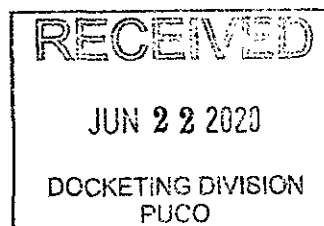


# Confidential Release

Case number: 13-1115-TP-COI

Date of Confidential Document: 10/16/2013

Release Date: 6/18/20



Page Count: 50

Document Description: FCC Form 481 Annual Reporting

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**"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 [Signature] Date Processed 6/23/20

# CONFIDENTIAL

*Confidential treatment has been requested for the following document:*

*Case: 13-1115-TP-COI*

*Page Count: 50*

*Date Filed: 10/15/2013*

*Filed by: Roxi Hacker*

*Behalf of: Minford Telephone Company*

*Summary of document: FCC FORM 481- Carrier Annual Reporting*

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2013 OCT 15 PM 3:17  
PUCO



*Interstate Telecom Consulting, Inc.*

Independent Telecommunications Consultants

October 11, 2013

*File Under Seal*

**CONFIDENTIAL**

Barcy McNeal  
Executive Secretary  
Ohio PUC  
180 East Broad Street  
Columbus, OH 43215

Re: WC Docket No. 10-90: Form 481 - Annual Reporting Requirements for High-Cost and Low Income Recipients

Pursuant to Section 54.313 and 54.422 of the Federal Communications Commission's rules, enclosed is Form 481 Annual Reporting Requirements and Certifications for Minford Telephone Company, Study Area Code 300634. Minford Telephone Company is a state-designated ETC, and as such, is submitting to the Commission information from FCC Form 481. This filing contains "trade secret" information. A separate public filing of this information was also made.

Minford Telephone Company is making this filing pursuant to 47 C.F.R. §0.459 - Requests that materials or information submitted to the Commission be withheld from public inspection. In the Fifth Reconsideration Order, the commission permitted privately-held rate of return carriers to seek confidential treatment of their financial information filed under Section 54.313(f)(2).

Should you have any questions, please contact me via e-mail at [roxih@interstatetelcom.com](mailto:roxih@interstatetelcom.com) or by phone at 320/848-6641.

Sincerely,

Roxi Hacker  
Regulatory Consultant

Enclosures:

Cc: Paula McGraw

RECEIVED BY: [REDACTED]	DATE: [REDACTED]
RECEIVED BY: [REDACTED]	DATE: [REDACTED]

<010> Study Area Code	300634
<015> Study Area Name	MINFORD TEL CO
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Roxanne Hacker
<035> Contact Telephone Number: Number of the person identified in data line <030>	320-848-6641
<039> Contact Email Address: Email of the person identified in data line <030>	roxih@interstatetelcom.com

ANNUAL REPORTING FOR CARRIERS	2013 Completion Required	2014 Completion Required
-------------------------------	--------------------------------	--------------------------------

<100> Service Quality Improvement Reporting	(complete attached worksheet)	(check box when complete)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> -- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	0	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed				
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 3006340H510Minford	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 3006340H610Minford	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <input type="radio"/> <input checked="" type="radio"/>	(attach descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110> <input type="radio"/> <input checked="" type="radio"/>	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

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

RECEIVED-DOCKETING DIV  
2013 OCT 15 PM 3:17

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>		FCC Form 481
		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	300634
<015>	Study Area Name	NINPOD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxanne.hacker@telcel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input checked="" type="radio"/> <input type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

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 CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

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

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<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.

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

300634

**MINFORD TEL CO**

2014

Roxanne Hacker

320-B48-6641

2025-2026

[illegible]

(7)(U) Price Offerings including Voting Data  
 Data Collection Form  
 FCG Form 28  
 OMB Control No. 3330-0067 OMB Control No. 3330-0067  
 July 2015

<010>	Study Area Code	300634
<015>	Study Area Name	MINFORD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxah@interstatetel.com

1/1/2013
----------

**<701> Residential Local Service Charge Effective Date**

[illegible]

0> roxi@interstatel.com.com

[illegible]



<010>	Study Area Code	3006334
<015>	Study Area Name	MINFORD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxinh@interatetel.com
<810>	Reporting Carrier	Minford Telephone Company
<811>	Holding Company	
<812>	Operating Company	Minford Telephone Company

[illegible]



<010>	Study Area Code	300634
<015>	Study Area Name	MINFORD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxih@interstatel.com

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

<920> Tribal Government Engagement Obligation

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

Select (Yes, No, NA)	
	<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.

Name of Attached Document (.pdf)

7100 North Main Street, Suite 100, Minneapolis, MN 55412-1000  
 Tel: 612-338-1000 Fax: 612-338-1001  
 Email: info@interstatel.com Web: www.interstatel.com

<010>	Study Area Code	300634
<015>	Study Area Name	MINFORD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxh@interstatel.com

☐

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

☐

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

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

<010> Study Area Code 300634  
 <015> Study Area Name MINFORD TEL CO  
 <020> Program Year 2014  
 <030> Contact Name - Person USAC should contact regarding this data Roxanne Hacker  
 <035> Contact Telephone Number - Number of person identified in data line <030> 320-848-6641  
 <039> Contact Email Address - Email Address of person identified in data line <030> roxine@interstatetel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 300634OH1210Minford  
 Name of attached document (.pdf)

<1220> Link to Public Website HTTP

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

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

(200) Price Cap Carrier Additional Documentation

Document Title: Price Cap Carrier Additional Documentation

Document Number: 300634

Document Date: 01/01/2013

Document Location: C:\Program Files\Price Cap Local Exchange Carriers\

Document Description: Price Cap Carrier Additional Documentation

Document Author: Roxanne Hacker

Document Reviewer: Roxanne Hacker

Document Status: Draft

Document Version: 1.0

Document History: 1.0 Initial Draft

300634

&lt;010&gt; Study Area Code

&lt;015&gt; Study Area Name

&lt;020&gt; Program Year

&lt;030&gt; Contact Name - Person USAC should contact regarding this data

&lt;035&gt; Contact Telephone Number - Number of person identified in data line &lt;030&gt;

&lt;039&gt; Contact Email Address - Email Address of person identified in data line &lt;030&gt;

MINFORD TEL CO

2014

Roxanne Hacker

320-848-6641

roxanne@interstatel.com

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

## Incremental Connect America Phase I reporting

&lt;2010&gt; 2nd Year Certification (47 CFR § 54.313(b)(1))

&lt;2011&gt; 3rd Year Certification (47 CFR § 54.313(b)(2))

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

&lt;2012&gt; 2013 Frozen Support Certification

&lt;2013&gt; 2014 Frozen Support Certification

&lt;2014&gt; 2015 Frozen Support Certification

&lt;2015&gt; 2016 and future Frozen Support Certification

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

&lt;2016&gt; Certification Support Used to Build Broadband

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

&lt;2017&gt; 3rd Year Broadband Service Certification

&lt;2018&gt; 5th Year Broadband Service Certification

&lt;2019&gt; Interim Progress Certification

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

&lt;2021&gt; Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

<010> Study Area Code	300634
<015> Study Area Name	MINFORD TEL CO
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035> Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039> Contact Email Address - Email Address of person identified in data line <030>	rox.h@interstatel.com.com

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

#### Progress Report on 5 Year Plan

##### Milestone Certification (47 CFR § 54.313(f)(1)(ii))

Please check this box to confirm that the attached PDF, on line 3012,

contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information

☐

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(3014) If yes, does your company file the RUS annual report

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

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

(3016) PDF of 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

(3018) If the response is no on line 3014: Is your company audited?

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 PDF of Balance Sheet, Income Statement and Statement of Cash Flows

(3020) Management letter issued by the independent certified public accountant that performed the company's financial audit.

(3021) 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) PDF of Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

☒ (Yes/No)  
☐ (Yes/No)

☐
☐

Name of Attached Document Listing Required Information

☒ (Yes/No)  
☐ (Yes/No)

☒
☒
☒
☐
☐
☐
☐

3006340H3026Minford

Name of Attached Document Listing Required Information

UNIVERSAL SERVICE / CARRIER INFORMATION REPORT	FORM 900 CIVIL RIGHTS DIVISION U.S. DEPARTMENT OF JUSTICE
---	---

<010>	Study Area Code	300634
<015>	Study Area Name	MINFORD TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Roxanne Hacker
<035>	Contact Telephone Number - Number of person identified in data line <030>	320-848-6641
<039>	Contact Email Address - Email Address of person identified in data line <030>	roxih@interstatetelcom.com

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

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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

I certify that (Name of Agent) TC1 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.

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:**

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.

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**

SAC: 300634

State: Ohio

Minford Telephone Company

Form 481 Line No.: 510 Compliance with Service Quality Standards and Consumer Protection

---

As required by Ohio Administrative Code "4901: 1-6-12 Service Requirements for Basic Local Exchange Service (BLES)" the local services provided by Minford Telephone Company are provided under internal company operating procedures and tariffs which are in compliance with applicable Ohio Public Utility Commission orders and rules including:

**4901: 1-6-12(C)**

(1) BLES shall be installed within five business days of the receipt by a telephone company of a completed application for new access line service, unless the customer requests or agrees to a later date.

(2) The requirement to install BLES in paragraph (C)(1) of this rule is not applicable where any of the following exist:

(a) A customer or applicant has not met pertinent tariff requirements.

(b) The need for special equipment or service.

(c) Military action, war, insurrection, riot, or strike.

(d) The customer misses an installation appointment.

(3) A LEC shall make reasonable efforts to repair a BLES outage within twenty-four hours, excluding Sundays and legal holidays, after the outage is reported to the telephone company.

(4) A BLES service outage or service-affecting problem shall be repaired within seventy-two hours after it is reported to the telephone company.

(5) If a BLES outage is reported to the telephone company and lasts more than seventy-two hours, the LEC shall credit every affected BLES customer, of which the LEC is aware, in the amount of one month's charges for BLES.

(6) The customer credit in paragraph (C)(5) of this rule is not applicable if the condition or failure to repair occurs as a result of any of the following:

(a) A customer's negligent or willful act.

(b) Malfunction of customer-owned telephone equipment or inside wire.

(c) Military action, war, insurrection, riot, or strike.

(d) Customer missing a repair appointment.

SAC: 300634

State: Ohio

Minford Telephone Company

Form 481 Line No.: 510 Compliance with Service Quality Standards and Consumer Protection

(7) No LEC shall establish a due date for payment earlier than fourteen consecutive days after the date the bill is postmarked for a bill for BLES provided to customers. The postmark date may appear on the bill rather than on the envelope, as long as the postmark date is never earlier than the date the bill actually enters the mail.

(8) A LEC may disconnect BLES for nonpayment of any amount past due on a billed account not earlier than fourteen days after the due date of the customer's bill, provided that the customer is given notice of the disconnection seven days before the disconnection.

(9) Such notice of disconnection may be included on the customer's next bill, provided the bill is postmarked at least seven days prior to the date of disconnection of service reflected on the bill, and provided that the disconnection language is clearly highlighted such that it stands apart from the customer's regular bill language. The notice shall identify the total dollar amount that must be paid to maintain BLES, the earliest date disconnection may occur, and the following statement:

"If you have a complaint in regard to this disconnection notice that cannot be resolved after you have called Minford Telephone Company, or for general utility information, residential and business customers may contact the public utilities commission of Ohio (PUCO) for assistance at 1-800-686-7826 (toll free) from eight a.m. to five p.m. weekdays, or at <http://www.puco.ohio.gov>. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio Relay Service)."

For residential disconnection notices, the text shall also include:

"The Ohio consumers' counsel (OCC) represents residential utility customers in matters before the PUCO. The OCC can be contacted at 1-877-742-5622 (toll free) from eight a.m. to five p.m. weekdays, or at <http://www.pickocc.org>."

(10) A LEC may require a deposit, not to exceed two hundred thirty percent of a reasonable estimate of one month's service charges, for the installation of BLES for any person that it determines, in its discretion, is not creditworthy.

(11) A LEC shall, unless prevented from doing so by circumstances beyond the telephone company's control or unless the customer requests otherwise, reconnect a customer whose basic local exchange service was disconnected for nonpayment of past due charges not later than one business day after the day the earlier of the following occurs:

- (a) The receipt by the LEC of the full amount of past due charges.
- (b) The receipt by the LEC of the first payment under a mutually agreed upon payment arrangement.

SAC: 300634  
State: Ohio  
Minford Telephone Company  
Form 481 Line No.: 610 Description of Functionality in Emergency Situations

---

Minford Telephone Company, pursuant to Ohio Administrative Code "4901:1 1-6-31 Emergency and Outage Operations".

**4901:1-6-31 Emergency and outage operations.**

(A) Each facilities-based local exchange carrier (LEC) shall design, operate, and maintain its facilities to continue to provide customers with the ability to originate and receive calls at all times. The commission will utilize existing FCC rules applicable to emergency and outage operations. Companies shall submit outage reports utilizing, at the company's discretion, either existing FCC reports or a format determined by the commission.

(B) Each facilities-based LEC shall submit, within two hours of discovery, to the commission's outage coordinator and when appropriate, the news media in the affected area, a notification that it has experienced an outage, whenever that outage occurs on any facility that it owns, operates, leases or otherwise utilizes and is both:

- (1) Expected to last for a period in excess of thirty minutes.
- (2) Potentially affects at least nine hundred thousand user minutes in the incumbent local calling area.

(C) Each facilities-based LEC shall report, by telephone or electronic means, a disruption of 9-1-1 services, which impairs 9-1-1 service within a given county 9-1-1 system, immediately to each county 9-1-1 public safety answering point, to the Ohio 9-1-1 coordinator, and to the news media in the affected area, when appropriate.

(D) Each facilities-based LEC experiencing a loss of communications or selective routing to a public safety answering point, as a result of an outage described under paragraphs (B) and (C) of this rule, shall also notify, as soon as possible, by telephone or electronic means, any official who has been designated by the management of the affected 9-1-1 facility as the LEC's contact person for communication outages at that facility; and the LEC shall convey to that person all available information that may be useful to the management of the affected facility in mitigating the effects of the outage on efforts to communicate with that facility.

(E) Each facilities-based LEC experiencing an outage described under paragraphs (B) and (C) of this rule, shall electronically submit to the commission's outage coordinator the same information as that provided to the FCC or the following information:

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Minford Telephone Company

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(1) A notification that it has experienced an outage, which shall include the name of the reporting entity, the date and time of the onset of the outage, a brief description of the problem, the particular service affected, the geographic area affected by the outage, the number of customers affected, an estimate of when the service, including 9-1-1, will be restored, and a contact name and telephone number by which the commission's outage coordinator may contact the reporting entity.

(2) Not later than seventy-two hours after discovering the outage, an initial communications outage report, which shall include all pertinent information then available on the outage and shall be submitted in good faith.

(3) Not later than thirty days after discovering the outage, the provider shall submit electronically a final communications outage report, which shall include all pertinent information on the outage, including any information that was not contained in, or that has changed from that provided in, the initial report.

(F) Each facilities-based LEC shall develop, implement, and maintain an emergency plan and make it available for review by commission staff. The plan shall include, but not be limited to, all of the following:

(1) Procedures for maintaining and annually updating a list of those customers who have subscribed to the federal telecommunications service priority program, as identified in 47 C.F.R. 64, appendix A.

(2) Procedures for priority treatment in restoring out-of-service trouble of an emergency nature for customers with a documented medical or life-threatening condition.

(3) In addition to the telecommunications service priority program, each LEC shall develop policies and procedures regarding those customers who require priority treatment for out-of-service clearance. Such procedures shall include a table of restoration priority, including, but not limited to, subscribers such as police and fire stations, hospitals, key medical personnel, and other utilities.

(4) Procedures for restoring service to priority critical facilities customers.

(5) Identification and annual updates of all of the facilities-based LEC's critical facilities and reasonable measures to protect its personnel and facilities.

(6) Assessments and evaluations of telecommunications facilities available to provide back-up service capabilities.

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(7) Procedures for after-action assessments and reporting following activation of any part of the emergency plan. An after-action report will be written and will include lessons learned, deficiencies in the response to the emergency, and deficiencies in the emergency plan.

(8) A current list of the names and telephone numbers of the facilities-based LEC's emergency service personnel to contact and coordinate with in the event of any real or anticipated local or national threats to its ability to provide telecommunications service.

(9) A current list of the names and telephone numbers of the facilities-based LEC's emergency service personnel that is made available to the commission's emergency coordinator, upon request.

(10) A continuity of operations plan to assure continuance of minimum essential functions during a large scale event in which staffing is reduced. Such plans shall provide for:

(a) Plan activation triggers such as the world health organization's pandemic phase alert levels, widespread transmission within the United States, or a case at one or more locations within Ohio.

(b) Identification of a pandemic coordinator and team with defined roles and responsibilities for preparedness and response planning.

(c) Identification of minimal essential functions, minimal staffing required to maintain such essential functions, and personnel resource pools required to ensure continuance of those functions in progressive stages associated with a declining workforce.

(d) Identification of essential employees and critical inputs (e.g., raw materials, equipment, suppliers, subcontractor services/products, and logistics) required to maintain business operations by location and function.

(e) Policies and procedures to address personal protection initiatives.

(f) Policies and procedures to maintain lines of communication with the public utilities commission of Ohio during a declared emergency.

(G) Each facilities-based LEC shall amend its emergency plan in accordance with the findings identified in the after-action assessment report required under paragraph (F)(7) of this rule.



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- Minford Telephone Company's Lifeline service offerings are listed in their Local Service Tariff Section 4, Sheet 1 (attached). The Local Service Tariff is on file with the Public Utility Commission of Ohio.
  - All Lifeline subscribers must meet the terms and conditions of Federal Lifeline Eligibility Rules.
- 

As required by Ohio Administrative Code "4901:1-6-19 Lifeline Requirements" Minford Telephone Company shall provide Lifeline service as defined in 47 C.F.R. §54.401(a) on a non-discriminatory basis to all qualifying low-income customers. The company's Lifeline service offering will comply with all applicable federal laws and the Ohio State law listed below.

**4901:1-6-19 Lifeline requirements.**

(A) An incumbent local exchange carrier (LEC) that is an eligible telecommunications carrier (ETC) under 47 C.F.R. 54.201 shall implement lifeline service throughout the ILEC ETC's traditional service area for its eligible residential customers.

(B) Lifeline service shall be a flat-rate, monthly, primary access line service with touch-tone service and shall provide all of the following:

- (1) A recurring discount to the monthly basic local exchange service rate that provides for the maximum contribution of federally available assistance;
- (2) Free blocking of toll service, 900 service, and 976 service;
- (3) A waiver of the federal universal service fund end user charge;
- (4) A waiver of the telephone company's service deposit requirement.

(C) The ILEC ETC may offer to lifeline service customers any other services and bundles or packages of service at the prevailing prices, less the lifeline discount.

(D) The ILEC ETC also shall offer special payment arrangements to lifeline service customers that have past due bills for regulated local service charges, with the initial payment not to exceed twenty-five dollars before service is installed, and the balance for regulated local service charges to be paid over six, equal monthly payments. Lifeline service customers with past due bills for toll service charges shall have toll restricted service until the past due toll service charges have been paid or until the customer establishes service with another toll provider.



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(E) Every large ILEC required to implement lifeline service shall establish an annual marketing budget for promoting lifeline service and performing outreach regarding lifeline service. Every large ILEC shall work with the advisory board established in paragraph (F) to reach consensus, where possible, regarding an appropriate budget for promoting lifeline and performing outreach and regarding how the budget will be spent. All funds allocated to this budget shall be spent for the promotion and marketing of lifeline service and outreach regarding lifeline service and only for those purposes and not for any administrative costs of implementing lifeline service.

(F) All activities relating to the promotion of, marketing of, and outreach regarding lifeline service provided by the large ILECs shall be coordinated through a single advisory board composed of staff of the public utilities commission, the office of the consumer's counsel (OCC), consumer groups representing low income constituents, two representatives from the Ohio association of community action agencies, and every large ILEC. The commission staff shall provide active leadership in the initial organization of the statewide board and the development of procedures and bylaws under which the board will operate. Commission staff shall, with the assistance of the office of the consumers' counsel, work with the advisory board to reach consensus on the organization of the board and all activities relating to the promotion of, marketing of, and outreach regarding lifeline service. However, where consensus is not possible, the commission's staff shall make the final determination. Decisions on the organization of the board and decisions of the advisory board including decisions on how the lifeline marketing, promotion, and outreach activities are implemented are subject to commission-review.

(G) All other aspects of an ILEC ETS's state-specific lifeline service shall be consistent with federal requirements. The rates, terms, and conditions for the ILEC's lifeline service shall be tarified in accordance with rule 4901:1-6-11 of the Administrative Code.

(H) Eligibility for lifeline service under this rule shall be based on either of the following criteria:

(1) An individual's verifiable participation in any federal or state low-income assistance program that limits assistance based on household income. These programs include:

(a) Medical assistance under Chapter 5111. of the Revised Code (medicaid) or any state program that might supplant medicaid;

(b) Supplemental nutritional assistance program (SNAP/food stamps);

(c) Supplemental security income (SSI) under Title XVI of the Social Security Act;

(d) Social security disability insurance – blind and disabled (SSDI);

(e) Federal public housing assistance, or section 8;

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- (f) Home energy assistance programs (HEAP, LIHEAP, E-HEAP);
- (g) National school lunch program's free lunch program (NSL);
- (h) Temporary assistance for needy families (TANF/Ohio works); or
- (i) General assistance, including disability assistance (DA).

The commission may add or remove programs from this list as required by federal or state law.

(2) Other verification that an individual's household income is at or below one hundred fifty per cent of the federal poverty level. ILEC ETC's may use any reasonable method of verification. Consistent with federal law, examples of acceptable documentation include the following:

- (a) State or federal income tax return;
- (b) Current income statement or W-2 from an employer;
- (c) Three consecutive months of current pay stubs;
- (d) Social security statement of benefits;
- (e) Retirement/pension statement of benefits;
- (f) Unemployment/workmen's compensation statement of benefits;
- (g) Any other legal document that would show current income (such as a divorce decree or child support document).
- (I) All ILEC ETCs must verify customer eligibility consistent with the federal communications commission's (FCC) requirements in 47 C.F.R. 54, to enroll customers into lifeline assistance who qualify through household income-based requirements.
- (J) The commission shall work with the appropriate state agencies that administer deferral or state low-income assistance programs and with carriers to negotiate and acquire information necessary to verify an individual's eligibility and the data necessary to automatically enroll eligible persons for lifeline service.
- (K) To the extent that appropriate state agencies are able to accommodate automatic enrollment, every ILEC ETC shall automatically enroll customers into lifeline assistance who participate in a qualifying program.

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(L) An ILEC ETC shall provide written notification if the carrier determines that an individual is not eligible for lifeline service enrollment and shall provide the person an additional thirty days to provide eligibility.

(M) An ILEC ETC shall provide written customer notification if a customer's lifeline service benefits are to be terminated due to failure to submit acceptable documentation for continued eligibility for the assistance and shall provide the customer an additional sixty days to submit acceptable documentation of continued eligibility or dispute the carrier's findings regarding termination of the lifeline service.

(N) Commission staff will maintain on the commission's website a copy of boilerplate customer notices that are compliant with the FCC's requirements. Any ILEC ETC choosing to create and use its own customer notice shall submit its proposed notice to commission staff for approval.

(O) An ILEC ETC shall establish procedures to verify an individual's continuing eligibility for both program and income-based criteria consistent with the FCC's requirements in 47 C.F.R. 54.409 to 47 C.F.R. 54.410. ILEC ETCs shall maintain records to document compliance with these requirements and shall attest, as part of the periodic ETC certification process by the commission, that they comply with the FCC's requirements.

(P) An ILEC ETC may recover through a customer billing surcharge on retail customers of the ILEC's telecommunications service other than lifeline service customers, any lifeline service discounts and any other lifeline service expenses that are not recovered through federal or state funding and that are approved by the commission under this paragraph. The surcharge may not include recovery of expenses related to the marketing and promotion of lifeline service. The surcharge may be established through one of the following means:

(1) An ILEC ETC that chooses to establish a customer billing surcharge to non-lifeline customers, to recover lifeline service discounts and expenses identified in this paragraph shall file a thirty-day application for tariff amendment (ATA). Such application may request recovery of lifeline service discounts that are not recovered through federal or state funding such as federal universal service fund end user charges, service connection charges, blocking of 900/976, recurring discount maximizing the contribution of federally available assistance, and recurring retail price differences between the frozen lifeline service rate and residential BLES rates, as well as lifeline service expenses that are not recovered through federal or state funding such as administrative expenses for the sole purpose of verifying the eligibility and enrolling of lifeline customers. An applicant must provide documentation to support its proposed surcharge and its compliance with this rule. Absent suspension or other commission action, the application shall be deemed approved and become effective on the thirty-first day or later date if requested by the company.

(2) An ILEC ETC requesting recovery of any expenses not specified in paragraph (P)(1) of this rule shall file an application with the commission, using the most up-to-date telecommunications filing form, under the TP-UNC case purpose code. An applicant must provide documentation to support its proposed customer billing surcharge and its compliance with this rule and must further support its request for recovery of any expenses not specified in paragraph (P)(1) of this rule with a detailed supporting memorandum. Absent suspension or commission action, the application shall be deemed approved and become effective on the one hundred twenty-first day or later date if requested by the company.

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(Q) If an ILEC ETC chooses to establish a customer billing surcharge to recover its lifeline expenses under paragraph (P)(1) or (P)(2) of this rule, the lifeline surcharge shall not appear in the section of the bill reserved for taxes and government-mandated charges as set forth in 47 C.F.R. 64.2400 to 47 C.F.R. 64.2401.

(R) An ILEC ETC that is authorized to establish a customer billing surcharge under with paragraph (P)(1) or (P)(2) of this rule shall annually file with the commission a report that identifies actual amounts recovered and the actual lifeline service discounts and any other lifeline service expenses incurred for the prior period. The company shall provide such data as necessary to enable the commission to validate such amounts to ensure that the company did not over recover its approved expenses form customers. The commission shall establish for each such company the timeframe for filing this report when the commission approves any such billing surcharge. The annual filing may be contained in a request to adjust the billing surcharge in accordance with paragraph (P)(1) or (P)(2) of this rule, but shall be provided via a separate filing and docketed in a generic case number to be established by the commission, if no adjustment to the billing surcharge is sought. Any over-recovery or under-recovery shall be offset against or added to the next year's recovery.

(S) Every ILEC ETC shall file with the commission in its annual assessment report the number of its customers who receive, at the time of filing of the report, lifeline service.

(T) Upon request of commission staff, additional information regarding customer subscription to and disconnection of lifeline service shall be provided to commission staff in accordance with rule 4901:1-6-30 of the Administrative Code.

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LIFELINE REQUIREMENTS

(T)

The Company shall provide Lifeline service as defined in 47 C.F.R. § 54.401 (a) on a non-discriminatory basis to all qualifying low-income customers. The Company's Lifeline service offering shall comply with all applicable federal and state laws, including, but not limited to, 47 C.F.R. Part 54, Subpart E; the FCC's Lifeline reform order (Report and Order released February 6, 2012, WC Docket No. 11-42, et. al) and any subsequent clarifying orders; Section 4927.13, Revised Code; Rule 4901:1-6-19, Ohio Administrative Code; and, the Commission's nontraditional Lifeline service order (Finding and Order adopted May 23, 2012, Case No. 10-2377-TP-COI) and any subsequent entries and/or orders.

(N)

Issued: June 11, 2012

Effective: June 11, 2012

In Accordance with Case No. 90-5028-TP-TRF  
Issued by the Public Utilities Commission of Ohio  
Paula McGraw, Manager  
Minford, Ohio



## Save Money on your Telephone Bill

### Sign up for the Lifeline Assistance Program

The Public Utilities Commission of Ohio (PUCO) urges qualifying low-income residents to apply for Lifeline Telephone Assistance. Lifeline Assistance makes basic local telephone service more affordable for income-eligible families across Ohio. Those who qualify could receive discounts for monthly telephone bills and/or installation costs of telephone service. And now, some wireless companies offer Lifeline discounts.

#### Am I eligible?

You may qualify for Lifeline if your household income is at or below 150 percent of the federal poverty guidelines or if you participate in one of the following programs:

- Medicaid
- Food stamps
- General/Disability Assistance
- Supplemental Security Income (SSI)
- SSI - Blind and Disabled (SSDI)
- Public Housing Assistance/Section 8
- TANF/Ohio Works First
- National School Free Lunch Program
- Home Energy Assistance Program

#### 150% of Federal Poverty Guidelines

Household Size	Yearly Income	Monthly Income
1	\$16,335	\$1,361.25
2	\$22,065	\$1,838.75
3	\$27,795	\$2,316.24
4	\$33,525	\$2,793.75
For each additional add	\$5,730	\$477.50

#### What are the benefits?

Eligible low-income customers receive a monthly discount on basic local landline telephone service, waiver of installation charges, waiver of deposit fees, optional toll blocking at no charge and optional 900/976 blocking at no charge. Lifeline discounts are also available for some wireless companies.

#### Are there any restrictions?

Lifeline benefits may be applied to only one type of service – landline or wireless – and is limited to one line per household. You may have both landline and wireless service, but you, as a qualified customer, must choose which service includes the Lifeline benefits. An individual is only allowed to enroll in Lifeline once at the same address during a 12-month period. Other restrictions may apply.

#### How do I apply?

Contact your local landline or wireless phone company and ask to apply for Lifeline.

If you have any questions or have a complaint about Lifeline, please contact the **Public Utilities Commission of Ohio** at (800) 686-7826.

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**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**For the Years Ended December 31, 2012 and 2011**

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**HAROLD W. MULLINS, CPA**

**11664 Gallia Pike  
Wheelersburg, OH 45694**

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Minford Telephone Company  
Minford, Ohio

I have audited the accompanying consolidated balance sheet of Minford Telephone Company and Subsidiary as of December 31, 2012 and 2011, and the related consolidated statement of income, retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these consolidated financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, based on my audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minford Telephone Company and Subsidiary as of December 31, 2012 and 2011, the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Harold Mullins  
Certified Public Accountant

Wheelersburg, Ohio  
June 18, 2013

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**FINANCIAL STATEMENTS**

## CONSOLIDATED BALANCE SHEET

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 8,339,419	9,252,272
Accounts receivable:		
Subscribers, less allowance of \$16,693 and \$21,102	249,490	219,124
Other	88,372	233,105
Inventory	70,785	92,326
Deferred tax asset	18,191	-
Prepaid items and other current assets	70,033	103,983
Total current assets	<u>8,836,290</u>	<u>9,900,810</u>
<b><u>Non-Current Assets</u></b>		
Investments - marketable securities	-	-
Total non-current assets	-	-
 Property, plant and equipment, net	 8,140,301	 6,520,962
Total assets	<u>\$ 16,976,591</u>	<u>\$ 1,641,772</u>
 <b>LIABILITIES &amp; EQUITY</b>		
<b><u>Current Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 130,634	\$ 187,419
Accounts payable and accrued expenses - affiliate	16,693	16,693
Deferred revenues and customer deposits	12,818	14,792
Other current liabilities	10,107	75,200
Total current liabilities	<u>170,252</u>	<u>294,104</u>
<b><u>Non-Current Liabilities</u></b>		
Postretirement benefits obligation	114,613	114,613
Total non-current liabilities	<u>114,613</u>	<u>114,613</u>
 Total liabilities	 <u>284,865</u>	 <u>408,717</u>
 <b>Equity</b>		
Memberships issued	175,942	172,657
Retained earnings	16,215,784	15,840,398
Total equity	<u>16,391,726</u>	<u>16,013,055</u>
 Total Liabilities and Equity	 <u>\$ 16,676,591</u>	 <u>\$ 16,421,772</u>

The Notes to Consolidated Financial Statements are an integral part of these statements

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Local service revenue	\$ 701,176	\$ 767,822
Network access service	281,996	306,649
Long distance network service	1,281,440	1,388,746
Internet service fee revenue	676,283	588,643
Minford TV revenue	241,058	-
Miscellaneous	98,904	89,957
Total operating revenues	<u>3,280,857</u>	<u>3,141,817</u>
<b>OPERATING EXPENSES</b>		
Plant specific operations	308,575	315,498
Plant nonsepcific operations	499,313	516,698
Long distance operations	60,626	58,847
Internet services	440,895	445,690
Television expense	430,874	25,558
Depreciation and amortization	654,611	599,173
Customer relations	34,407	63,053
Corporate operations	840,607	803,276
Operating taxes other than income taxes	89,045	76,984
Total operating expenses	<u>3,358,953</u>	<u>2,904,777</u>
Total operating income	<u>(78,096)</u>	<u>237,040</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	98,800	28,407
Income tax expense	-	(6,528)
	<u>98,800</u>	<u>21,882</u>
Net income	20,704	258,922
Retained earnings, beginning of year	<u>15,840,398</u>	<u>15,551,096</u>
Retained earnings, end of year	<u>\$ 15,861,105</u>	<u>\$ 15,810,018</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

## CONSOLIDATED SCHEDULE OF CASH FLOWS

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 20,704	\$ 289,302
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	654,611	599,173
Changes in assets and liabilities:		
Accounts receivable	(534,388)	(1,055,043)
Inventory	(27,853)	(27,853)
Prepaid items and other current assets	(8,354)	(8,354)
Accounts payable and accrued expenses	56,785	475,124
Deferred revenues and customer deposits	3,285	1,544
Other current liabilities	-	12,970
Net cash provided by operating activities	<u>164,790</u>	<u>558,868</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	-	3,904,297
Net additions to property, plant, and equipment	<u>(1,791,751)</u>	<u>(1,447,408)</u>
Net cash flows used in investing activities	(1,791,751)	2,456,889
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of memberships	<u>-</u>	<u>565</u>
Net cash flows provided by financing activities	<u>-</u>	<u>3,105</u>
<b>NET INCREASE IN CASH</b>	-	2,744,317
<b>CASH AT BEGINNING OF YEAR</b>	<u>9,503,868</u>	<u>6,759,551</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 8,339,419</u>	<u>\$ 9,503,868</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 1. ORGANIZATION**

Minford Telephone Company (the Company) is a nonprofit rural telephone cooperative formed on November 17, 1955, under the laws of the State of Ohio for the purpose of providing telephone services to its subscribers. The Company acquired a 100% interest in Falcon 1, Inc. on November 17, 2000. The Subsidiary is a for profit corporation formed under the laws of the State of Ohio for the purpose of providing internet access services and long distance telephone services.

**Note 2. SIGNIFICANT ACCOUNTING POLICIES**

**System of Accounts**

The accounting policies of the Company reflect practices appropriate to the telephone industry. The accounting records of the Company are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Communications Commission (FCC) and the Public Utilities Commission of Ohio (PUCO).

**Principles of Consolidation**

*The consolidated financial statements include the accounts of the Company's wholly owned subsidiary after elimination of all significant inter-company accounts and transactions.*

**Property and Equipment**

Property, plant, and equipment are stated at the original cost of construction, including the capitalized cost of salaries and wages, materials, certain payroll taxes and employee benefits. Renewals and betterments of units of property are added to telephone plant in service. When property is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. Repairs and renewals of minor items of property are included in plant specific operation expense. No gains or losses are recognized in connection with depreciable property except vehicles and certain other work equipment.

**Depreciation**

Depreciation is provided using the straight-line method. Depreciation of telephone plant is computed by application of rates based on the estimated service lives of the various classes of depreciable property, as approved by the PUCO.

**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Lived Assets**

Management of the Company reviews for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment losses are recognized when the expected future cash flows, undiscounted, are less than the asset's carrying value. No such impairment losses were recorded in 2012.

**Inventory**

Inventory is stated at the lower of cost or market, using the average cost method.

**Revenue Recognition**

Toll, access, local services, internet and miscellaneous revenues are recognized when earned regardless of the period in which they are billed. Activation and reconnection fees are recognized over average customer service periods.

Revenues relating to the provision of access services to customers are derived in part, from tariff access charges to toll service providers (interchange carriers), and in part of sharing in interstate pools, in accordance with cost separation procedures.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash and those short-term, highly liquid investments with original maturities of three months or less. The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates, but management believes they will not be material.

**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts receivable**

Accounts receivable consists of amounts owed by customers for both service provided and equipment sales.

**Investments**

The Company has adopted SFAS No. 124, "Accounting For Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values.

**Income Taxes**

Income taxes are accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes". The Subsidiary recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recorded to reflect the tax consequences on future years of differences between the basis of assets and liabilities for income tax and for financial reporting purposes using enacted tax rates in effect for the year in which the differences are expected to reverse. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be fully realized.



**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 3. PROPERTY, PLANT AND EQUIPMENT**

Property held by Minford Telephone Company:

The major classes of telecommunications plant included in property, plant and equipment, and their related straight-line depreciation rates at December 31, are listed below. Application of these rates has resulted in a composite rate as applied to average depreciable telecommunications plant investment of 5% for 2012.

Property held by Minford Telephone Company:

	Rates	Cost 2012
Organization		\$ 2,106
Plant under constructions		4,164,507
Land		139,388
Buildings	2.80%	610,777
Central office equipment	7.7-14.3%	5,030,259
Station apparatus	7.90%	3,033
Station connections	6.70%	244,069
Poles, cables and wire	4.2-10.4%	6,380,498
Furniture and office equipment	5.0-16.7%	87,263
Vehicles and work equipment	4.8-9.4%	440,817
		<u>17,102,717</u>
Less: accumulated depreciation		<u>(10,647,853)</u>
		<u>6,454,864</u>

Property held by Falcon1, Inc.:

	Cost 2012
Equipment	\$ 1,897,999
Construction in progress	57,934
	<u>1,955,933</u>
Less: accumulated depreciation	<u>(270,494)</u>
	<u>\$ 1,685,439</u>

**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 4. CONCENTRATION OF CREDIT RISK**

The Company provides telephone service to a diversified group of consumers within a concentrated geographical area. The Company performs credit evaluations of the Company's customers and generally does not require collateral. Receivables are generally due within 30 days. Credit losses related to customers have been within management's expectations.

The Company has cash on deposit with financial institutions in excess of federally insured limits at various times throughout the year.

**Note 5. PENSION PLAN AND POSTRETIREMENT BENEFITS**

Substantially all employees of the Company are covered by the NTCA Retirement and Security Program, a defined benefit multiemployer plan. Contributions of 10% of the employee's prior year salary are as follows:

Employer	7%
Employee	3%

All employees are eligible to participate after six months service. Pension expense for the year ended December 31, 2012 and 2011 was \$48,946 and \$43,624, respectively.

Effective January 1, 2003, the Company adopted a postretirement benefit plan under Statement of Financial Accounting Standards No. 106 covering substantially all employees. The plan calls for payment of employee medical and dental expenses for retirees with a minimum age of 55 and at least 15 years of service with a Rule of 85 or at least age 65 with 15 years of service. The Company pays 2% for each year of service up to 80% of employee's benefits. Benefits are capped at \$3,000 per year.

The following table provides the amounts recognized in the statement of financial position as of December 31, 2012 and 2011:

Prepaid benefit cost	\$ 114,613
Accrued benefit liability	-
Net amount recognized	<u>\$ 114,613</u>

The assumptions used in the measurement of the Company's benefit obligation are shown in the following table.

Discount rate	6.5% per year
Medical inflation rate	5.5% to 9.0% over 10 years
Expected rate of wages increase	6.0%

**MINFORD TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**Note 6. SUPPLEMENTAL CASH FLOW DATA**

Cash paid for income taxes totaled \$-0-.

**Note 7. INCOME TAXES**

The Company and its Subsidiary file their respective income tax returns on an individual Company basis. The Company is exempt from Federal income tax under Section 501(c)(12) of the Internal Revenue Code.

**Note 8. MARKETABLE SECURITIES**

The Company held investments of \$-0- at December 31 in U.S. Government Securities with original maturity dates greater than three months. Short-term investments are stated at fair value.

**Note 9. FINANCIAL INSTRUMENTS**

The Company's financial instruments, which include trade and affiliate payables and receivables, are short-term in nature. Accordingly, the Company believes the balance sheet amounts approximate the fair value of the financial instruments.

**Note 10. SUBSEQUENT EVENTS**

For purposes of these financial statements, management considered all events through the date of this report. There were no subsequent events that were material to these statements

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**SUPPLEMENTAL INFORMATION**

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTAL INFORMATION**

To the Board of Trustees  
Minford Telephone Company  
and Subsidiary  
Minford, Ohio

My report on my audits of the consolidated financial statements of Minford Telephone Company and Subsidiary as of December 31, 2012 and 2011 appears on page 1. My audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information on pages 12 through 17 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements. *In my opinion such information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.*



Harold Mullins  
Certified Public Accountant

Wheelersburg, Ohio  
June 18, 2013

## CONSOLIDATING SCHEDULE - BALANCE SHEET

December 31, 2012

	Minford Telephone Company	Falcon I	Eliminating Entries		Consolidating Balance
			Dr	Cr	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 8,306,926	\$ 32,493	\$ -	\$ -	\$ 8,339,419
Accounts receivable					
Subscribers, less allowances	249,490	-	-	-	249,490
Affiliates	3,277,439	3,049,687	-	6,327,126	-
Other	88,372	-	-	-	88,372
Inventory	70,785	-	-	-	70,785
Deferred tax asset	18,191	-	-	-	18,191
Prepaid items and other current assets	70,033	-	-	-	70,033
Total current assets	12,081,236	3,082,180	-	6,327,126	8,836,290
<b>NONCURRENT ASSETS</b>					
Investment in associated organizations	10,000	-	-	10,000	-
Investments	-	-	-	-	-
Total Noncurrent Assets	10,000	-	-	10,000	-
<b>PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation</b>					
	6,154,864	1,685,437	-	-	7,840,301
Total Assets	\$ 18,246,100	\$ 4,767,617	\$ -	\$ 6,337,126	\$ 16,676,591
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 109,662	\$ 20,972	\$ -	\$ -	\$ 130,634
Accounts payable and accrued expenses - affiliate	3,066,380	3,277,439	6,327,126	-	16,693
Deferred revenues and customer deposits	12,818	-	-	-	12,818
Other current liabilities	20,161	(10,054)	-	-	10,107
Total current liabilities	3,209,021	3,288,357	6,327,126	-	170,252
<b>POSTRETIREMENT BENEFIT LIABILITY</b>	114,613	-	-	-	114,613
<b>DEFERRED TAX LIABILITY</b>	-	-	-	-	-
<b>MEMBER'S EQUITY</b>					
Memberships issued	175,942	-	-	-	175,942
Retained earnings	14,746,524	1,469,260	-	-	16,215,784
<b>COMMON STOCK</b>	-	10,000	10,000	-	-
Total Equity	15,037,079	1,479,260	10,000	-	16,506,339
<b>Total Liabilities &amp; Equity</b>	\$ 18,246,100	\$ 4,767,617	\$ 6,337,126	\$ -	\$ 16,676,591

## CONSOLIDATING SCHEDULE - STATEMENT OF INCOME AND RETAINED EARNINGS

December 31, 2012

	Minford Telephone Company	Falcon 1	Eliminating Entries		Consolidated Balance
			DR	CR	
<b>OPERATING REVENUES</b>					
Local service revenue	\$ 701,176	\$ -	\$ -	\$ -	\$ 701,176
Network access service	281,996	-	-	-	281,996
Long Distance network service	1,186,185	95,255	-	-	1,281,440
Internet service fee revenue	-	676,283	-	-	676,283
Minford TV revenue	-	241,058	-	-	241,058
Miscellaneous	98,536	368	-	-	98,904
Total operating revenues	2,267,893	1,012,964	-	-	3,280,857
<b>OPERATING EXPENSES</b>					
Plant specific operations	308,575	-	-	-	308,575
Plant nonspecific operations	499,313	-	-	-	499,313
Long Distance operations	-	60,626	-	-	60,626
Internet services	-	440,895	-	-	440,895
TV expense	-	430,874	-	-	-
Depreciation and amortization	549,865	104,746	-	-	654,611
Customer relations	34,407	-	-	-	34,407
Corporate operations	790,546	50,061	-	-	840,607
Operating taxes other than income taxes	87,834	1,211	-	-	89,045
Total operating expenses	2,270,540	1,088,413	-	-	3,358,953
<b>OPERATING INCOME</b>	(2,647)	(75,449)	-	-	(78,096)
<b>OTHER INCOME (EXPENSES)</b>					
Loss on Disposal	-	-	-	-	-
Interest income	98,800	-	-	-	98,800
Income tax expense	-	-	-	-	-
	98,800	-	-	-	98,800
<b>Net Income (Loss)</b>	96,153	(75,449)	-	-	20,704
<b>Retained Earnings,</b> beginning of year	14,948,275	892,123	-	-	15,840,398
<b>Retained Earnings,</b> end of year	\$ 15,044,428	\$ 816,674	\$ -	\$ -	\$ 15,861,102

**CONSOLIDATING SCHEDULE - CASH FLOWS**  
**December 31, 2012**

	Minford Telephone Company	Falcon I	Eliminating entries		Consolidated Balance
			Dr	Cr	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income (loss)	\$ 96,153	\$ (75,449)	\$ -	\$ -	\$ 20,704
Depreciation and amortization	549,865	104,746	-	-	654,611
Changes in assets and liabilities					
Decrease (increase):					
Accounts Receivable	(643,231)	732,088	-	-	88,857
Inventory	21,541	-	-	-	21,541
Prepaid items and other current assets	(33,951)	-	-	-	(33,951)
Increase (decrease):					
Accounts Payable and accrued expenses	72,454	(15,669)	-	-	56,785
Deferred revenues and customer deposits	1,974	-	-	-	1,974
Other current liabilities	50,452	14,641	-	-	65,093
Net cash flows provided by operating activities	115,257	760,357	-	-	875,614
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net additions to property, plant and equipment	(999,616)	(792,135)	-	-	(1,791,751)
Net cash flows provided by investing activities	(999,616)	(792,135)	-	-	(1,791,751)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Issuance of memberships	3,285	-	-	-	3,285
Net cash flows used in by financing activities	3,285	-	-	-	3,285
<b>NET INCREASE IN CASH</b>	(881,074)	(31,778)	-	-	(912,852)
<b>CASH AT BEGINNING OF YEAR</b>	9,188,000	64,271	-	-	9,252,271
<b>CASH AT END OF YEAR</b>	<u>\$ 8,306,926</u>	<u>\$ 32,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,339,419</u>



## MINFORD TELEPHONE COMPANY AND SUBSIDIARY

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## CONSOLIDATING SCHEDULE - BALANCE SHEET

December 31, 2011

	Eliminating Entries				
	Minford Telephone Company	Falcon I	Debit	Credit	Consolidating Balance
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 9,188,000	\$ 64,271	\$ -	\$ -	\$ 9,252,271
Accounts receivables					
Subscribers, less allowances	219,124	-	-	-	219,124
Affiliates	2,519,841	2,504,058	-	5,023,899	-
Other	233,105	-	-	-	233,105
Inventory	92,326	-	-	-	92,326
Prepaid items and other current assets	103,984	-	-	-	103,984
Total current assets	12,356,380	2,568,329	-	5,023,899	9,900,810
<b>NONCURRENT ASSETS</b>					
Investment in associated organizations	10,000	-	-	10,000	-
Investment	-	-	-	-	-
	10,000	-	-	10,000	-
<b>PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation</b>					
	5,657,438	863,524	-	-	6,520,962
	<u>\$ 18,023,818</u>	<u>\$ 3,431,853</u>	<u>\$ -</u>	<u>\$ 5,033,899</u>	<u>\$ 16,421,772</u>
<b>LIABILITIES &amp; EQUITY</b>					
<b>CURRENT Liabilities</b>					
Accounts payable and accrued expenses	\$ 182,116	\$ 5,303	\$ -	\$ -	\$ 187,419
Accounts payable and accrued expenses - affiliate	2,520,752	2,519,841	5,023,900	-	16,693
Deferred revenues and customer deposits	14,792	-	-	-	14,792
Other current liabilities	70,613	4,587	-	-	75,200
Total current liabilities	2,788,273	2,529,731	5,023,900	-	294,104
<b>POSTRETIREMENT BENEFIT LIABILITY</b>	114,613	-	-	-	114,613
<b>MEMBER'S EQUITY</b>					
Memberships issued	172,657	-	-	-	172,657
Retained earnings	14,948,275	892,123	-	-	15,840,398
<b>COMMON STOCK</b>	-	10,000	10,000	-	-
	15,120,932	902,123	10,000	-	16,013,055
	<u>\$ 18,023,818</u>	<u>\$ 3,431,854</u>	<u>\$ 5,033,900</u>	<u>\$ -</u>	<u>\$ 16,421,772</u>

## CONSOLIDATING SCHEDULE - STATEMENT OF INCOME AND RETAINED EARNINGS

December 31, 2011

	Minford Telephone Company	Falcon 1	Eliminating Entries		Consolidated Balance
			Dr	Cr	
<b>OPERATING REVENUES</b>					
Local service revenue	\$ 767,822	\$ -	\$ -	\$ -	\$ 767,822
Network access service	306,649	-	-	-	306,649
Long distance network service	1,293,927	94,819	-	-	1,388,746
Internet service fee revenue	-	588,643	-	-	588,643
Television revenue	-	17,330	-	-	-
Miscellaneous	87,754	2,203	-	-	89,957
Total operating revenues	2,456,152	702,995	-	-	3,141,817
<b>OPERATING EXPENSES</b>					
Plant specific operations	315,498	-	-	-	315,498
Plant nonspecific operations	516,698	-	-	-	516,698
Long distance operations	-	58,847	-	-	58,847
Internet services	-	445,690	-	-	445,690
Television Expenses	-	25,558	-	-	25,558
Depreciation and amortization	578,624	20,549	-	-	599,173
Customer relations	36,949	26,104	-	-	63,053
Corporate operations	721,515	81,761	-	-	803,276
Operating taxes other than income taxes	76,000	984	-	-	76,984
Total operating expenses	2,245,284	659,493	-	-	2,904,777
<b>OPERATING INCOME</b>	210,868	43,502			
<b>OTHER INCOME (EXPENSE)</b>					
Interest income	28,407	-	-	-	28,407
Income tax expense	-	(6,525)	-	-	(6,525)
	28,407	(6,525)	-	-	21,882
<b>NET INCOME (LOSS)</b>	239,275	50,027	-	-	258,922
<b>RETAINED EARNINGS,</b> beginning of year	14,709,000	842,096	-	-	15,551,096
<b>RETAINED EARNINGS,</b> end of year	\$ 14,948,275	\$ 892,123	\$ -	\$ -	\$ 15,810,018

**CONSOLIDATING SCHEDULE - CASH FLOWS**  
**December 31, 2011**

	Minford Telephone Company	Falcon 1	<u>Eliminating Entries</u>		Consolidated balanced
			Debit	Credit	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income (loss)	\$ 239,275	\$ 50,027	\$ -	\$ -	\$ 289,302
Depreciation and amortization	578,624	20,549	-	-	599,173
Changes in assets and liabilities					
Decrease (increase)					
Accounts Receivable	(534,388)	(520,655)	-	-	(1,055,043)
Inventory	(27,853)	-	-	-	(27,853)
Prepaid items and other current assets	(8,354)	-	-	-	(8,354)
Increase (decreased)					
Accounts payable and accrued expenses	54,242	420,882	-	-	475,124
Deferred revenues and customer deposits	1,544	-	-	-	1,544
Other current liabilities	70,613	(57,643)	-	-	12,970
	373,703	(86,840)	-	-	286,863
Net cash flows provided by operating activities					
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	3,904,297	-	-	-	3,904,297
Net additions to Property, plant, and equipment	(1,447,408)	(251,596)	-	-	(1,447,408)
Net cash flows provided by investing activities	2,456,889	(251,596)	-	-	2,456,889
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Issuance of memberships	565	-	-	-	565
Net cash flows provided by financing activities	565	-	-	-	565
<b>NET INCREASE IN CASH</b>	2,831,157	(338,436)	-	-	2,744,317
<b>CASH AT BEGINNING OF YEAR</b>	6,356,843	402,708	-	-	6,759,551
<b>CASH AT END OF YEAR</b>	\$ 9,188,000	\$ 64,272	\$ -	\$ -	\$ 9,503,868

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**VERIFICATION**

**VERIFICATION**

State of Ohio, County ss:

\_\_\_\_\_, and  
President Vice President

\_\_\_\_\_, of the Minford Telephone Company, being first  
Secretary/Treasurer

duly sworn hereby verify this application.

\_\_\_\_\_  
President Vice President

\_\_\_\_\_  
Secretary/Treasurer

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2012.

\_\_\_\_\_  
Notary Public