

July 3, 2017

INDIANA UTILITY

REGULATORY COMMISSION

## STATE OF INDIANA

## INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S ) 2017  
 CERTIFICATION OF CARRIERS' )  
 ELIGIBILITY TO RECEIVE FEDERAL HIGH- )  
 COST UNIVERSAL SUPPORT, PURSUANT TO ) CAUSE NO. 44947  
 THE TELECOMMUNICATIONS ACT OF 1996 )  
 THE FCC'S MAY 23, 2001 ORDER, AND OTHER )  
 RELATED FCC ORDERS. )

**BLOOMINGDALE HOME TELEPHONE COMPANY INC.'S SUBMISSION OF  
 FEDERAL HIGH COST UNIVERSAL SERVICE FUNDING CERTIFICATION**

Bloomingtondale Home Telephone Company, Inc. (BHTC), by counsel, submits to the Indiana Utility Regulatory Commission ("Commission") its 2017 Federal High-Cost Universal Service Funding Certification for Eligible Telecommunications Carriers ("ETC Certification").

This filing is being made in compliance with the requirements of WC Docket Nos. 10-90, et al, 47 C.F.R. §54.313 and the Commission's Order of May 31, 2017 ("Order") in this Cause. Attached is the Affidavit of ETC Certification required by the Order, is a redacted copy of the Federal Communications Commission ("FCC") Form 481 as filed by BHTC with the FCC. In accordance with the Order, BHTC will separately file a confidential version of the FCC Form 481.

Dated: July 3, 2017.

Respectfully submitted,

By: /s/ Gary G. Hanner

Gary G. Hanner

HANNER LAW OFFIC

P.O. BOX 122

Old Parke State Bank Bldg.

Rockville, IN 47872

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[ghanner@hannerlaw.com](mailto:ghanner@hannerlaw.com)

Attorneys for Bloomingtondale Home Telephone Company, Inc.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing has been served electronically upon the following this 3rd day of July, 2017:

Karol H. Krohn  
Indiana Office of Utility Consumer Counselor  
115 W. Washington Street, Suite 1500 S  
Indianapolis, IN 46204

KKrohn@oucc.IN.gov

infomgt@oucc.in.gov

/s/ Gary G. Hanner

Gary G. Hanner

**2017 High Cost/Connect America Universal Service Funding Certification  
For Eligible Telecommunications Companies  
IURC Cause No. 44947**

*Each ETC that receives high cost or Connect America Fund (CAF) support is required to complete this form in order to receive certification by the Indiana Utility Regulatory Commission that the carrier is eligible to receive such federal support for the coming year. The FCC requires ETCs to provide copies of reports and certifications filed pursuant to 47 C.F.R 54.313 to the relevant state commission. Please include a completed copy of the FCC form 481 with this filing. If you have any questions, please contact Sally Getz at 317-234-1543. This information is due back to the Commission on July 3, 2017.*

**Carrier Name:** Bloomington Home Telephone Company, Inc.

**Study Area Code** 320742

**Carrier Address:** 38 S. Main St.  
P.O. Box 206  
Bloomington, IN 47832

**Contact Name:** Ronja Branson

**Contact Email:** rbranson

**Position:** Director-Manager

**Phone:** 765-498-2000 **FAX:** 765-498-8000

1. With regard to your designated service area(s) please provide the following information, using annualized totals of federal support received for the calendar year 2016 in the following categories, if applicable:

High Cost Loop Support (HCL):	\$ <u>315,008</u>
Local Switching Support (LSS)	\$ <u>0</u>
Interstate Common Line Support (ICLS)	\$ <u>0</u>
Interstate Access Support (IAS)	\$ <u>337,651</u>
Connect America Fund Model (CACM)	\$ <u>0</u>
Alternative Connect America Model (ACAM)	\$ <u>154,392</u>

Frozen High Cost Support (FHCS)	\$ 0
Rural Broadband Experiments Fund (RBE)	\$ 0
Other Form of High Cost Support	\$ 0
Total Federal High Cost Support:	\$ 807,051

2. Does your company offer a stand-alone voice telephony plan throughout its designated service area (ETC study area)? (170 IAC 7-1.2-9).

Yes

**Note:** A listing of voice price offerings (47 C.F.R. § 54.313(a)(7)) will satisfy the Indiana rule which requires each ETC to report annually, its current rate for local exchange service.<sup>1</sup>

Please include a public copy of your company's completed FCC Form 481 and any additional voice rate data required under 47 C.F.R. § 54.313(h) with this filing.

**Confidential Information**

If portions of the Form 481 were filed confidentially with the FCC, The IURC will also need a confidential copy of the Form 481. To file any confidential information or unredacted copies of the Form 481, follow the procedures listed in the attached Order in Section 2.

<sup>1</sup> 170 IAC 7-1.2-4

## AFFIDAVIT

As an authorized corporate officer of Bloomington Home Telephone Company, Inc. (company name), I, Ronja Branson (print name), under penalty of perjury, hereby affirm familiarity with and understanding of the requirements of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of Universal Service funds and affirm that funds received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended pursuant to 47 U.S.C. 254(e).

Ronja Branson  
(Signature)

Director-Manager

(Title)

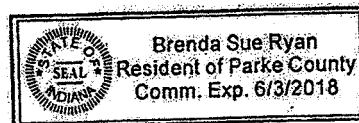
June 20, 2017

(Date)

Subscribed and Sworn to before me this 21<sup>st</sup> day of June, A.D. 20 17

NOTARY PUBLIC Brenda Sue Ryan

My Commission Expires 6-3-2018



**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
Form Type		54.313 and 54.422

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

<015>	Study Area Name	BLOOMINGDALE HOME
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<020>	Program Year	2018
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<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
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<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
-------	---	-----------------

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

<210> For the prior calendar year, were there any reportable voice service outages?

No

<220>      <a>      <b1>      <b2>      <b3>      <b4>      <c1>      <c2>      <d>      <e>      <f>      <g>      <h>

[illegible]

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**(300) Unfulfilled Service Request  
Data Collection Form**

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

<010> Study Area Code	320742
<015> Study Area Name	BLOOMINGDALE HOME
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<300> Unfulfilled service request (voice) NA

<310> Detail on attempts (voice)

\_\_\_\_\_  
Name of Attached Document

<320> Unfulfilled service request (broadband)

NA

<330> Detail on attempts (broadband)

\_\_\_\_\_  
Name of Attached Document

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(400) Number of Complaints per 1,000 customers  
Data Collection Form

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

<010>	Study Area Code	382042
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	CHRISTOPHER UMER
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283781 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	umer@loose116.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

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

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

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorella.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		320742IN510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	

(600) Functionality in Emergency Situations Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010> Study Area Code	320742	
<015> Study Area Name	B100NTG02A18 HOME	
<020> Program Year	2218	
<030> Contact Name - Person USAC should contact regarding this data	Christopher Uinar	
<035> Contact Telephone Number - Number of person identified in data line <030>	8109263903 ext.	
<039> Contact Email Address - Email Address of person identified in data line <030>	cuinar@icorellc.com	
<600> Certify compliance regarding ability to function in emergency situations	Yes	
<610> Descriptive document for Functionality in Emergency Situations	320742IN610.pdf	

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

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	

[illegible]

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<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

[illegible]

REDACTED - FOR PUBLIC INSPECTION

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<810>	Reporting Carrier	Bloomington Home Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Bloomington Home Telephone Company

[illegible]

(900) Tribal Lands Reporting  
Data Collection FormFCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

&lt;900&gt; Does the filing entity offer tribal land services? (Y/N) No

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

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

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

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**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

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

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 320742IN1010.pdf

\_\_\_\_\_  
Name of Attached Document

<1020> Broadband comparability certification Not Applicable

<1030> Attach detailed description for broadband comparability compliance

\_\_\_\_\_  
Name of Attached Document

REDACTED - FOR PUBLIC INSPECTION



**(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	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

&lt;1100&gt; Certify whether terrestrial backhaul options exist (Y/N)

Yes

&lt;1130&gt; Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

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(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website HTTP [www.bloomingtonalei.com](http://www.bloomingtonalei.com)

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

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

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

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

☒

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## (2005) Price Cap Carrier Additional Documentation

## Data Collection Form

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

FCC Form 481

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

July 2013

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109281903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2011> 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.
- <2022> Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing  
Required Information

Name of Attached Document Listing  
Required Information

REDACTED - FOR PUBLIC INSPECTION

(2005) Price Cap Carrier Additional Documentation

Data Collection Form

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

FCC Form 481

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

July 2013

**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;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017C&gt; Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing  
Required Information

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

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<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Not Applicable - No Attachment Required	
(3010A)	Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<input checked="" type="radio"/> (Yes) <input type="radio"/> (No)	
(3014)	If yes, does your company file the RUS annual report	<input type="radio"/> (Yes) <input checked="" type="radio"/> (No)	
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>	
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>	
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No) <input checked="" type="radio"/> (Yes) <input type="radio"/> (No)	
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input checked="" type="checkbox"/>	
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>	
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.	<input checked="" type="checkbox"/>	
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	<input type="checkbox"/>	
(3023)	Underlying Information subjected to a review by an independent certified public accountant	<input type="checkbox"/>	
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>	
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>	
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	320742IN3026.pdf

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## (3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

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

July 2013

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

## Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

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<010>	Study Area Code	326742
<015>	Study Area Name	BLOOMINGDALE RDW
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	319-283323 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@bloomfield.com

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information \_\_\_\_\_

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information \_\_\_\_\_

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information \_\_\_\_\_

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	320742
<015> Study Area Name	BLOOMINGDALE HOME
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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.	



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

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

<010> Study Area Code	320742
<015> Study Area Name	BLOOMINGDALE HOME
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

**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) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	BLOOMINGDALE HOME
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/05/2017
Printed name of Authorized Officer:	BRET COOK
Title or position of Authorized Officer:	VICE PRESIDENT
Telephone number of Authorized Officer:	7654982000 ext.
Study Area Code of Reporting Carrier:	320742 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	BLOOMINGDALE HOME
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 05/31/2017
Name of Authorized Agent Employee:	ICORE Consulting, LLC
Title or position of Authorized Agent or Employee of Agent:	Director of Operations
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	320742 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	320742
-----------------------	--------

<015>	Study Area Name	BLOOMINGDALE HOME
-------	-----------------	-------------------

<020>	Program Year	2018
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
-------	---	-------------------

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

<701> Residential Local Service Charge Effective Date	1/1/2017
---	----------

**<702> Single State-wide Residential Local Service Charge**

<703>

[illegible]

REDACTED - FOR PUBLIC INSPECTION

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

[illegible]

REDACTED - FOR PUBLIC INSPECTION

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**

**AUDITED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2016 AND 2015**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders of  
Bloomingdale Home Telephone Company, Inc.

We have audited the accompanying financial statements of Bloomingdale Home Telephone Company, Inc. (an Indiana corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bloomingdale Home Telephone Company, Inc. as of December 31, 2016 and 2015, and the results of operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2017, on our consideration of Bloomingdale Home Telephone Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

Kemper CPA Group LLP  
Avon, Indiana  
February 27, 2017



**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash		
Certificates of deposit		
Investments		
Accounts receivable		
Other receivables		
Inventory		
Prepaid expenses		
<b>Total Current Assets</b>		
Certificates of deposit		
Property, plant and equipment, net		
Other assets		
<b>Total Assets</b>		
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable		
Taxes payable		
Customer deposits		
Current portion of long-term debt		
<b>Total Current Liabilities</b>		
Long-term debt, net		
Deferred tax liability, net		
<b>Total Liabilities</b>		
<b>Stockholder's Equity</b>		
Capital stock - common, [REDACTED] par value		
[REDACTED] issued and outstanding		
Retained earnings		
<b>Total Stockholder's Equity</b>		
<b>Total Liabilities and Stockholder's Equity</b>		

The accompanying notes are an integral part of the financial statements.

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.  
STATEMENTS OF INCOME AND RETAINED EARNINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>OPERATING REVENUES</b>		
Local service		
Toll service		
Internet		
Interstate revenue		
Intrastate revenue		
Miscellaneous		
<b>Total Operating Revenues</b>		
<b>OPERATING EXPENSES</b>		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
Operating taxes		
<b>Total Operating Expenses</b>		
<b>Loss from Operations</b>		
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense on long-term debt		
Investment income, net		
Penalties		
<b>Total Other Expense</b>		
<b>LOSS BEFORE INCOME TAXES</b>		
<b>INCOME TAX EXPENSE (BENEFIT)</b>		
Current income taxes		
Deferred income taxes		
<b>Total Income Tax Expense (Benefit)</b>		
<b>NET LOSS</b>		
<b>RETAINED EARNINGS - Beginning of Year</b>		
<b>RETAINED EARNINGS - End of Year</b>		
<b>Loss Per Share</b>		

The accompanying notes are an integral part of the financial statements.

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss		
Adjustments to reconcile net income to cash flows		
to net cash provided by operating activities:		
Depreciation		
Amortization		
Deferred income tax provision, net		
Unrealized (gain) loss on value of investments		
Change in operating assets and liabilities		
Accounts receivable		
Other receivables		
Inventory		
Prepaid expenses		
Accounts payable		
Taxes payable		
Other current liabilities		
<b>Net cash provided by operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures		
Proceeds from investments		
Purchase of investments		
<b>Net cash used by investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable		
Principal repayments of notes payable		
<b>Net cash provided (used) by financing activities</b>		
<b>Net increase (decrease) in cash</b>		
<b>CASH - beginning of year</b>		
<b>CASH - end of year</b>		
<b>Supplemental Disclosures</b>		
Cash paid for interest		

The accompanying notes are an integral part of the financial statements.

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 1 - NATURE OF OPERATIONS**

Bloomington Home Telephone Company, Inc. (the Company) was incorporated on April 20, 1922 for the purpose of providing local telephone service to the residents of Bloomington, Indiana. The Company currently provides local telephone and internet service to approximately [REDACTED] customers and [REDACTED] internet customers. The operating plant and equipment was originally funded through loans from the Rural Utility Service (RUS).

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting* – The accompanying financial statements have been prepared on the accrual basis of accounting. The accounting policies of the Company conform to accounting principles generally accepted in the United States of America and reflect the practices appropriate to the telecommunications industry. The accounting records of the Company are maintained in accordance with the uniform system of accounts prescribed by the Indiana Utility Regulatory Commission (the Commission). Additionally, these financial statements have been prepared in accordance with the requirements and formats prescribed by the Rural Utilities Service, an agency of the United States government.

*Accounts Receivable* - The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current conditions. Late fees are calculated on overdue balances and the Company reserves the right to waive or suspend these late charges. For the years ended December 31, 2016 and 2015, management has determined that no allowance was necessary.

*Inventory* – Inventory, which consists of roofing materials and related supplies, is valued at the lower of cost or market, with cost being determined using the average cost method.

*Property, Plant and Equipment* – The Company records property and equipment at cost if purchased and capitalizes all construction related direct labor, materials and indirect cost. The Company capitalizes major renewals and betterments that substantially increase the lives of existing assets. Maintenance, repairs, and minor improvements are expensed as incurred.

*Income Taxes* - The Company has adopted the Income Taxes Topic of the FASB Accounting Standards Codification. The Accounting Standards requires use of the liability method of accounting for deferred income taxes. The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Bloomington Home Telephone Company, Inc. is generally no longer subject to U.S. federal and state tax examinations by taxing authorities for years before 2013.

*Revenue Recognition* - Revenues primarily consist of charges for the provision of local telephone exchange service; compensation for carrying interstate and intrastate long-distance traffic on the Company's local networks; the provision of long distance service; and charges for (i) leasing, selling, installing and maintaining customer premise equipment, (ii) providing billing and collection services, (iii) providing internet services. Revenues are recognized as services or products are delivered.

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Compensation for interstate access service is received through tariffed access charges filed by the National Exchange Carrier Association, Inc. (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the Company to the interstate interexchange carriers, and pooled with like revenues from all NECA member companies. The portion of the pooled access charge revenue received by the Company is based upon the nationwide average schedule cost of providing interstate access service, plus a return on the investment dedicated to providing that service. The Company recognized interstate access revenues under the terms of NECA pooling arrangements of [REDACTED] and [REDACTED] during 2016 and 2015, respectively.

Compensation for intrastate access services is received through tariffed access charges filed with the Commission. These access charges are billed to the intrastate long distance toll carriers and are retained by the Company.

*Use of Estimates* - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

*Reclassification* - Certain amounts in the 2015 financial statements have been reclassified to conform to 2016 presentation with no effect on previously reported retained earnings.

**Note 3 - CERTIFICATES OF DEPOSIT**

The Company has invested in various certificates of deposit with several banks. The original maturities of these certificates of deposit range between three to four years, are recorded at cost, and earn interest at the rates ranging from [REDACTED]

**Note 4 - INVESTMENTS**

The Company has invested in various mutual funds. Although market values of the investments are subject to fluctuations on a year-to-year basis, management believes the investment program is prudent for the long-term welfare of the Company. As of December 31, 2016 and 2015 investments consisted of the following:

Mutual Funds	[REDACTED]
Total	[REDACTED]

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 4 – INVESTMENTS (continued)**

For the years ended December 31, 2016 and 2015, net investment income consisted of the following:

	2016	2015
Interest and dividends		
Unrealized gains (losses)		
Totals		

**Note 5 – PROPERTY, PLANT AND EQUIPMENT**

Telephone plant in service at December 31, 2016 and 2015 is stated at cost. The major classes of the telephone plant as of December 31 are:

	2016	2015
Land		
Mobile equipment		
Furniture and fixtures		
Transportation		
Plant and equipment		
Other work equipment		
Construction in progress		
Total		
Accumulated depreciation		
Net		

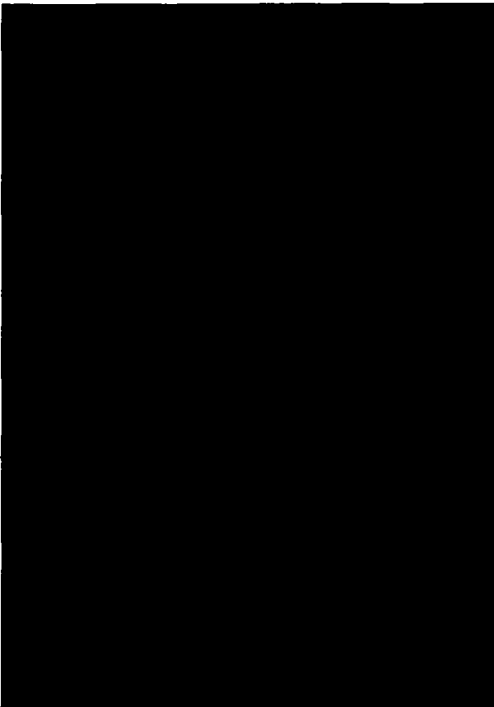
The Company provides for depreciation on a straight-line basis at annual rates which will amortize the depreciable property over its estimated useful life. Individual plant depreciable rates are as follows:

Mobile equipment	
Furniture and fixtures	
Transportation	
Plant and equipment	
Other work equipment	

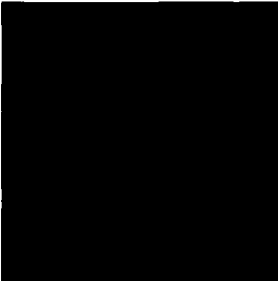
**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 6 – LONG-TERM DEBT**

Long-term debt includes the following at December 31:

	<u>2016</u>	<u>2015</u>
Rural Utility Service, payable in monthly installments of [REDACTED], bearing an annual interest rate of [REDACTED], due on [REDACTED], secured by assets of the Company.		
Rural Utility Service, payable in monthly installments of [REDACTED], bearing an annual interest rate of [REDACTED], secured by assets of the Company.		
First Financial Bank, payable in monthly installments of [REDACTED], bearing an annual interest rate of prime, which was [REDACTED] for 2016, plus [REDACTED], secured by shareholder property and personal guarantee.		
First Merchants Bank, payable in monthly installments of [REDACTED], secured by assets of the Company.		
Total long-term debt		
Less: current maturities		
Less: debt issuance costs		
Long-term debt, net		

The maturities of long-term debt for each of the succeeding five years subsequent to December 31, 2016 are as follows:

For the Years Ended December 31,	
2017	
2018	
2019	
2020	
Thereafter	
Total	

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 7 - RETIREMENT PLAN**

The Company sponsors an Individual Retirement Account Plan which is administered by The Lincoln National Pension Insurance Company. The plan is a Simplified Employee Pension Plan and makes discretionary contributions to all qualified employees. Contributions for the years ended December 31, 2016 and 2015 were [REDACTED] respectively.

**Note 8 - INCOME TAXES**

Deferred income tax assets and liabilities components are as follows:

Long term deferred tax asset	[REDACTED]
Long term deferred tax liability	[REDACTED]
Net long term deferred tax liability	[REDACTED]

At December 31, 2016 and 2015, the Company has a net operating loss carryforward of approximately [REDACTED] and [REDACTED] available to reduce future taxable income, respectively. The deferred tax assets and liabilities result primarily from differences in recording depreciation for income tax and financial reporting purposes.

The Company has adopted the provision of FASB ASC 740-10. The Company has evaluated its exposure resulting from uncertain tax positions and determined the exposure is not material to the financial statements. Therefore, these financial statements do not include a liability for uncertain tax positions.

**Note 9 - FAIR VALUE MEASUREMENT**

The Company uses appropriate valuation techniques based on the available inputs to measure fair value of its investments using a fair value hierarchy of three broad levels, Level 1, Level 2 and Level 3 that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

*Level 1 Fair Value Measurements* – Fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

*Level 2 Fair Value Measurements* – Fair values are based on inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs include quoted prices for similar assets or liabilities in active or non-active markets and may also include insignificant adjustments to market observable inputs. The Company did not have investments using Level 2 fair value measurement for years ended December 31, 2016 and 2015.



**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 9 - FAIR VALUE MEASUREMENT (continued)**

*Level 3 Fair Value Measurements* – Fair values are based on unobservable input used for valuing the asset or liability. Unobservable inputs are those that reflect the plan's own assumptions about the assumption that market participants would use in pricing the asset, based on the best information available in the circumstances. The Company did not have investments using Level 3 fair value measurement for years ended December 31, 2016 and 2015.

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2016 and 2015. FASB Statement 107, *Disclosures About Fair Value of Financial Instruments*, defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Used To Determine Price (Level 2)	Significant Unobservable Inputs Used to Determine Price (Level 3)
<u>December 31, 2016</u>			
Mutual funds			
<u>December 31, 2015</u>			
Mutual funds			

**NOTE 10 – RISKS AND UNCERTAINTIES**

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported.

**Note 11 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 27, 2017, which is the date financial statements were available to be issued. No material subsequent events were identified which would require disclosure and/or adjustment to the financial statements as of December 31, 2016.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors and Stockholders of  
Bloomington Home Telephone Company, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bloomington Home Telephone Company, Inc. (an Indiana corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bloomington Home Telephone Company, Inc.'s internal control over financial reporting (internal control) to determine the 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 Bloomington Home Telephone Company, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomington Home Telephone Company, Inc.'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. Finding 2016-1 and 2016-2.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bloomingdale Home Telephone Company, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Bloomingdale Home Telephone Company, Inc.'s Responses to Findings**

The Company's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The Company's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is stylized, with the letters "K", "C", and "G" being particularly prominent and large.

Kemper CPA Group, LLP  
Avon, Indiana  
February 27, 2017

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**DECEMBER 31, 2016**

FINDING 2016-1 Lack of Segregation of Duties

*Criteria:* A basic premise of internal control is that no one employee should have access to both physical assets and the related accounting records or all phases of a transaction.

*Condition:* We noted a lack of segregation of duties exists with respect to all functions of the Company's operations including the general ledger and cash accounts.

*Cause:* The Company is a small closely held corporation and does not currently see the need to segregate duties among limited employees.

*Effect:* Because all duties are performed by the same individual, the Company is at risk for misstatements to occur and not be prevented or detected in the processing of transactions.

*Recommendation:* We recommend that duties among the Company be segregated to the extent possible.

*Management's Response:* Management acknowledges the issue, however, they believe those in place are capable of properly performing the duties assigned.

FINDING 2016-2 Preparation of internal financial statements and related note disclosures

*Criteria:* We are required to give consideration to the Company's ability to prepare financial statements and related note disclosures, as well as the oversight of the financial reporting process by those charged with governance.

*Condition:* The Company does not have in place controls that would assure the preparations of internal financial statements and related note disclosures in accordance with generally accepted accounting principles.

*Cause:* The Company is a small closely held corporation and does not currently employ a CPA or someone with suitable knowledge to draft required financial statements and disclosures.

*Effect:* The Company engages the independent auditors to draft the financial statements, which includes drafting the primary financial statements and the disclosures, as well as performing procedures to ensure that the disclosures are complete. Once drafted, the financial statements are submitted to the Company for review and approval.

*Recommendation:* While this practice is common and practical, we must inform those charged with governance that this must be considered a material weakness in internal control since the financial statement preparation cannot be performed in-house.

*Management's Response:* Management acknowledges the issue, however, they believe those in place are capable of properly performing the duties assigned.