service request (broadband) 0

<330> Detail on attempts (broadband) ____________________
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

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<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<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	

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

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

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<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@ccrslic.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	300656OH510.pdf

(600) Functionality in Emergency Situations
Data Collection Form

FCC Form 481
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July 2013

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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109287803 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	300656OH610.pdf

(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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

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

(710) Broadband Price Offerings
Data Collection Form

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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<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

(800) Operating Companies
Data Collection Form

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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer7icorellc.com

<810>	Reporting Carrier	Sherwood Mutual Telephone Association
<811>	Holding Company	Not Applicable
<812>	Operating Company	Sherwood Mutual Telephone Association

<813>

<a1>	<a2>	<a3>
Affiliates	SAC	Doing Business As Company or Brand Designation

(900) Tribal Lands Reporting
Data Collection Form

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

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<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<900> Does the filing entity offer tribal land services? (Y/N) No

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

<920> Tribal Government Engagement Obligation

Name of Attached Document

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

		Select Yes or No or Not Applicable
<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.	

(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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1000> Voice services rate comparability certification — Yes

<1010> Attach detailed description for voice services rate comparability compliance — 300656OH1010.pdf

Name of Attached Document

<1020> Broadband comparability certification — Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<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	300556
<015>	Study Area Name	SHERWOOD MUTUAL TEL
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

300656OH1210.pdf

Name of Attached Document

<1220> Link to Public Website HTTP www.smta.cc

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

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☑

<1222> Details on the number of minutes provided as part of the plan, ☑

<1223> Additional charges for toll calls, and rates for each such plan. ☑

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

FCC Form 481
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July 2013

<010>	Study Area Code	300656
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<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer7icorellc.com

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

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support

<2022> Recipient certifies, representing year two 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 two - 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 two - 54.313(b)(2)(ii). Round 2 recipients only. — Name of Attached Document Listing Required Information

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13- — Name of Attached Document Listing Required Information

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

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

<2016> Certification support used to build broadband

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

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2015. — Name of Attached Document Listing Required Information

<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)(2)(ii) — 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)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

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

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Complete the items below to note compliance with 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.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Milestone Certification (47 CFR § 54.313(f)(1)(i))	No - Attach Explanation	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	300656OH3010b.pdf
(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) for Balance Sheet, Income Statement and Statement of Cash Flows		☐
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	300656OH3026.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
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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.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

[redacted]

Name of Attached Document Listing Required Information

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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 ____________

Certification - Reporting Carrier
Data Collection Form

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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:

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.

Certification - Agent / Carrier
Data Collection Form

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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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) ICORE Consulting, LLC **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: ICORE Consulting, LLC
Name of Reporting Carrier: SHERWOOD MUTUAL TEL
Signature of Authorized Officer: CERTIFIED ONLINE Date: 06/28/2016
Printed name of Authorized Officer: Lynn Bergman
Title or position of Authorized Officer: Chief Financial Office
Telephone number of Authorized Officer: 4198992121 ext.9209
Study Area Code of Reporting Carrier: 300656 Filing Due Date for this form: 07/01/2016

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: SHERWOOD MUTUAL TEL
Name of Authorized Agent Firm: ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/28/2016
Name of Authorized Agent Employee: Christopher Ulmer
Title or position of Authorized Agent or Employee of Agent Manager
Telephone number of Authorized Agent or Employee of Agent: 6109283903 ext.
Study Area Code of Reporting Carrier: 300656 Filing Due Date for this form: 07/01/2016

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

(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	300656
<015>	Study Area Name	SHERWOOD MUTUAL TEL
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees
OH	Sherwood Mutual		FR	18.0	0.0	0.0	0.0	18.0

(710) Broadband Price Offerings
Data Collection Form

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

<010>	Study Area Code	300656
<015>	Study Area Name	SHERWOOD MUTUAL TEL
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (select)
OH	Sherwood Mutual	29.95	0.0	29.95	1.0	0.256	100.0	Overage Charge
OH	Sherwood Mutual	39.95	0.0	39.95	2.0	0.384	150.0	Overage Charge
OH	Sherwood Mutual	49.95	0.0	49.95	3.0	0.512	250.0	Overage Charge
OH	Sherwood Mutual	59.95	0.0	59.95	5.0	1.0	350.0	Overage Charge
OH	Sherwood Mutual	69.95	0.0	69.95	10.0	1.0	400.0	Overage Charge
OH	Sherwood Mutual	94.95	0.0	94.95	1000.0	500.0	999999	Other, Unlimited Data

SUPPLEMENTAL

DATA

&

RESPONSES

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.

FIVE YEAR SERVICE IMPROVEMENT PLAN

JULY 1, 2015 PROGRESS REPORTS

EXECUTIVE SUMMARY

On July 1, 2014, Sherwood Mutual Telephone Association, Inc. ("Sherwood" or "the Company") submitted a five year service improvement plan as required by 47 C.F.R. §54.202(a). Sherwood operates a single exchange in northwestern Ohio. Consistent with 47 C.F.R. §54.313(a)(1), the Company now submits its first progress report which reflects activities through May 2015.

At the time the five year service improvement plan was submitted, broadband service was defined as a service with speed of 4 Mbps downstream and 1 Mbps upstream. The FCC's action to change this definition to 10 Mbps downstream and 1 Mbps upstream upon reasonable request was not reflected in the initial plan. This report provides an assessment of the Company's achievements to date in network investment to target the new, higher download speed requirement.

UNIVERSAL SERVICE SUPPORT / INVESTED

[redacted]

SERVICE CERTIFICATION

As set forth in 47 C.F.R. § 54.313(f)(1)(i), the Company hereby certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1Mbps upstream. This service offers latency suitable for real-time applications, including

[1] Allocation in compliance with reporting requirement addressing how federal USF was used by the Company per 47 C.F.R. § 54.313(A)(1).

Voice over Internet Protocol. Usage capacity is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time.

SERVICE PROGRESS - EXCHANGE MAP

Funds received from the universal service support mechanisms, in combination with all other revenue streams will allow the Company to maintain and upgrade the existing broadband network. In the July 1, 2014 five-year plan, the level of 4/1 broadband availability within Sherwood was 100%. As a result in investing in fiber to the home network infrastructure, the Company presently can offer 10 Mbps / 1 Mbps to 100% of its customers. Since the plan was submitted in 2014, additional fiber to the home projects have been in construction. The map below shows the Sherwood Telephone Company study area exchange boundaries within which any customer can receive 10/1 broadband.

[redacted]

RATES AND RATE STABILITY

New customers are provided rate information at the time they order service. The rate information is prepared based on tariffs which are on file with the state public utility commission and available for inspection at our office. In addition rates are available on the company website. Notices of rate changes proposed by the Company are communicated to the customers through a bill notice or other comparable means. The Company complies with all state and federal rules applicable to rate changes.

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for service plans the Company will disclose material charges and conditions related to the advertised prices and services. This notice will provide the potential customer with , including if applicable and to the extent the advertising medium reasonably allows: (1) whether nonrecurring installation charges would apply; (2) the monthly fee associated with the service; (3) whether any additional taxes, fees or surcharges apply; (3) the terms and conditions related to receiving a product or service for "free;" and (4) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

TRUTH-IN-BILLING

The Company has long maintained compliance with the FCC's Truth-in-Billing rules as set forth in 47 CFR 64.2401. In part, this requires the Company's telephone bill must: (1) be accompanied by a brief, clear, non-misleading plain language description of the service or services rendered; (2) identify the service provider associated with each charge; (3) clearly and conspicuously identify any change in service provider; (4) contain full and non-misleading descriptions of charges; (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and (6) provide a toll free number for customers to call in order to lodge a complaint or obtain information.

Customers' bills will distinguish (1) monthly charges for service and features, and other charges collected and retained by the carrier, from (2) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. The Company will not label cost recovery fees or charges as taxes.

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers and potential customers may access customer service by visiting the Company's office or by using a toll-free telephone number during normal business hours. Customer service contact information is available at our business office with regular hours posted on the storefront. In addition, this information is available online and on the monthly invoice rendered by the company.

ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

The Company complies with all state and federal rules regarding the privacy of customer information. Certification of this compliance is provided annually to the FCC.

RESPONSE TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

The Company will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency. Should the agency require a shorter interval for response, the Company will use its best efforts to expedite the review of the complaint to provide a response which meets the agency-provided target date.

Company	Sherwood Mutual Telephone Company
Study Area Code	300656
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

TERMINATION OF SERVICE

The Company follows the state public utility commission's rules for termination of service. Service cannot be terminated without advance notice to the customer. If service is being terminated for non-payment, the customer will have the option to establish a payment plan. So long as the customer adheres to the payment plan, service will not be disconnected.

Customers may terminate service at any time and for any reason. The Company does not assess any termination penalty and the customer is simply required to pay for the services which were used while the service was provided.

Sherwood Mutual Telephone Association, Inc.
(Sherwood Telephone Company)
Emergency Action Plan

Purpose

OSHA's Emergency Action Plan standard, found at 29 CFR 1910.38 for plant safety and 29 CFR 1926.35 for construction, requires a written emergency action plan (EAP) if Sherwood Telephone Company falls under a particular OSHA standard that requires an emergency action plan.

OSHA 1910.120 Hazardous Waste Operations and Emergency Response (HAZWOPER) require Sherwood Telephone Company to have a written emergency action plan. This EAP addresses emergencies that our company expects may reasonably occur on our system.

The EAP communicates to employee's policies and procedures to follow in emergencies. This written plan is available, upon request, to employees, their designated representatives, and any OSHA officials who ask to see it.

Under this plan, our employees will be informed of the plan's purpose, emergency escape procedures and route assignments, procedures to be followed by employees who remain to control critical office operations before they evacuate, procedures to account for all employees after emergency evacuation has been completed, rescue and medical duties for those employees who perform them, preferred means of reporting fires and other emergencies, types of evacuations to be used in various emergency situations, and the alarm system.

Mark Baden is the program coordinator. Lynn Bergman, General Manager, has overall responsibility for the plan. Lynn Bergman will review and update the plan as necessary. Copies of this plan may be obtained from either Mark Baden or Lynn Bergman.

If after reading this program, you find that improvements can be made, please contact the program coordinator, Mark Baden, or General Manager, Lynn Bergman. We encourage all suggestions because we are committed to the success of our emergency action plan. We strive for clear understanding, safe behavior, and involvement in the program from every level of the company.

Emergency Escape Procedures and Assignments

Our emergency escape procedures and assignments are designed to respond to many potential emergencies including:

- Fire emergencies (process area fires, non-pressurized tank fires, pressurized tank fires, fires at loading facilities, warehouse fires, office building fires, and electrical fires)
- Toxic gas releases
- Flammable gas releases

- Hazardous liquid spills
- Oil spills
- Release of radiation
- Tornadoes
- Winter Storms
- Flooding
- Lightning
- Bomb threat/Civil disturbance
- First-aid emergencies

Employees need to know what to do when they are the first persons to discover an emergency and when they are alerted to a specific emergency. Our program coordinator, Mark Baden, has developed alternate procedures for responding to an emergency, depending on what the emergency is. The following guidelines apply to all EAPs:

- All employees are trained in safe evacuation procedures, and refresher training is conducted whenever the employee's responsibilities or designated actions under the plan change, and whenever the plan itself changed. In addition, the employer must review with each employee, upon initial assignment, the parts of the plan, which the employee must know to protect himself/herself in the event of an emergency.

- No employee is permitted to re-enter the building until advised by management (after determination has been made that such re-entry is safe).

- The refuge/safe zone is a meeting area designated in a location deemed safe for each group of employees within Sherwood Telephone Company.

    - Fire- Sherwood Fire House , east of telephone office
    - Tornadoes- Vault

Each department reports to their respective representative as follows:

- Each employee shall report to the General Manager for the office.

The Coordinator/Manager has trained evacuation personnel who conduct head counts once evacuation has been completed. There is at least one trained evacuation person for each eight employees in the workplace to provide adequate guidance and instruction at the time of an emergency. The employees selected are trained in the complete workplace layout and the various alternative escape routes from the workplace. All trained personnel are made aware of employees with disabilities who may need extra assistance, such as using the buddy system, and of hazardous areas to be avoided during emergencies. Before leaving, these employees check rooms and other enclosed spaces in the workplace for employees who may be trapped or otherwise unable to evacuate the area.

Once each evacuated group of employees have reached their evacuation destinations, each trained evacuation employee:

- Takes roll of his or her group.
- Makes sure all persons are accounted for.
- Reports in to a central checkpoint managed by the company coordinator or General Manager.
- Assumes role of department contact to answer questions.

Rescue and Medical Duty Assignments

Rescue and medical aid may be necessary during emergency situations. Circumstances calling for rescue and/or medical aid include:

- Electrical shock
- Falls

Mark Baden & Joe Woodring are designated first aid responders who should provide medical assistance within their capabilities to employees requiring it during an emergency situation.

Professional emergency services responding in an emergency will help with and direct all rescue and medical duty assignments upon their arrival on site.

Emergency Reporting Procedures

In the Event of a Fire

When a fire is detected, use the intercom to notify all employees. Then notify the city fire department and General Manager.

The General Manager will perform assigned duties and will meet the fire department to assist them in putting out the fire. Head counts should be given to the village fire department, Fire Chief or fire fighter. No employees are to return to the building until the "all clear" is given by the General Manager or the fire department Fire Chief.

The safe zone or meeting area is:

- Sherwood Fire House

In the Event of a Tornado

The Sherwood office has access to the National Weather Service, so when a tornado watch has been issued by the National Weather Service, the weather page will sound, followed by a weather bulletin with further information.

In the event of a tornado, it is the Sherwood Telephone Co. policy to provide emergency warning and shelter. At the time the tornado warning is given, all employees are responsible for evacuating to their assigned shelters in a tornado emergency. The shelter assignments for tornados are:

- Tornado - Vault

Outside Plant personnel should immediately seek safe shelter. If caught outside or in a vehicle, lie flat in a nearby ditch or depression and cover your head with your hands. Do not try to outrun a tornado in your car. Be aware of flying debris.

In the Event of Lightning

Most lightning fatalities and injuries occur when people are caught outdoors in the summer months during the afternoon and evening. Outside Plant personnel are exposed to the risks of lightning. If lightning is occurring and sturdy shelter is not available, get inside a hard top automobile and keep the windows up. Avoid touching any metal. If caught outdoors and no shelter is available find a low spot away from trees, fences, and poles. If you feel your skin tingle or your hair stand on end, squat low to the ground on the balls of your feet. Place your hands over your ears and your head between your knees. Make yourself the smallest target possible and minimize your contact with the ground. Do not lie down.

Trained Evacuation Personnel

Evacuation Personnel

All employees have been trained by Sherwood Telephone Co. to assist in safe and orderly emergency evacuation for all types of emergency situations. These employees are to help direct all employees during emergency evacuation, serve as a resource of information about emergency procedures, and conduct head counts once evacuation has been completed.

Safety Responsibilities

Here at Sherwood Telephone Co. all employees/managers have safety responsibilities. They must:

- Assist in developing a written emergency action plan for regular and after-hours work conditions.

- Immediately notify the fire or police departments in the event of an emergency affecting their office.

- Distribute procedures for reporting a fire, the location of fire exits, and evacuation routes to each employee in their area.

- Distribute procedures for reporting a fire, bomb threat, or other emergency, the location of fire exits, and evacuation routes to each employee.

- Conduct drills to acquaint the employees with fire procedures and to judge their effectiveness.

- Satisfy all local fire codes and regulations as specified.

- See that designated employees are trained in the use of fire extinguishers and the application of medical first-aid techniques.

- Keep key management personnel home telephone numbers in a safe place in the office for immediate use in the event of a fire. Distribute a copy of the list to key persons to be retained in their homes for use in communicating a fire occurring during non-work hours.

- Decide to remain in or evacuate the workplace in the event of a fire.

- If evacuation is deemed necessary, the General Manager ensures that:

    - All employees are notified and a head count is taken to confirm total evacuation of all employees.

    - When practical, equipment is placed and locked in storage rooms or desks for protection.

    - All records and property are arranged as necessary.

Training

At the time of an emergency, employees should know what type of evacuation is necessary and what their role is in carrying out the plan. In cases where the emergency is very grave, total and immediate evacuation of all employees is necessary. In other emergencies, a partial evacuation of nonessential employees with a delayed evacuation of others may be necessary for continued operation. We must be sure that employees know what is expected of them during and emergency to assure their safety.

This document is not one for which casual reading is intended or will suffice in getting the message across. If passed out as a statement to be read to oneself, some employees will choose not to read it, or will not understand the plan's importance. In addition, OSHA requires training on the plan's content.

A better method of communicating the emergency action plan is to give all employees a thorough briefing and demonstration. Sherwood Telephone Co. has presented the plan in small meetings.

Types of Emergency Evacuations

At this company the following types of emergency evacuation exists as detailed earlier in this plan:

- Fire
- Tornado

Emergency Operations - Loss of Service

Most service disruptions are recoverable using standard troubleshooting methods and material replacement actions to determine the root-cause and resolve the source of the problem. In some rare cases, however, the service-affecting event is so catastrophic that extraordinary means are required in order to restore service. These catastrophic situations are deemed disasters, and include such events as:

- Fire
- Tornado
- Earthquakes
- Sabotage
- Flood

In these cases, typically more than the switching system is lost. Buildings, power, inside/outside plant facilities and transportation infrastructure may also be impacted.

Disaster Manager – Mark Baden

The potential for a disaster to simultaneously impact many facets of operation poses a coordination challenge for the operating company. It is extremely important that the Disaster Manager take in account the full spectrum of the operating company's support requirements. This would include an understanding of the capabilities and responsibilities of equipment vendors, local authorities, governmental agencies, etc. which may potentially be involved. The Disaster Manager will be responsible for testing and implementing the operating company's Disaster Plan, and has the authority to make significant decisions involving the purchase of material and support labor, and possibly the replacement of capital equipment.

Disaster Procedures

In the event of a disaster employees should:

- notify their Disaster Manager in the event of a current or potential disaster
- contact GENBAND Customer Services Hot-Line (see below) in the event of a current or potential disaster.
- notify the Public Utilities Commission of Ohio Outage Coordinator, Mr. James E. Sullivan, per Minimum Telephone Service Standards.

GENBAND Disaster Recovery Support

1. General Disaster Recovery Process for GENBAND Equipment

   GENBAND Technical Support Services organization provides Emergency/Disaster Recovery procedures to assist those customers that have experienced an emergency condition due to disaster. Upon notification of disaster conditions, a Recovery Team Lead is assigned to work with the customer around the clock to manage the crisis while simultaneously deploying equipment and personnel to the site as necessary so that functionality is expeditiously restored.

   To resolve a critical service situation, GENBAND Technical Support offers emergency service 24 hours a day, 7 days a week. Technical Support will respond to the emergency condition and work with the customer until the system is restored to operation based on the latest backup data.

   The preferred method of restoring the system is to provide replacement product from a GENBAND manufacturing facility to replace the original product at the customer site. The alternative method is to ship product from another GENBAND location to the customer site. GENBAND will take whatever actions are necessary to get the customer system back up and running as soon as possible.

   Timeframes provided in this document are targets only. GENBAND will work 24 hours a day to restore service to a customer site as soon as possible.

   A. If a disaster occurs, the customer should immediately call the GENBAND Technical Assistance Center (TAC) hotline at 866-436-2263 and provide the information listed below. The GENBAND Technical Assistance Center is available 24 hours a day.
      1. The nature of the disaster (flood, fire, tornado, hurricane, etc.)
      2. Contact names and numbers
         a. Times at which individuals can be contacted
         b. Methods of contact
         c. Multiple numbers to facilitate communications
         d. Personnel authorized to make decisions during the crisis
         e. Escalation point
      3. An update of the steps the customer has taken in response to the disaster situation
      4. A list of immediate requirements

   B. A GENBAND Technical Support Engineer (TSE) will immediately begin the escalation process within GENBAND to notify management.

1. The TSE will maintain contact with the customer and begin recovery efforts until a GENBAND Recovery Team Lead takes over.

C. Management will form a recovery team and assign a Recovery Team Lead

D. The Recovery Team Lead will :
   1. Establish contact with the customer point of contact.
   2. Work with the customer to assess physical damage.
   3. Work with customer to establish emergency recovery, both short and long term.
   4. Work together with the customer to determine the responsibilities each will assume in restoring service in the most expedient method
   5. Direct GENBAND manufacturing to build a replacement system as necessary.
   6. Dispatch installation personnel to the customer site.

E. Manufacturing will ship the new system via the fastest method available.

Customer Service will arrange for installation personnel to remove damaged equipment, install the new equipment when it arrives, and restore the data to the latest backup data.

2. Roles and Responsibilities

Table 1. GENBAND's Roles and Responsibilities

Role	Responsibility
Technical Services	Receive request for emergency service from the customer Evaluate the situation and immediately communicate to management Recommend recovery actions Determine the configuration of the Product to be replaced.
Recovery Team Lead	Lead recovery team in coordination of all recovery efforts of GENBAND equipment.
Installation Project Management	Coordinate activities to install replacement product and incorporate into the customer's network
Engineering	Provide design expertise as needed to ensure the customer can be returned to state prior to the customer disaster.
Manufacturing	Manufacture the replacement product and ship to the appropriate address.
Management	Decide on source of replacement products and services (Lab or Manufacturing)

Table 2: Customer's Roles and Responsibilities

Role	Responsibility
Site Point of Contact	Provide configuration information and backup medium for Reinstallation. Coordinate all local recovery efforts.
Overall Disaster Point or Contact	Ensure necessary resources are available to recover system functionality.
Authorization	Authorization of purchase of product , material and deployment support labor in response to disaster situation.

Assumptions

- In disaster situations where the customer's building and/or facilities are destroyed, GENBAND replacement hardware and software will be provided up to and including the cable necessary to connect to the GENBAND system. The line of demarcation is assumed to be the customer's end of the GENBAND cables.
- Air travel and a safe customer site must be available to meet minimum delivery commitments.
- Customer regularly archives the database in secure off-site locations likely to survive most disaster situations.

Battery/Generator Back-Up

Switching offices are normally equipped with generators and batteries to keep them running should they lose commercial power. Portable generators are also an option. Small remote switching nodes have portable generator back-up. The Sherwood Telephone Company office is equipped with battery back-up and emergency generator back-up.

Disaster Relief Plan - Waive of House to House Connection Charges

Once Sherwood Telephone Company has activated its Disaster Relief Plan for customers whose homes or businesses were destroyed by fire, tornado, etc., connection charges will be waived for customers who move their phone service to a temporary or permanent location while their home or business is being repaired or rebuilt.

Sherwood Telephone Company Emergency Contact List

Name	Title	Phone Numbers
Lynn Bergman	General Manager	Work Phone: (419) 899-2121 Home Phone: (419) 899-2808 Cell Phone: (859) 628-5081 email: lynnbergman@smta.cc
Mark Baden	Technician	Work Phone: (419) 899-2121 Home Phone: (419) 899-2892 Cell Phone: (419) 769-0030 email: trapperjohn@smta.cc
Joe Woodring	Technician	Work Phone: (419) 899-2121 Home Phone: (419) 899-1177 Cell Phone: (419) 769-5940 email: cableguy@saa.net
Eric Anders	Technician	Work Phone: (419) 899-2121 Home Phone: (419) 784-0358 Cell Phone: (419) 789-6361 email: eanders1@smta.cc
Erica Hall	CSR	Work Phone: (419) 899-2121 Cell Phone: (419) 956-2760 email: ehall@smta.cc
Agnes Timbrook	CSR	Work Phone: (419) 899-2121 Home Phone: (419) 899-2959 email: atimbrook@smta.cc

SMTA
a metacom. partner

Sherwood Mutual Telephone Association, Inc.

105 W. Vine St. | P.O. Box 4572
Sherwood, OH 43556
Phone (419) 899-2121 | Fax (419) 899-4567

June 13, 2016

I, Rick Rostorfer, General Manager, hereby certify that Sherwood Mutual Telephone Association, Inc. pricing of voice services is no more than two standard deviations above the applicable national urban rate for voice service as specified in the most recent public notice issued by the Wireline Commission Bureau.

Respectfully,

Rick Rostorfer, General Manager
Sherwood Mutual Telephone Association, Inc.

Sherwood Mutual Telephone Association

Certification for Lifeline Service

Please read carefully and, using a pen or keying in – fill out completely

Date: ______________________________

_____**Initial Application**

_____**Recertification Application (for Annual Review – Continuing Eligibility)**

Applicant Information:

Full Name: ____

Date of Birth: ________ _____ ____________
(Month) *(Day)* *(Year)*

Please provide the last 4 digits of your Social Security Number ___ ___ ___ ___

Applicant Residential Address:

Number and Street: ____________________________________

City____

State____

Zip Code ________________
(No PO Boxes permitted)

Check one:
____The address listed is my permanent address

____The address listed is my temporary address

Program Participation and Certification

I certify under penalty of perjury that I or a member of my household meets the income-based or program-based eligibility criteria for receiving the Lifeline discount. I or a member of my household receives benefits from the following program (check only one program):

- ☐ TANF - Temporary Assistance for Needy Families/Ohio Works First
- ☐ Home Energy Assistance Program
- ☐ Medicaid
- ☐ General/Disability Assistance
- ☐ Supplemental Security Income (SSI)
- ☐ SSDI – Blind and Disabled
- ☐ SNAP (Supplemental Nutrition Assistance Program)/Food Stamps
- ☐ Section 8 Federal Public Housing Assistance
- ☐ National School Free Lunch Program
- ☐ Eligibility based on income (see below for income criteria)

Along with this application, please attach or fax a photocopy (do not send an original) of one of the following:

- ☐ your current or prior year's statement of benefits from a qualifying state or federal program; or
- ☐ a notice letter of participation in a qualifying state or federal program; or

☐ a program participation document, for example, benefit card; or
☐ an official document indicating your participation in a qualifying state or federal program.
☐ for Income Eligibility you need to supply a copy of at least one of the following documents:

- A prior year's federal or state tax return
- Current income statement from employer or W-2
- Three consecutive months of the most current pay stubs
- The most recent Social Security statement of benefits
- The most recent Veteran's Administration statement of benefits
- The most recent retirement/pension statement of benefits
- The most recent Unemployment or Worker's Compensation statement of benefits
- Any other legal document that would show your current income (such as a divorce decree or child support document)

Income Eligiblity Guidelines

The following chart can be used to determine eligibility for the Lifeline discount program based solely on income level. You may qualify for the Lifeline discount program if your household annual income is at or below 150% of the Federal Poverty Guidelines. A household is defined as any individual or group of individuals who live together at the same address and share income and expenses.
The chart below lists the annual income amount that cannot be exceeded in order to qualify based on household size. If the annual income amount for your household size is more than the amount shown on the chart below you do not qualify for the Lifeline discount based solely on income.

Please indicate the number of individuals in your household ________

2012 Annual Federal Poverty Guidelines

Household size	150%
1	$16,755
2	22,695
3	28,635
4	34,575
5	40,515
6	46,455
7	52,395
8	58,335
For each additional person, add	$5,940

Please Read and Certify the Following Program Rules

The Lifeline discount program is a federal benefit and willfully making false statements to obtain this benefit can result in fines, imprisonment, de-enrollment or being barred from the program. SMTA is required by the Federal Communications Commission, or FCC, to verify your eligibility to participate in the Lifeline discount program.

Under penalty of perjury you must certify the following statements are true to the best of your knowledge. Please indicate your acknowledgement of each statement by a checkmark.

Only one Lifeline discount is allowed per household, consisting of either wireline or wireless service. A household is not permitted to receive Lifeline benefits from multiple providers. Violation of the one-per-household requirement constitutes a violation of Federal Communications Commission rules and will result in your de-enrollment from the program, and potentially, prosecution by the United States government.

A household is defined as any individual or group of individuals who live together at the same address and share income and expenses.

☐ I certify my household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receiving a Lifeline service.
Your name, telephone number, address and information contained in this application, as well as information associated with your Lifeline service may be provided to the Universal Service Administrative Company (USAC - administrator of the Lifeline discount program) and/or its agents for the purpose of verifying your household does not receive more than one Lifeline benefit. You will be denied Lifeline benefits if you fail to provide SMTA with consent to provide the specified information to USAC.

☐ I acknowledge and consent that SMTA may provide my name, telephone number, address and information contained in this application, as well as information associated with your Lifeline service to the Universal Service Administrative Company (USAC) and/or its agents for the purpose of verifying that I or another member of my household does not receive more than one Lifeline benefit.

☐ I agree to allow SMTA to exchange any necessary information with the appropriate federal or state agency, or fund administrator, to verify my eligibility to participate in the Lifeline discount program. Lifeline service is a non-transferable benefit. You may not transfer your Lifeline service to any individual, including another eligible low-income consumer.

☐ I agree not to transfer my Lifeline discount benefit to another person.

☐ I agree to notify SMTA within 30 calendar days if I move to another address and to provide the new address.

☐ I agree to notify SMTA within 30 calendar days if, for any reason, I or my household:

- No longer receive benefits from the federal or state program that qualified me for the Lifeline discount program.
- Annual household income exceeds the Federal Poverty amount listed on page 3 that qualified me for the Lifeline discount program.
- Receives more than one Lifeline benefit or another member of my household is receiving a Lifeline service.

I acknowledge that I will be required to recertify my continued eligibility for Lifeline at any time and my failure to recertify will result in de-enrollment and termination of my Lifeline benefits.
☐ I agree to participate in the certification of my continued eligibility in the Lifeline discount program.
☐ The information contained in this application form is true and correct to the best of my knowledge.
☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.

I affix, under penalty of perjury, that the foregoing representations are true.

Applicant's Name (Please Print) ______________________________________

Telephone Number: ______________________

Applicant's Signature ________________________________Date___________

Company	Sherwood Mutual Telephone Company
Study Area Code	300656
Supplemental Data For:	Line 3010b – 5 Year Plan Milestone Certification

This certification is embedded within the 5 year plan update that has been filed.

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC. AND ITS WHOLLY-OWNED SUBSIDIARY

(An Ohio Mutual Company)

SHERWOOD, OHIO

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2015 AND 2014

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CONTENTS

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Board of Directors and Members
Sherwood Mutual Telephone Association, Inc.
P. O. Box 4572
Sherwood, Ohio 43556-0572

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated balance sheet of SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC. AND ITS WHOLLY-OWNED SUBSIDIARY (An Ohio Mutual Company) as of December 31, 2015 and 2014, and the related consolidated statements of income, changes in 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Board of Directors and Members
Sherwood Mutual Telephone Association, Inc.

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sherwood Mutual Telephone Association, Inc. and its wholly-owned subsidiary as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on page 19 is presented for purposes of additional analysis and is not a required part of the 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 informatio n 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 Unites States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

Lally Group, PC
Jackson, Michigan

March 1, 2016

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY
(An Ohio Mutual Company)
SHERWOOD, OHIO

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS:	[redacted]	
Cash and cash equivalents		
Accounts receivable - telecommunications - net of allowance for doubtful accounts of $45,107 in 2015 and $33,007 in 2014		
Interest and dividends receivable		
Materials and supplies		
Prepaid income taxes		
Prepaid expenses		
Deferred charges		
Total current assets		
NONCURRENT ASSETS:		
Investments - affiliated		
Investments - nonaffiliated		
Notes receivable		
Total noncurrent assets		
PROPERTY, PLANT, AND EQUIPMENT:		
Telecommunications plant in service		
Telecommunications plant under construction		
CATV equipment - analog		
Less: Depreciation reserve		
Net book value		
Total assets		

(The accompanying notes are an integral part of these financial statements)

LIABILITIES AND MEMBERS' EQUITY

	2015	2014
CURRENT LIABILITIES:	[redacted]	
Accounts payable		
Accrued taxes		
Total current liabilities		
MEMBERS' EQUITY:		
Memberships issued		
Patronage capital		
Retained earnings		
Other comprehensive income (loss)		
Total members' equity		
Total liabilities and members' equity	[redacted]	

(The accompanying notes are an integral part of these financial statements)

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
OPERATING REVENUES:	[redacted]	
Basic local network services		
Network access services		
CATV and internet revenues		
Miscellaneous		
Less:		
Uncollectible revenues		
Total operating revenues		
OPERATING EXPENSES:		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
CATV programming fees		
Total operating expenses		
GROSS OPERATING INCOME		
OPERATING TAXES:		
Other operating taxes		
OPERATING INCOME		
NONOPERATING INCOME (DEDUCTIONS):		
Interest income and dividends		
Equity investment income		
Other nonregulated income		
Other nonregulated expenses		
Income taxes		
Total nonoperating income (deductions)		
NET INCOME		
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized gain (loss) on securities		
NET COMPREHENSIVE INCOME		

(The accompanying notes are an integral part of these financial statements)

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	MEMBERSHIP	PATRONAGE CAPITAL	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
BALANCE - JANUARY 1, 2014	[redacted]				
Memberships - net					
Income (loss) from:					
Sherwood Mutual					
Shertel Cable					
Retirement of capital credits					
BALANCE - DECEMBER 31, 201					
Memberships - net					
Income (loss) from:					
Sherwood Mutual					
Shertel Cable					
Retirement of capital credits					
BALANCE - DECEMBER 31, 201					

(The accompanying notes are an integral part of these financial statements)

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
OPERATING ACTIVITIES:	[redacted]	
Net comprehensive income		
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation and amortization		
Equity in (income) loss in investments		
Unrealized (gain) loss on securities		
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		
Interest receivable		
Materials and supplies		
Prepaid taxes		
Prepaid expenses		
Deferred charges		
Increase (Decrease) in:		
Accounts payable		
Accrued taxes		
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment		
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
FINANCING ACTIVITIES:		
Increase (Decrease) in memberships		
Retirement of capital credits		
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING		
CASH AND CASH EQUIVALENTS - ENDING		
SUPPLEMENTAL DISCLOSURES:		
Interest paid (net of $0 capitalized)		
Income taxes paid		
Retirement of Telecommunications plant (at cost)		

(The accompanying notes are an integral part of these financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements include the accounts of Sherwood Mutual Telephone Association, Inc. and its wholly-owned subsidiary, Shertel CATV, Inc., (collectively referred to as the Company) after elimination of all significant intercompany balances and transactions in consolidation.

The Company provides telecommunication services to member subscribers in the Sherwood, Ohio area. The accounting policies of the Company conform to accounting principles generally accepted in the United States of America (US GAAP) and reflect practices appropriate to the telephone industry. The accounting records were maintained in accordance with Part 32 Uniform System of Accounts and the Nonregulated Activity Requirements prescribed by the Public Utilities Commission of Ohio and the Federal Communications Commission.

The Company operates as a Section 501(c) (12) Corporation as defined by the Internal Revenue Code (IRC).

<u>Concentrations of Credit Risk</u> –

The Company grants credit to member subscribers, substantially all of whom are located in the Sherwood, Ohio area. The Company also grants credit to connecting toll companies located throughout the United States.

Financial instruments that potentially subject the Company to credit risk include investments in Com Net, Inc.; Horizon Telecom, Inc.; Horizon PCS, Inc.; Broadband Network Group, LLC; SAA Bright.NET, Inc.; and Defiance Holdings, LLC. Future changes in economic conditions may make the investments less valuable. Com Net, Inc.; Horizon Telecom, Inc.; Horizon PCS, Inc.; Broadband Network Group, LLC; SAA Bright.NET, Inc.; and Defiance Holdings, LLC all have restrictive ownership rights.

Notes Receivable that potentially subject the company to credit risk include notes from Sherwood Banc Corporation and Defiance Holdings, LLC.

<u>Use of Estimates</u> –

The process of preparing financial statements in conformity with US GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

<u>Cash and Cash Equivalents</u> –

The Company considers highly liquid investments with maturities of ninety days or less to be cash equivalents. Securities with maturities between ninety days and one year are considered temporary investments.

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

<u>Cash and Cash Equivalents</u> – (Continued):

As of December 31, 2015, all of the Company's deposits are within the federally insured limits.

<u>Allowance for Doubtful Accounts</u> –

The Company estimated an allowance for doubtful accounts beginning in 2012 by analyzing historical collection percentages based on the age of the receivables collected and applying those percentages to current accounts receivable balances. Receivables are written off when the Company determines that they are uncollectible.

The allowance for doubtful accounts was [redacted] at December 31, 2015 and 2014, respectively.

<u>Materials and Supplies</u> –

Inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method. A physical inventory was taken by management on December 31, 2015.

<u>Fair Value Measurements</u> –

US GAAP establishes a fair value measurement framework, including a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under US GAAP are distinguished by inputs to the valuation methodology summarized as follows:

Level 1 (highest priority) – Quoted market prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model-driven valuations in which all significant inputs or significant value drivers are observable in active markets.

Level 3 (lowest priority) - Management's best estimate of what market participants would use in pricing the instrument at the measurement date and model-driven valuations which are unobservabl e and significant to the fair value measurement.

The assessed level is based on the lowest level of any input that is significant to the fair value measurement. There were no changes in the methodologies used as of December 31, 2015 and 2014.

Following is a description of the valuation methodologies used for amounts measured at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

<u>Fair Value Measurements</u> – (Continued):

Level 1 inputs – Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common stocks, corporate bonds and U.S. government securities valued at the closing price reported on the active market on which the individual securities are traded.

Level 3 inputs – Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common and preferred stocks, which are closely held, valued at cost and affiliated investments valued at cost, fair market value, or using the equity method.

<u>Telephone Plant and Depreciation</u> –

Telephone plant in service and under construction was stated substantially at original cost. Management was of the opinion that any adjustments that might be required to record properties at original cost would not be material. The Company provided for depreciation on a straight-line basis at annual rates which will amortize the depreciable property over its estimated useful life. Depreciation for book purposes has been computed in accordance with rates authorized by the Public Utilities Commission of Ohio.

At the time the plant is retired, the retirements credited to telephone plant together with removal costs less salvage, are charged to the depreciation reserve, unless the retirement is of an extraordinary or abnormal nature.

<u>Long-Lived Assets</u> –

Long-lived assets, identifiable intangibles, and associated goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value.

<u>Comprehensive Income</u> –

Comprehensive income includes net income and all other changes in equity during a period except those resulting from investments by or distributions to shareholders. Other comprehensive income for the periods presented consists of fair value changes of the investments described in Note 3.

<u>Revenue Recognition</u> –

Toll access services are furnished in conjunction with Com Net, Inc., Century Link, and other long-distance carriers. During 2015 and 2014, the Company received monthly access revenues based upon annual average cost separation studies. Access and local service revenues are substantially recognized when such services are performed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Maintenance –

Accounting for maintenance and repairs was in conformity with the Uniform System of Accounts prescribed by the Public Utilities Commission of Ohio.

Recovery of Undeposited Funds –

The company accounts for the recovery for a claim for undeposited funds incurred in 2012 on an as collected basis. No provision has been made for the total anticipated collection.

2. INVESTMENT IN TELEPHONE PLANT AND CABLE ASSETS:

Telephone plant in service was stated primarily at cost as explained in Note 1. Listed below are the major classes of the telephone plant as of December 31, 2015 and 2014, as well as the amount of cable assets as of December 31, 2015 and 2014:

	2015	2014
Land	[redacted]	
Buildings		
Central office equipment		
Pole lines		
Aerial cable		
Buried cable		
Aerial wire		
Furniture		
Office equipment		
General purpose computers		
Motor vehicles		
Work equipment		
Telephone plant in service		
Tower equipment		

The Company provides for depreciation on a straight-line basis at annual rates which will amortize the depreciable property over its estimated useful life. During 2001, the Company was granted new depreciation accrual rates by the Public Utilities Commission of Ohio (PUCO). Individual plant depreciation rates for 2015 and 2014 are as follows:

Buildings	[redacted]
Central office equipment - hardware	
Central office equipment - software	
Circuit equipment	
Pole lines	
Aerial cable	
Buried cable	

2. INVESTMENT IN TELEPHONE PLANT AND CABLE ASSETS (Continued):

Aerial wire	[redacted]
Furniture	
Office equipment	
General purpose computers	
Motor vehicles	
Work equipment	

In addition to depreciation accrual rates, the Company implemented an adjustment to depreciation reserves in the amount of [redacted] amortizable over five years beginning January 1, 2012. The amortization amounted to [redacted] for 2015 and 2014 and is shown as a reduction of depreciation expense.

Depreciation has been charged as follows:

	2015	2014
Depreciation - accrual rates	[redacted]	
Amortization of reserves		
Subtotal		

The Company has no purchase commitments as of March 1, 2016.

3. INVESTMENTS:

Affiliated Investments –

The accounting method and carrying values of affiliated investments consisted of the following at December 31, 2015 and 2014.

	Accounting Method	2015	2014
Com Net, Inc. Common Shares	Fair Value	[redacted]	
Com Net, Inc. Preferred Shares	Fair Value		
Defiance Holdings, LLC	Equity		
SAA Bright.NET, Inc.	Equity		
Broadband Network Group, LLC	Equity		
Total			

Com Net, Inc. (CNI) –

Com Net consists of a group of local exchange companies engaged in a joint venture to provide their customers better communication capabilities. The purpose of CNI is to provide quality services at a reduced cost. The investment has ownership restrictions and limited marketability. The Company is one of 22 companies owning common stock. The change in market value is reflected on the income statement as a component of unrealized gain (loss) on securities.

3. INVESTMENTS (Continued):

Com Net (Continued) –

During 2012, the Company exchanged a note receivable from Independents Fiber Network, LLC in the amount of [redacted] for preferred shares in Com Net. The Company also purchased an additional [redacted] of preferred shares in 2012. The preferred shares accrue dividends at [redacted] annually. Dividend income for Com Net preferred stock was [redacted] for the years 2015 and 2014. As of December 31, 2015, the accrued preferred stock dividend receivable was [redacted]

Defiance Holdings, LLC (DH) –

The purpose of DH was to purchase a wireless provider of internet and other services. DH is owned with two local exchange phone companies that are also members of SAA. The LLC has elected to be treated as a C-Corporation and is accounted for on the equity method. Ownership in the LLC has restrictions and limited marketability. DH maintains its own staff. The Company has directors that are also directors of DH. This income is reflected in equity investment income.

SAA Bright.NET, Inc. (SAA) –

SAA consists of three local exchange companies providing internet access to greater Northwestern Ohio and Northeastern Indiana. The investment has ownership restrictions and limited marketability. SAA maintains its own staff. The Company has directors that are also directors of SAA. This income is reflected in equity investment income.

Broadband Network Group, LLC (BNG) –

The purpose of BNG was to create a fiber ring for local exchange carriers. This company is an affiliate of Com Net. BNG is owned by 15 local exchange carriers who are included in the Com Net ownership group. This income is reflected in equity investment income.

Nonaffiliated Investments –

The accounting method and carrying values of nonaffiliated investments consisted of the following at December 31, 2015 and 2014.

	Accounting Method	2015	2014
Horizon Telecom, Inc. "A" shares	Fair Value	[redacted]	
Horizon Telecom, Inc. "B" shares	Fair Value		
Total			

Horizon Telecom, Inc. –

Horizon Telecom, Inc. is an available-for-sale security owned by the Company. As of December 31, 2015, the Company owns the following (adjusted for stock dividends):

Horizon Telcom, Inc.	[redacted]	"A" shares
Horizon Telcom, Inc.		"B" shares

3. INVESTMENTS (Continued):

Horizon Telecom, Inc. (Continued) –

Fair market values for Horizon Telecom, Inc. A and B shares are available from Pink Sheet quotations, which is a market that is very thinly traded. The change in market value is reflected on the income statement as a component of unrealized gain (loss) on securities.

Equity Investment Income –

Investments accounted for using the equity method, record income (losses) based on the ownership percentage of the profit or loss of the company being invested in. The Equity Investment Income for the years ended December 31, 2015 and 2014, consisted of the following:

	2015	2014
Defiance Holdings, LLC	[redacted]	
SAA Bright.NET, Inc.		
Broadband Network Group LLC		
Total Equity Investment Income		

Unrealized Gain (Loss) on Securities –

Investments accounted for using the fair value method, record income (losses) based on the change in fair value of the investment. The unrealized gain (loss) on securities for the years ended December 31, 2015 and 2014, consisted of the following:

	2015	2014
Com Net, Inc.	[redacted]	
Horizon Telecom, Inc. "A" shares		
Horizon Telecom, Inc. "B" shares		
Unrealized Gain (Loss) on Securities		

Fair Value of Investments –

The fair value of the Company's investments are classified as follows, according to the Company's policy described in Note 1:

Assets at Fair Value as of December 31, 2015

Assets	Level 1	Level 2	Level 3	Total
Stocks/partnerships	[redacted]			

Assets at Fair Value as of December 31, 2014

Assets	Level 1	Level 2	Level 3	Total
Stocks/partnerships	[redacted]			

3. INVESTMENTS (Continued):

Fair Value of Investments (Continued) –

Change in Level 1 value:

The following table represents the change in the Level 1 fair value hierarchy as disclosed in the above tables.

	2015	2014
Beginning Level 1 value	[redacted]	
Change in market value		
Ending Level 1 value		

These methods may produce a fair value measurement that may not be indicative of net realizable value of future fair values. Management believes its valuation methods are appropriate, but the use of different methodologies or assumptions could result in a different fair value measurement at the measurement date.

Notes Receivable:

The total amount of outstanding notes receivable consisted of the following at December 31, 2015 and 2014.

	2015	2014
Affiliated:	[redacted]	
Defiance Holdings, LLC		
Nonaffiliated:		
Sherwood Banc Corporation		
Total Notes Receivable		

Defiance Holdings, LLC –

During 2010, the Company issued a loan fo[redacted]to Defiance Holdings, LLC. In 2011, the Company loaned Defiance Holdings, LLC an additional [redacted] Each loan is unsecured and due on demand, with interest accruing at 5% per annum, payable in quarterly installments. The interest income totaled [redacted] for each of the years ended December 31, 2015 and 2014.

The Sherwood State Bank –

In January 2015, the Company renewed a loan for[redacted]to The Sherwood State Bank. The loan is secured by [redacted] shares of The Sherwood State Bank Stock, due on January 20, 2020, with interest accruing at [redacted] per annum. The interest income totaled [redacted] for the year ended December 31, 2015 and [redacted] for the year ended December 31, 2014.

4. RELATED PARTY TRANSACTIONS:

During 2015, The Company received income from and incurred expenses to affiliated companies as follows (excluding interest and dividends received as discussed above)

	Income	Expense
Com Net, Inc.	[redacted]	
Independents Fiber Network		
Bright Long Distance, LTD		
Broadband Network Group, LLC		
Defiance Holdings, LLC		
MetaLink Technologies, Inc.		
QualStar Communications		
Arthur Mutual Telephone Company		
Ayersville Telephone Company		
SAA Bright.NET, Inc.		
Total income and expenses		

Com Net, Inc. (CNI) –
Expenses incurred to CNI are primarily related to video services and programming, billing services, and "A" Link connectivity.

Independents Fiber Network (IFN) –
The Company received income from IFN for the use of Ethernet circuits. Expenses incurred to IFN are for the use of circuits.

Bright Long Distance, Ltd. (BLD) –
Expenses incurred to BLD are to provide intra-lata long distance services.

Broadband Network Group, LLC (BNG) –
The Company received income from BNG for the use of circuits.

Defiance Holdings, LLC(DH) –
The Company received income for management fees, circuit revenues and tower rents. Expenses incurred with DH are primarilyy shared technical employee services and other shared expenses and well as services subscriber to.

MetaLink Technologies, Inc. (MetaLink) –
The Company received income from MetaLink for providing management services, as well as for the use of Ethernet circuits, reimbursement of employee services, and tower rent. Expenses incurred to MetaLink are for consulting and various technical support.

QualStar Communications, Inc. –
Expenses incurred with QualStar are primarily shared technical services.

Arthur Mutual Telephone Company (AMTC) –
The Company incurred expenses to AMTC related to the central office switch migration, central office switch maintenance, directory listings, and other various support.

4. RELATED PARTY TRANSACTIONS (CONTINUED):

Ayersville Telephone Company (Ayersville) –
The Company incurred expenses to Ayersville related to office software consulting and directory cover design.

SAA Bright.NET, Inc. (SAA) –
The Company received income from SAA for the use of circuits and tower rent. Expenses incurred to SAA are related to DSL, bandwidth, and other various support.

5. PENSION PLAN:

The Company has a Simplified Employee Pension (SEP) plan for the benefit of the employees. This is a defined contribution plan whereby the board of directors establishes the amount of contribution, if any, annually. During 2015 [redacted]d approved contributions amounting to [redacted], of which [redacted] were unpaid at December 31, 2015 and 2014, respectively.

6. CAPITAL CREDITS:

The Company has a policy of retiring all capital credits that are over a certain period. This policy is reviewed annually.

During 2015, the Company declared retirement of [redacted] of the unpaid capit[redacted]r 1997, plus [redacted] of the Patronage capital credits allocated for 2014, totaling [redacted] These retirements were paid in November 2015. The Company also retired capital credits for estates and former members in the amount of [redacted]

During 2014, the Company declared [redacted] the unpaid capital credits for 1996, [redacted] of the unpaid capital credits [redacted] of the Patronage capital credits allocated for 2013, totaling [redacted] These retirements were paid in November 2014. The Company also retired capital credits for estates and former members in the amount of [redacted]

7. FEDERAL TAX STATUS:

This Company operates as a tax-exempt corporation as defined by the United States Treasury, Internal Revenue Code Section 501(c) (12). One of these requirements is that the Company must obtain [redacted] or more of its gross income from members. Management believes it has met this requirement for 2015 and 2014 and does not incur a tax obligation on its member based revenues.

The Company files a non-consolidated U.S. Corporation income tax return for its wholly-owned subsidiary and computes and allocates its federal income tax on a separate returns basis.

The statute of limitations is generally three years for federal returns.

The Company has determined its provision for federal income tax to amount to [redacted] and [redacted] for 2015 and 2014, respectively.

8. DIRECTOR COMPENSATION:

In 2012, the company changed the director compensation arrangement. The current arrangement provides for a base pay of [redacted] plus an amount equal to [redacted] of the net profit of the Company before taxes. The directors have elected to forgo the compensation increase that would have resulted from the amortization of depreciation reserves. The amount equal to [redacted] of the net profit (excluding the amortization of depreciation reserves) amounts to [redacted] for the years ended December 31, 2015 and 2014, respectively. Total director compensation amounts to [redacted] for the years ended December 31, 2015 and 2014, respectively.

9. ADDITIONAL DISCLOSURES:

Increasing pressure on the Federal Communications Commission (FCC) from long distance carriers has created several changes in the way local service providers are compensated for the use of their networks. Over the past decade the FCC has issued orders that focused on redistributing revenue requirements from the access arena to local services over time. The end result has been and will continue to be higher local service rates to subscribers.

The FCC has also issued orders that will ultimately eliminate local service subsidies for voice services and move those subsidies to broadband services. The Company has already moved a substantial portion of the outside plant to fiber but will continue to make substantial investments in the network to meet FCC guidelines.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events and transactions for potential recognition or disclosure through March 1, 2016, the date the financial statements were available to be issued. No significant events were identified that would require adjustment or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY

SCHEDULE OF REVENUE SOURCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Subscriber Sources Revenues:	[redacted]	
Basic local telephone services		
Subscriber line revenues		
High Speed internet		
Cable Television service		
Long Distance		
Miscellaneous		
Less:		
Bundled Discounts		
Total Subscriber revenues		
Carrier Access Billing:		
Interstate Carrier		
Intrastate Carrier		
Interstate special access		
Intrastate special access		
Less:		
Uncollectible revenues - Carriers		
Total Carrier revenues		
NECA:		
Interstate Common Line Support (ICLS)		
Local Switching Support (LSS)		
High Cost Loop Support (HCLS)		
Other settlements		
Total NECA revenues		
Total Operating Revenues		

(The accompanying notes are an integral part of these financial statements)

Local Rate Floor Data Collection

Logged in User: Christopher Ulmer

Study Area List

Study Area: SHERWOOD MUTUAL TEL (ID: 300656)

Study Area - Exchange Level Data for Local Rate Floor

Instructions
Agent Certification
Data Certification (No Rates Less Than $21.93)
Data Certification (With Rates Less Than $21.93)
Print Submitted Data in PDF format
Print Submitted Data in Excel format

Data Collection Period: 201606

Name: Richard Rostorfer
[First Middle Last]
Phone: 419-899-2121 [999-999-9999]
Email: rickrostorfer@smta.cc

Enter all exchange/rate zone level rates and their corresponding lines below, where the sum of columns C-F is less than $21.93.
This data will be used to calculate the impact of the local rate floor on your company's High Cost Support.
This system is closed for data collection for this period

(A) Exchange Name/Zone Name	(B) Class Of Service	(C) Residential Local Service Charge	(D) State Subscriber Line Charge	(E) State Universal Service Fee	(F) Mandatory Extended Area Service Charge	(G) Rate Total Subject to Floor (Sum of C-F)	(H) Residential Lines	
								+

[To enter additional rows of data, click on the + button.]

If the data form is left blank, select one of the boxes below:

- ☐ Check here if your company receives or is projected to receive High Cost Loop Support or High Cost Model Support in 2016, but has no monthly residential rates (plus charges listed above) less than $21.93 ***(certification required)***
- ☑ Check here if your company is not projected to receive High Cost Loop Support or High Cost Model Support in 2016
- ☐ Check here if you plan to submit local rate floor data directly to USAC

Study Area List Exit