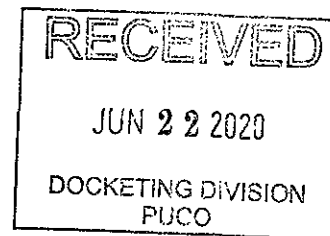


Confidential Release

Case number: 13-1115-TP-COI

Date of Confidential Document: 10/16/2013

Release Date: 6/18/20



Page Count: 24

Document Description: FCC Form 481 Annual Reporting

"Consent to Release to the PUCO DIS Website"

Name Jay S. Agranoff

Reviewing Attorney Examiner's Signature

Date Reviewed 6/22/20

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician WCH Date Processed 6/23/20

CONFIDENTIAL

Confidential treatment has been requested for the following document:

Case: 13-1115-TP-COI

Page Count: 24

Date Filed: 10/16/2013

Filed by: Norman J. Kennard

Behalf of: Bascom Mutual Telephone Company

Summary of document: FCC FORM 481- Carrier Annual Reporting

RECEIVED-DOCKETING DIV
2013 OCT 16 PM 12:09
PUCO

FCC Form 481 - Carrier Annual Reporting
Data Collection FormFCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0815
July 2013

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

ANNUAL REPORTING FOR ALL CARRIERS		54,313 Completion Required	54,422 Completion Required
<100>	Service Quality Improvement Reporting (complete attached worksheet)	☒	☒
<200>	Outage Reporting (voice) (complete attached worksheet)	☒	☒
<210>	☒ <- check box if no outages to report		
<300>	Unfulfilled Service Requests (voice)	☒	☒
<310>	Detail on Attempts (voice) (attach descriptive document)		
<320>	Unfulfilled Service Requests (broadband)	☒	☒
<330>	Detail on Attempts (broadband) (attach descriptive document)		
<400>	Number of Complaints per 1,000 customers (voice)	☒	☒
<410>	Fixed		
<420>	Mobile		
<430>	Number of Complaints per 1,000 customers (broadband)	☒	☒
<440>	Fixed		
<450>	Mobile		
<500>	Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	☒	☒
<510>	Functionality in Emergency Situations (attach descriptive document)	☒	☒
<600>	Company Price Offerings (voice) (check to indicate certification)	☒	☒
<610>	Company Price Offerings (broadband) (attach descriptive document)	☒	☒
<700>	Operating Companies and Affiliates (complete attached worksheet)	☒	☒
<800>	Tribal Land Offerings (Y/N)? (if yes, complete attached worksheet)	☒	☒
<900>	Voice Services Rate Comparability (check to indicate certification)	☒	☒
<1010>	Terrestrial Backhaul (Y/N)? (attach descriptive document)	☒	☒
<1100>	Terms and Condition for Lifeline Customers (complete attached worksheet)	☒	☒
<1110>			
<1200>			
Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet			
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			
<2000>	(check to indicate certification)	☒	☒
<2005>	(complete attached worksheet)	☒	☒
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet			
<3000>	(check to indicate certification)	☒	☒
<3005>	(complete attached worksheet)	☒	☒

2013 OCT 16 PM 12:40
RECEIVED-DOCKETING DIV

**[100] Service Quality Improvement Reporting
Data Collection Form**

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

<010>	Study Area Code	
<015>	Study Area Name	
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	119-517-2222
<039>	Contact Email Address - Email Address of person identified in data line <030>	119-517-2222
<110>	Has your company received its ETC certification from the FCC?	(yes / no) ☐ (yes) ☒ (no) ☐
<111>	If your answer to line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no) ☐ (yes) ☐ (no) ☐

If your answer to line <111> is yes, then you are required to file a progress report on line <112> delineating the status of your company's existing § 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 LEC which only receives frozen support, your progress report is only required to address voice telephony service.

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

☐	☐	☐	☐	☐	☐
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

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

Name of Attached Document (.pdf)

FCC Form 481
OMB Control No. 3050-0086/OMB Control No. 3050-0019
July 2013

Study Area Codes

Study Area Name
<5103

1507 11/2/19

[illegible]

המחלקה לבריאות הציבור, משרד הבריאות, תל אביב

Notes: Contact telephone number. Number of person identified by data line <030> 413 414 415

11139 Contact Email Address - (Email Address of person identified in data line <010>). Use the standard e-mailing convention.

1062

[illegible]

184 403 034

OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

111111

Residential Local Service Charge Effective Date

Single State-wide Residential Local Service Charge

[illegible]

FCC Form 481
OMB Control No. 3060-0086/OMB Control No. 3060-0819
July 2013

<010> Study Area Code

[illegible]

• • •

7-2-16-02346 1.11.08

100

[illegible]

21

[illegible]

FCC Form 481
OMB Control No. 3050-0986/OMB Control No. 3050-0819
July 2013

<010>	Study Area Code	
<015>	Study Area Name	Research Program: 101-001
<020>	Program Year	2021
<030>	Contact Name - Person USAC should contact regarding this data	NAME: PETER J. ...
<035>	Contact Telephone Number - Number of person identified in data line <030>	111-111-1111
<039>	Contact Email Address - Email Address of person identified in data line <030>	111-111-1111@111-111-1111.com
<810>	Reporting Carrier	111-111-1111-1111-1111
<811>	Hedging Company	111-111-1111-1111-1111
<812>	Operating Company	111-111-1111-1111-1111

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3060-0819

July 2013

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

5016-2

Liberal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes/No, NA) for each of these boxes to confirm the status described on the attached map:

	Select (Yes, No, NA)
-921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;	
-927> Feasibility and sustainability planning;	
-923> Marketing services in a culturally sensitive manner;	
-924> Compliance with Rights of way processes	
-921> 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	
-920> Compliance with Tribal Business and Licensing requirements.	

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

☐

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

☐

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

**(2000) Price Cap Carrier Additional Documentation
Data Collection Form**

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

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

<010>	Study Area Code	000000
<015>	Study Area Name	Price Cap Local Exchange Carriers
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	John McQuinn
<035>	Contact Telephone Number - Number of person identified in data line <030>	415 915 7272
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.mcquinn@federalreserve.gov

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

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Incremental Connect America Phase I reporting
<2010> 2nd Year Certification (47 CFR § 54.313(d))
<2011> 3rd Year Certification (47 CFR § 54.313(d))

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))
<2012> 2013 Frozen Support Certification
<2013> 2013 Frozen Support Certification
<2014> 2014 Frozen Support Certification
<2015> 2015 and Future Frozen Support Certification

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))
<2016> Certification Support Used to Build Broadband

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

<2017> 1st Year Broadband Service Certification
<2018> 2nd Year Broadband Service Certification
<2019> 3rd Year Broadband Service Certification
<2020> 4th Year Broadband Service Certification
Please check the box to confirm that the attached PDF on line 20-1 contains the required information pursuant to 47 CFR § 54.313(f)(3)(ii), as a recipient of CAT Phase II support shall provide the number, names, and addresses of community anchor institutions to which it has provided access to broadband service on the preceding calendar year.
<2021> Inform Progress Community Anchor Institutions

Name of Attached Document Being Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 423 OMB Control No. 3050-0996/OMB Control No. 3050-0919 July 2013
---	--

<010>	Study Area Code	00000
<015>	Study Area Name	BASCOM MUTUAL TEL. CO.
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data.	JOHN R. BROWN
<035>	Contact Telephone Number - Number of person identified in data line <030>	404-555-1234
<039>	Contact Email Address - Email Address of person identified in data line <030>	JBROWN@BASCOMTEL.CO

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: BASCOM MUTUAL TEL. CO.	
Signature of Authorized Officer: JEFFREY D. BROWN	Date: 07-11-2013
Printed name of Authorized Officer: JEFFREY D. BROWN	
Title or Position of Authorized Officer: ASSISTANT TREASURER	
Telephone number of Authorized Officer: 404-555-1234	
Study Area Code of Reporting Carrier: 00000	Filing Due Date for this form: 06-15-2014
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; or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 482
 OMB Control No. 3060-0955/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	1111
<015>	Study Area Name	EMERSON NATIONAL TELECOM
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	PAUL J. SCHNEIDER
<035>	Contact Telephone Number - Number of person identified in data line <030>	714-451-1000
<039>	Contact Email Address - Email Address of person identified in data line <030>	pschneider@emerson.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) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized Agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent	
Name of Reporting Carrier	EMERSON NATIONAL TELECOM
Signature of Authorized Officer	CERTIFIED ONLINE Date
Printed name of Authorized Officer	
Title or position of Authorized Officer	
Telephone number of Authorized Officer	
Study Area Code of Reporting Carrier	11111111 Filing Due Date for this form 12/31/2013
Persons willfully making false statements on this form can be punished by fine or imprisonment 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	EMERSON NATIONAL TELECOM
Name of Authorized Agent or Employee of Agent	
Signature of Authorized Agent or Employee of Agent	CERTIFIED ONLINE Date
Printed name of Authorized Agent or Employee of Agent	
Title or position of Authorized Agent or Employee of Agent	
Telephone number of Authorized Agent or Employee of Agent	
Study Area Code of Reporting Carrier	11111111 Filing Due Date for this form 12/31/2013
Persons willfully making false statements on this form can be punished by fine or imprisonment 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

**(800) Operating Companies
Data Collection Form**

FCC Form 481
OMB Control No. 3050-0986/OMB Control No. 3060-0819
July 2013

[illegible]

BASCOM MUTUAL TELEPHONE COMPANY

**Certification of Compliance with Applicable Service Quality Standards and
Consumer Protection Rules**

300589oh510.pdf

Service Quality Standards

Bascom Mutual Telephone Company

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911
- Provides toll blocking and toll limitation services.
- Advertises the availability of its services and the charges using media of general distribution and on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during normal business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include

- Appointment of a compliance officer
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

BASCOM MUTUAL TELEPHONE COMPANY

Functionality in Emergency Situations

300589oh610.pdf

Bascom Mutual Telephone Company has an employee call-out procedure in place to mobilize its entire workforce in the event of an emergency situation. The notification process utilizes landline, cellular and Internet technologies. In the event of total failure of all communications technologies, company practices include having employees report to the central office to obtain further instructions.

The central office and core network functionality is supported by 8 hours of battery reserve and a 60 kw natural gas generator set capable of running indefinitely for unlimited hours. Customer NID's containing active electronic equipment are supported by 8 hours of continuous talk time battery reserve. The company also maintains a number of portable generator sets that can be deployed in the event they are needed.

The facility network is designed as a diverse-routed fiber optic ring, capable of instantaneously switching traffic around damaged facilities. Employees are trained in fiber optic splicing and the necessary equipment is maintained on-site for rapid deployment and restoration. Separate facilities support the PSTN and broadband network connections to other carriers. In the event that all PSTN facilities are damaged, the switch is capable of both TDM and IP formats, providing the ability to reroute PSTN traffic via dedicated IP facilities to other carriers.

The network is capable of managing traffic spikes caused by emergency situations. This is accomplished by maintaining properly sized trunk groups to the PSTN and by providing substantial broadband backbone bandwidth capable of carrying overflow voice traffic in addition to data traffic.

BASCOM MUTUAL TELEPHONE COMPANY

Lifeline Terms and Conditions

300589oh1210.pdf

Bascom Mutual Telephone Company offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

Lifeline Program Eligibility Information

Program Based Eligibility

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs.

Medicaid
Federal Public Housing Assistance (Section 8)
Low Income Housing Energy Assistance (LIHEAP)
Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps)
Ohio Works First/Temporary Aid to Needy Families (TANF)
National School Lunch Program Free Lunch Program
Supplemental Security Income (SSI)
SSI - Blind and Disabled (SSDI)
General/Disability Assistance

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state or federal program; notice letter of participation in a qualifying state or federal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state or federal program.

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 150% of the federal poverty guidelines.

Acceptable documentation of income eligibility includes: prior year's state or federal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Tribal Eligibility

Bascom Mutual Telephone Company does not have any Tribal lands within its study area boundaries.

300589oh1210.pdf (cont.)

Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service

Bascom Mutual Telephone Company's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Bascom Mutual Telephone Company's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Bascom Mutual Telephone Company. Advertised rates do not include any applicable taxes or surcharges.

Recertification of Lifeline Eligibility

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

Additional Lifeline Program Information

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

BASCOM MUTUAL TELEPHONE COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
Current Assets		
Cash and Cash Equivalents	\$ 883,074	\$ 2,391,831
Telecommunications Accounts Receivable - Net of Allowance of \$4,434 in 2012 and \$2,749 in 2011	15,704	64,251
Accounts Receivable - Other	46,820	25,383
Interest Receivable	5,197	5,758
Temporary Investments	1,196,784	1,649,593
Materials and Supplies	5,003	4,895
Prepaid Federal Income Tax	64,400	113,724
Prepaid Taxes		1,000
Prepaid Expenses	36,139	31,100
Total Current Assets	2,257,037	4,287,535
Property, Plant and Equipment		
Telecommunications Plant in Service	9,939,254	8,592,768
Telecommunications Plant Under Construction	219,833	358,077
CATV Plant in Service	1,363,274	1,302,859
Other Equipment	1,303,278	1,362,067
Total Property, Plant and Equipment	12,825,639	11,615,771
Less: Accumulated Depreciation	(6,064,108)	(5,501,112)
Net Property, Plant and Equipment	6,761,531	6,114,659
Other Assets		
Ohio RSA 2 Limited Partnership	734,548	732,139
Leader Technologies Inc	50,000	50,000
Bascom Elevator	100	100
Other Long-Term Investments	1,443,235	
Com Net, Inc.	318,750	118,750
Broadband Network Group, LLC	4,003	3,583
Annuities	228,337	221,687
Note Receivable		148,000
Memberships and Deposits	1,010	1,010
License and Video Upgrade, Net of Amortization	453,214	522,939
Total Other Assets	3,232,995	1,798,208
Total Assets	\$ 12,251,563	\$ 12,200,402

See Accompanying Notes and Independent Auditor's Report.

BASCOM MUTUAL TELEPHONE COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

LIABILITIES AND MEMBERS' EQUITY

	<u>2012</u>	<u>2011</u>
Current Liabilities		
Accounts Payable	\$ 80,937	\$ 44,050
Accrued NECA Settlement	19,752	28,348
Customer Deposits	3,586	3,477
Accrued Taxes	3,717	3,649
Accrued Expenses	69,578	85,095
Total Current Liabilities	<u>207,570</u>	<u>164,620</u>
Long-Term Liabilities		
Accrued NECA Settlement	18,981	7,255
Deferred Income Taxes	109,780	212,267
Total Long-Term Liabilities	<u>218,761</u>	<u>219,522</u>
Total Liabilities	426,331	384,142
Members' Equity		
Memberships Issued	25,120	24,860
Patronage Capital	3,776,563	3,914,042
Retained Earnings	8,023,548	7,877,349
Total Members' Equity	<u>11,825,231</u>	<u>11,816,251</u>
Total Liabilities and Members' Equity	<u>\$ 12,251,562</u>	<u>\$ 12,200,402</u>

See Accompanying Notes and Independent Auditor's Report.

BASCOM MUTUAL TELEPHONE COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Operating Revenues		
Basic Local Network Services	\$ 160,781	\$ 209,893
Network Access Services	713,936	812,438
Long Distance Network Services	3,798	1,230
Internet Access and Services	952,369	882,965
CATV Revenues	780,117	719,579
Miscellaneous Revenues	51,769	792
Less: Uncollectible Revenues	(3,064)	(3,554)
Total Operating Revenues	2,659,697	2,629,343
Operating Expenses		
Plant Specific Operations Expenses	269,493	204,378
Plant Nonspecific Operations Expenses	915,234	880,209
Depreciation and Amortization Expense	854,217	775,916
Customer Operations Expenses	222,078	205,415
Corporate Operations Expenses	428,029	409,588
Total Operating Expenses	2,689,051	2,475,506
Income (Loss) Before Operating Taxes	(29,354)	153,837
Operating Taxes (Benefit)		
Federal Income Tax (Benefit)	(21,863)	(23,277)
Other Operating Taxes	6,176	5,027
Total Operating Taxes (Benefit)	(15,687)	(18,250)
Net Operating Income (Loss)	(13,667)	172,092
Nonoperating Income and (Expenses)		
Interest Income	32,853	39,338
Equity in Income:		
Ohio RSA 2 Limited Partnership	246,176	66,868
Bright Long Distance Ltd		48
Telephone Sales - Net	(8,736)	(12,656)
Broadband Networking Group, LLC	420	(531)
Other Nonoperating income	326	9,024
Federal Income Tax	(58,667)	(18,122)
Total Nonoperating Income (Expenses)	212,372	83,969
Net Income	\$ 198,705	\$ 256,061

See Accompanying Notes and Independent Auditor's Report.

BASCOM MUTUAL TELEPHONE COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash Flows From Operating Activities		
Net Income	\$ 198,705	\$ 256,000
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used by) Operating Activities		
Depreciation and Amortization Expense	854,290	775,900
Reinvested Interest	15,483	20,198
(Gain) Loss on the Disposal of Assets	848	(4,015)
Deficit on Income of Other Investments	(9,280)	(52,943)
Provision for Deferred Income Tax	(2,511)	60,377
Increase (Decrease) in Current Assets:		
Telecommunications Accounts Receivable	44,637	20,681
Accounts Receivable - Other	(21,437)	(6,457)
Interest Receivable	56	
Materials and Supplies	(107)	873
Prepaid Federal Income Tax	49,315	(12,704)
Prepaid Taxes	1,000	2,770
Prepaid Expenses	(5,039)	(2,027)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	36,888	(271,028)
Accrued NECA Settlement	3,130	7,231
Customer Deposits	113	(2,434)
Accrued Taxes	78	(185)
Accrued Expenses	(4,483)	2,377
Net Cash Provided By Operating Activities	1,140,191	691,000
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	(1,435,830)	(1,255,410)
Proceeds from Disposal of Property, Plant and Equipment	3,545	
Proceeds from Sale of Short-Term Investments	959,810	496,259
Purchase of Investments	(1,986,752)	(245,080)
Net Cash Used In Investing Activities	(2,459,227)	(1,004,181)
Cash Flows From Financing Activities		
Increase (Decrease) in Membership	260	(180)
Retirement of Capital Credits	(189,984)	(137,065)
Net Cash Used In Financing Activities	(189,724)	(137,245)
Net Decrease in Cash and Cash Equivalents	(1,508,760)	(147,395)
Cash and Cash Equivalents at Beginning of Year	2,391,831	2,539,226
Cash and Cash Equivalents at End of Year	\$ 883,071	\$ 2,391,831

See Accompanying Notes and Independent Auditor's Report.



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www.prygroup.com

Board of Directors
Bascom Mutual Telephone Company and its wholly-owned subsidiaries
Bascom, Ohio

In planning and performing our audit of the financial statements of Bascom Mutual Telephone Company and its wholly-owned subsidiaries (the Company) as of and for the years ended December 31, 2012 and 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the board of directors, management, and the users of the FCC Form 481, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the Company personnel for the assistance and cooperation provided to us during the audit.

We appreciate your business and we look forward to working with you during the coming year.

Pry Professional Group

March 1, 2013
Findlay, Ohio