



REDACTED – FOR PUBLIC INSPECTION

Filed via Commission's Electronic Comment Filing System (ECFS)

June 24, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Connect America Fund ETC Annual Reports and Certifications, WC Docket Nos. 10-90, 14-58*

Dear Ms. Dortch:

On behalf of Corn Belt Telephone, in accordance with the procedures outlined in the Protective Order¹, please find attached Corn Belt Telephone Redacted Confidential FCC Form 481 filing. This filing is uploaded on the FCC's Electronic Comment Filing System (ECFS).

Please do not hesitate to contact me at 712-664-2221 if you have any questions regarding this submission.

Respectfully submitted,

A handwritten signature in black ink that reads "Emily Swensen".

Emily Swensen
Office Manager
Corn Belt Telephone

¹ *In the Matter of Connect America Fund ETC Annual Reports and Certifications, WC Docket Nos. 10-90, 14-58, DA 16-296 released March 22, 2016.*

**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	351141
<015> Study Area Name	CORN BELT TEL CO
<020> Program Year	2017
<030> Contact Name: Person USAC should contact with questions about this data	Emily Swensen
<035> Contact Telephone Number: Number of the person identified in data line <030>	7126642221 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	cbtelco@netins.net
Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting
Data Collection Form**

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

<010> Study Area Code 351141
 <015> Study Area Name CORN BELT TEL CO
 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Emily Swensen
 <035> Contact Telephone Number - Number of person identified in data line <030> 712664221 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> cbtelco@netins.net

<110> Has your company received its ETC certification from the FCC? (yes / no)
 If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no)

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

3511411a112.pdf, 3511411a112 Map.pdf

<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

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

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

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

FCC Form 481
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July 2013

<010> Study Area Code 351141
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 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Emily Swensen
 <035> Contact Telephone Number - Number of person identified in data line <030> 7126642221 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> cbtelco@netins.net

<300> Unfulfilled service request (voice)

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

<320> Unfulfilled service request (broadband)

<330> Detail on attempts (broadband) _____
Name of Attached Document

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

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

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035>	Contact Telephone Number - Number of person identified in data line <030>	7126642221 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net
<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 both fixed and mobile voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	0.0
<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 both fixed and mobile broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	0.0

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

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July 2013

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<015>	Study Area Name	CORN BELT TEL CD
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035>	Contact Telephone Number - Number of person identified in data line <030>	7126642221 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	351141ia510.pdf

**(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	351141
<015>	Study Area Name	COEN BELT TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035>	Contact Telephone Number - Number of person identified in data line <030>	7126642221 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	351141a610.pdf

(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 351141
 <015> Study Area Name CORN BELT TEL CO
 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Emily Swensen
 <035> Contact Telephone Number - Number of person identified in data line <030> 7126642221 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> cbtelco@netins.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1020> Broadband comparability certification

Name of Attached Document

<1030> Attach detailed description for broadband comparability compliance

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481
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July 2013

<010>	Study Area Code	351141
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035>	Contact Telephone Number - Number of person identified in data line <030>	712664221 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

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

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

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July 2013

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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035>	Contact Telephone Number - Number of person identified in data line <030>	7126642221 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

351141a1210.pdf

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP

"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.

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

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

<010> Study Area Code 351141
 <015> Study Area Name CORN BELT TEL CO
 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Emily Swensen
 <035> Contact Telephone Number - Number of person identified in data line <030> 7125642221 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> cbtelco@netins.net

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

Incremental Connect America Phase I reporting

<2010>	2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support		
<2011>	3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support		
<2022>	Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.		
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.		
<2024A>	Round 2 Recipient of Incremental Support?		
<2024B>	Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(iii). Round 2 recipients only.		Name of Attached Document Listing Required Information
<2025A>	Round 1 or Round 2 Recipient of Incremental Support?		
<2025B>	Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-		Name of Attached Document Listing Required Information
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		

(2000) Price Cap Carrier Additional Documentation (Continued)

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)}

<2016> Certification support used to build broadband

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

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

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

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

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

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

[Empty box]

[Empty box]

[Empty box]

Name of Attached Document Listing Required Information

[Empty box]

Name of Attached Document Listing Required Information

[Empty box]

[Empty box]

[Empty box]

[Empty box]

[Empty box]

<010>	Study Area Code	351141
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<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

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

Progress Report on 5 Year Plan
(3009) Carrier certifies to 54.313(f)(1)(iii)

(3010A) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Yes - Attach Certification

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii)) No - No New Community Anchors

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

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

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

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information

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

FCC Form 481
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July 2013

<010>	Study Area Code	351141
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<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net



- 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

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Emily Swensen
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<039>	Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

4005 Rural Broadband Experiment

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

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

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

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

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

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

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

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information _____

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

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481. Name of Attached Document Listing Required Information _____

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

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<030> Contact Name - Person USAC should contact regarding this data	Emily Swensen
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<039> Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	CORN BELT TEL CO
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	BILL BROTHERTON
Title or position of Authorized Officer:	VICE PRESIDENT
Telephone number of Authorized Officer:	7126642221 ext.
Study Area Code of Reporting Carrier:	351141
Filing Due Date for this form:	07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier 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	351141
<015> Study Area Name	CORN BELT TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Emily Swensen
<035> Contact Telephone Number - Number of person identified in data line <030>	7126642221 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	cbtelco@netins.net

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
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 AUTHORIZED AGENT:

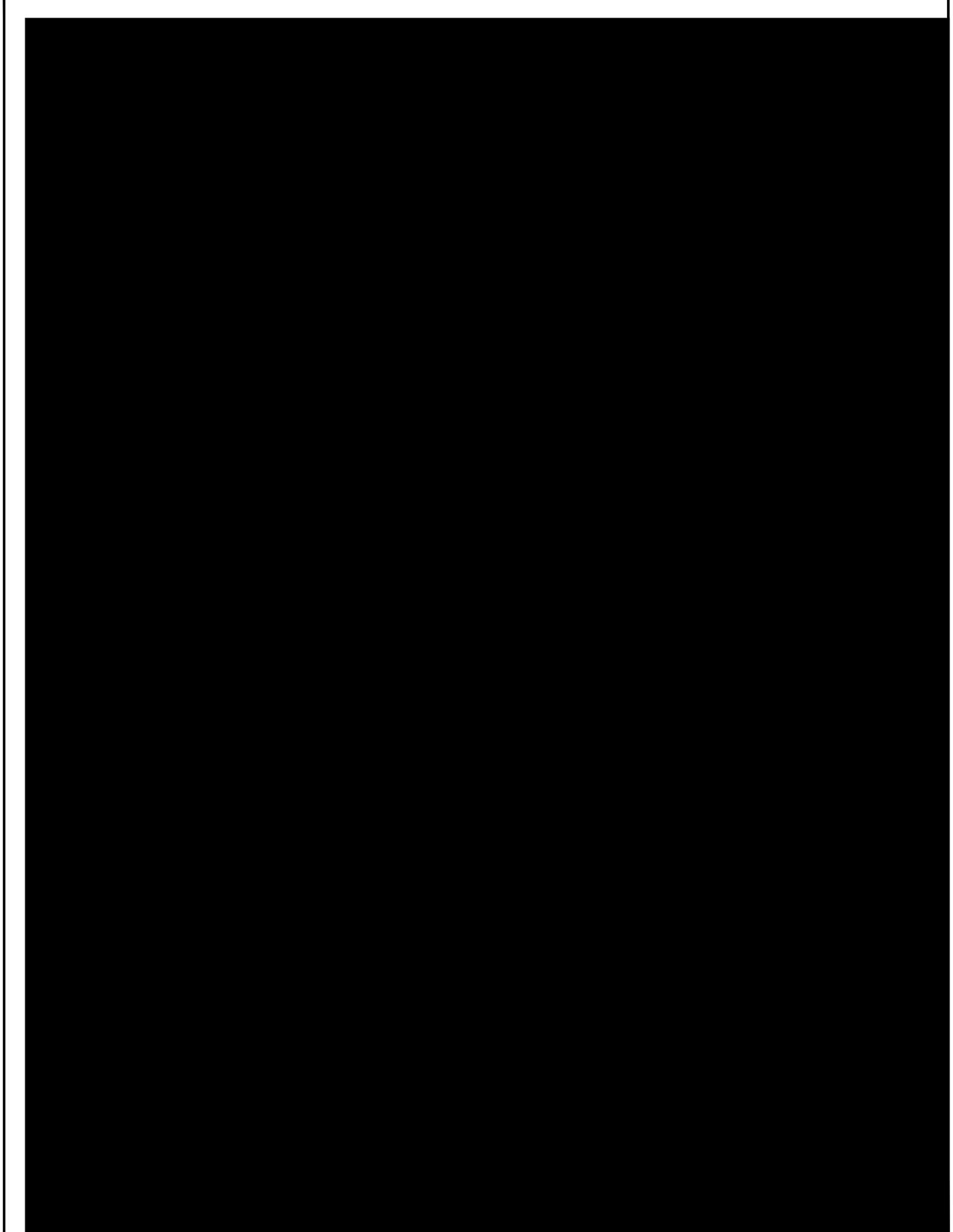
Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided 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:	
Name of Authorized Agent Firm:	
Signature of Authorized Agent or Employee of Agent:	Date:
Name of Authorized Agent Employee:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	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.	

Attachments

Corn Belt Tel Co #351141 5 Year Plan Progress Report

<u>Actual 2015 Expenses</u>	<u>2015 Federal Universal Service Receipts</u>
Plant Specific Operations Expenses	
<u>Network Support (6110-16)</u>	Interstate Access Support
<u>General Support (6120-24)</u>	Interstate Common Line Support
<u>Central Office (6210-6232)</u>	Connect America Fund Support
<u>Cable & Wire Facilities (6410-41)</u>	High Cost Loop Support
<u>Network Operations (6530-35)</u>	Safety Net Additive Support
<u>Depreciation & Amortization (6560-65)</u>	Safety Valve Loop Cost Adj
Plant Specific Operations Expenses	CAF-ICC
	TOTAL
Customer Operations Expenses	
<u>Customer Services (6611-23)</u>	
Customer Operations Expenses	
Corporate Operations Expense	
<u>Executive & Planning (6710-12)</u> \$	
<u>General & Administrative (6720-28)</u> \$	
Corporate Operations Expense \$	
Total Years Supported Expenses, \$	
Before Return on Investment	

It is estimated that [REDACTED] of universal service funding received in 2015 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. It is estimated that [REDACTED] of universal service funding received in 2015 was used improve *service coverage* and an additional [REDACTED] of universal service funding received in 2015 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2016. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same % of universal service funding received in 2015 will be used to ensure and improve service quality, coverage, and capacity in 2016.



Corn Belt Telephone Company

Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules for Voice and Broadband Services

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

Consumer Protection Rules

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

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

If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made.

**Functionality in Emergency Situations
for Voice and Broadband Services**

Back-Up Power:

Corn Belt Telephone has a 75,000 watt fixed propane back-up generator that is capable of being converted to gas if needed. This unit is of sufficient size to run all central office equipment. Battery backup time is eight hours minimum. Outside plant is a 100% FTTH with no DLC, AFC or remote modules requiring AC power. All subscriber connections have ONT battery power supplies. Corn Belt has a number of these battery units on chargers ready for service. They also have several charging units attached to the fix generator for recharging during long power outages. Corn Belt has seven portable generators of various sizes available for emergency situations.

Rerouting of Traffic around Damaged Facilities:

With FTTH both broadband and voice traffic is delivered over the same connection to subscriber locations. There is only one Central Office with redundant electronic connection for intercarrier connection.

Traffic Spikes:

Our Meta Central Office switch can handle full wired line access. Trunk routing is limited to sixty three toll calls during any single period of time. There is 649 lines active in the Wall Lake exchange. There is a significant amount of unused voice capacity in the Central Office switch. Broadband capacity is capable of 4 times the normal day usage with redundant routing available.

Corn Belt Telephone Company

Lifeline Terms and Conditions

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

Lifeline Program Eligibility Information

Program Based Eligibility

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

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- National School Lunch Program’s Free Lunch
- Program Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

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

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

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2016 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$16,038	\$20,034	\$18,455
2	\$21,627	\$27,027	\$24,881
3	\$27,216	\$34,020	\$31,307
4	\$32,805	\$41,013	\$37,733
5	\$38,394	\$48,006	\$44,159
6	\$43,983	\$54,972	\$50,585
7	\$49,586	\$61,992	\$57,011
8	\$55,202	\$69,012	\$63,464
For each additional person, add	\$5,616	\$7,020	\$6,453

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

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

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

Rates

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

Recertification of Lifeline Eligibility

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

Additional Lifeline Program Information

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

Corn Belt Tel Co

Progress Report of 5 Year Plan – Milestone Certification

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream:

- Corn Belt Telephone Company provides 10 Mbps downstream/1 Mbps upstream to 100% of its service area and, therefore, certifies that it has taken steps to provide broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

CORN BELT TELEPHONE COMPANY
WALL LAKE, IOWA

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED DECEMBER 31, 2015 & 2014

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CORN BELT TELEPHONE COMPANY

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John D. Morrow

Certified Public Accountant

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March 14, 2016

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corn Belt Telephone Company
Wall Lake, Iowa 51466

Report on the Financial Statements

I have audited the accompanying financial statements of Corn Belt Telephone Company (an Iowa corporation) which comprise the balance sheet as of December 31, 2015 and 2014 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corn Belt Telephone Company as of December 31, 2015 and 2014 and the results of its operation and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John D. Morrow

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CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash equivalents	\$ [REDACTED]	\$ [REDACTED]
Accounts receivable	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Overpaid income taxes	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
NONCURRENT ASSETS		
Investment in joint venture	[REDACTED]	[REDACTED]
Cellular partnership investment	[REDACTED]	[REDACTED]
Marketable securities	[REDACTED]	[REDACTED]
Other investments	[REDACTED]	[REDACTED]
Goodwill and intangibles net of amortization	[REDACTED]	[REDACTED]
PROPERTY, PLANT AND EQUIPMENT		
Telecommunications plant in service	[REDACTED]	[REDACTED]
Fiber optic plant in service	[REDACTED]	[REDACTED]
Cable television plant in service	[REDACTED]	[REDACTED]
Wireless & broadband towers in service	[REDACTED]	[REDACTED]
Land & nonoperating property	[REDACTED]	[REDACTED]
Accumulated depreciation	[REDACTED]	[REDACTED]
TOTAL ASSETS	[REDACTED]	[REDACTED]

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CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

LIABILITIES AND STOCKHOLDERS' EQUITY	<u>2015</u>	<u>2014</u>
CURRENT LIABILITIES		
Accounts payable	\$ [REDACTED]	\$ [REDACTED]
Dividends payable	[REDACTED]	[REDACTED]
Notes payable	[REDACTED]	[REDACTED]
Advance billing and payments	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Accrued expenses payable	[REDACTED]	[REDACTED]
OTHER NONCURRENT LIABILITIES		
Deferred Income Taxes	[REDACTED]	[REDACTED]
STOCKHOLDERS' EQUITY		
Common stock, [REDACTED] par value, [REDACTED] shares authorized Class [REDACTED], [REDACTED] shares authorized Class [REDACTED], [REDACTED] shares Class [REDACTED] issued, [REDACTED] shares Class [REDACTED] issued, and [REDACTED] shares outstanding	[REDACTED]	[REDACTED]
Additional paid in capital	[REDACTED]	[REDACTED]
Capital in excess of par value	[REDACTED]	[REDACTED]
Retained earnings - Appropriated	[REDACTED]	[REDACTED]
Retained earnings - Unappropriated	[REDACTED]	[REDACTED]
Treasury stock @ cost, [REDACTED] & [REDACTED] shares	[REDACTED]	[REDACTED]
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ [REDACTED]	\$ [REDACTED]

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
SALES AND OPERATING REVENUES		
Local network services		
Network access services		
Cable television services		
Broadband services		
iWireless services		
Computer sales & services		
Miscellaneous		
COST OF SALES		
Toll fees, computers, phones etc.		
OPERATING EXPENSES		
Plant specific operations		
Plant non-specific operations		
Cost of cable television programming		
Cost of broadband services		
Depreciation and amortization		
Customer operations		
Corporate operations		
Bad debt expense		
General taxes		
OPERATING INCOME		
OTHER INCOME (EXPENSE)		
Interest and dividend income		
Rental & joint venture income		
Gain on investments & sale of equipment		
Interest expense		
Rental costs & other expenses		
Depreciation-rental property		
INCOME BEFORE INCOME TAXES		
Income taxes		
NET INCOME		

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
 STATEMENTS OF STOCKHOLDERS' EQUITY
 DECEMBER 31, 2015 AND 2014

	<u>Common Stock</u> <u>Class V</u>		<u>Additional</u>	<u>Capital</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u>	<u>in Excess</u>
			<u>Capital</u>	<u>of Par Value</u>
Beginning balance Jan. 1, 2014		\$		
Net income				
Dividends paid				
Retained earnings appropriation				
Bylaw Amendment to "no par value" stock				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2014		\$		
Net income				
Dividends paid				
Retained earnings appropriation				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2015		\$		

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 CORN BELT TELEPHONE COMPANY
 STATEMENTS OF STOCKHOLDER'S EQUITY
 DECEMBER 31, 2015 AND 2014

Accumulated Other Comprehensive <u>Income</u>	Appropriated Retained <u>Earnings</u>	Unappropriated Retained <u>Earnings</u>	<u>Treasury Stock</u> <u>Shares</u> <u>Amount</u>		<u>Total</u>	Annual Comprehensive <u>Income</u>
--	---	---	--	--	--------------	--

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See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY

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

	<u>2015</u>	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		
Amortization		
Deferred income taxes		
Cost basis of assets sold		
(Gain) loss on sale of marketable securities		
(Gain) loss on equity interest in joint venture		
(Gain) loss on sale of land		
Amortize/Accretion of marketable securities		
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		
Interest receivable		
Inventory		
Overpaid income taxes		
Prepayments		
Increase (decrease) in:		
Accounts payable & dividends payable		
Accrued interest payable		
Advance billing & payments		
Corporate income taxes payable		
Payroll & other taxes payable		
Customer deposits		
Other accrued liabilities		
Net cash provided by operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant, property, & equipment		
Sale of plant, property, & equipment		
Distribution from joint venture		
Proceeds from sale or redemption of investments & marketable securities		
Purchase of investments and marketable securities		
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - note payable		
Payments - note payable		
Dividends paid		
Purchase of treasury stock		
Net cash used in financing activities		
Net Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year		
Cash payments for interest		
Cash payments for income taxes		

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

System of Accounts

The accounting policies of the Company conform to generally accepted accounting principles in the United States of America. The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the state regulatory authority.

Organization

Corn Belt Telephone Company is incorporated under the laws of Iowa and operates various telecommunication services including: exchange and local access, long distance, internet, wireless, cable television, iwireless franchise areas and sale of communication equipment in a service area located primarily in west central Iowa. The ability of the Company to collect accounts receivable is based on the telecommunication industry and local economic conditions.

Cash Equivalents

For purposes of the statements of cash flows, the company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The direct charge-off method is used for recording uncollectible accounts receivable for corporate income tax purposes. Management determined it was necessary to provide an allowance for doubtful accounts and utilizes the reserve method to record bad debt expense.

Accounts receivable consist of the following:

	<u>2015</u>	<u>2014</u>
Due from customers		
Interchange carriers		
Less: Allowance for doubtful accounts		

Inventories

Inventory held for resale is valued at cost using the first-in, first-out method of valuation. Inventories do not include materials and supplies kept on hand for repairs and replacements of communications plant, property, and equipment.

REDACTED - FOR PUBLIC INSPECTION
CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2015 AND 2014

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Realized holding gains and losses on trading securities are reported in earnings. (Marketable equity securities classified as available-for-sale are carried at cost and unrealized holding gains and losses are not recorded as a separate component of stockholders' equity.) The Company considers the unrealized holding gains and losses on marketable equity securities to be immaterial to the overall financial statements as a whole. Therefore, the value has not been reflected in the financial statements. Debt securities, the Company has both the positive intent and ability to hold to maturity, are classified as held-to-maturity and are carried at amortized cost. Equity investments, over which the Company has significant influence, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

Plant, Property and Equipment

Plant, property and equipment is capitalized at original cost. Renewals and betterments are charged to the property accounts while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expended currently. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable telephone property. The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates based on the estimated service lives of the various classes of depreciable property as follows:

	<u>Useful Life</u>
Building	years
Fiber to the home	years
Central office equipment	years
Tools and work equipment	years
Furniture and office equipment	years
Vehicles	years
Station apparatus	years
Cable Television plant & equipment	years

Software

Software costs are recognized in accordance with the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The Company capitalized costs (including right-to-use fees) associated with externally acquired software for internal use. Software maintenance and training costs are expended as incurred. Capitalized software is generally amortized on a straight-line basis over its useful life, not to exceed five years.

Long-Lived Assets

The Company would provide for impairment losses on long-lived assets when indicators of impairment are present and the non-discounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Based on current conditions, management does not believe any of its long-lived assets are impaired.

REDACTED - FOR PUBLIC INSPECTION
CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2015 AND 2014

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from the basis of property, plant and equipment, partnership investments, and certain accruals. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled. As of December 31, 2015 and 2014, the book basis exceeded the tax basis of plant property and equipment by approximately [REDACTED] and [REDACTED] respectively.

Revenue Recognition

The Company recognized revenues when earned regardless of the period in which they are billed. The Company is required to provide telephone service to subscribers within its defined service territory.

Local network service, broadband, wireless, iwireless, and cable television revenues are recognized over the period a subscriber is connected to the network.

Network access, long distance and wireless service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues is based, in part, on an average schedule company settlement formula administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues is billed based upon the Company's tariff for access charges filed with the Iowa Utilities Board (IUB). The charges developed from these tariffs used to bill the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried. Long Distance revenues are recognized at the time a call is placed based on the minutes of traffic processed at tariff and contract rates.

The Company recognizes the regulated portion of internet revenue as network access services and the non-regulated portion of internet revenue as broadband services in the statement of operations.

The Company earns wireless service revenues by providing access to its wireless network and for usage of its wireless system. Access revenue from postpaid customers is billed either in advance or arrears and recognized ratably over the service period. Air-time revenue, including roaming revenue and long distance revenue, is billed in arrears based on minutes of use and is recognized when the service is rendered. Access and air-time services provided are billed throughout the month according to the bill cycle in which a particular subscriber is placed. Wireless revenue include revenues from other wireless carriers for roaming by their customers on the Company's network.

REDACTED - FOR PUBLIC INSPECTION
CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2015 AND 2014

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Cable television service revenues are derived from charges for access to the Company's cable television network. The cable television revenues are recognized over the period a subscriber is connected to the cable television programming network and by the channels selected by the subscriber.

The Company recognizes taxes charged to customers on a net basis in the statements of income.

The Company determines the fair market value of its financial assets and liabilities based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Intangibles

Intangible assets deemed to have indefinite lives are stated at the lower of cost or fair value. These assets are subject to periodic impairment tests. Intangible assets with definite lives are amortized.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets". Under these, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to periodic impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives. The Statement also broadens the criteria for recording intangible assets separate from goodwill. The Company will perform impairment tests of goodwill and indefinite lived intangible assets. Amortization of goodwill and other intangibles for impairment of value was █████ and █████ in 2015 and 2014, respectively.

CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2015 AND 2014

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with the accounting policies of the Company conform to accounting principles generally accepted in the United States of America. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions 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. Accordingly, actual results could differ from those estimates.

NOTE 2 INVESTMENTS

The Company has a [REDACTED] interest in [REDACTED] (a partnership) which operates a fiber optic network from Odebolt to the Denison area and connects each of the partners' telephone exchanges to the INS network. This investment is accounted for using the equity method. The Company recognizes its proportionate share of the income and losses accruing to it under the terms of the partnership agreement.

The Company has an interest in the [REDACTED] which provides cellular service. Corn Belt Telephone Company's investment in [REDACTED] represents a [REDACTED] interest. [REDACTED] and [REDACTED] formed [REDACTED]. [REDACTED] owns an interest in [REDACTED]. The market value of the Company's proportionate share of all partnerships' capital since inception of operations is undeterminable.

Other Investments - The Company's investment in [REDACTED] consists of [REDACTED] shares and [REDACTED] shares. This represents [REDACTED] shares and [REDACTED] shares of [REDACTED] stock.

Because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs, management has determined it is not practical to estimate the fair value of these investments. However, management believes that the carrying amount of these investments at December 31, 2015 and December 31, 2014, included in other investments, is not impaired.

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CORN BELT TELEPHONE COMPANY
 NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2015 AND 2014

NOTE 2 INVESTMENTS (continued)

The amortized cost and fair value of held-to-maturity securities:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
<u>December 31, 2015</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
<u>December 31, 2014</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The gross realized gains on sales of securities totaled [REDACTED] in 2015 and [REDACTED] in 2014.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	<u>2015</u>	<u>2014</u>
<u>Telephone Plant In Service:</u>		
Building	[REDACTED]	[REDACTED]
Buried cable	[REDACTED]	[REDACTED]
Central office equipment	[REDACTED]	[REDACTED]
Circuit Equipment	[REDACTED]	[REDACTED]
Furniture and office equipment	[REDACTED]	[REDACTED]
Vehicles	[REDACTED]	[REDACTED]
Tools and work equipment	[REDACTED]	[REDACTED]
<u>Fiber Optic Plant in Service:</u>		
Fiber optic to the home	[REDACTED]	[REDACTED]
<u>Cable Television Plant in Service:</u>		
Cable television	[REDACTED]	[REDACTED]
<u>Wireless Broadband Plant in Service:</u>		
Wireless towers and equipment	[REDACTED]	[REDACTED]
Broadband equipment	[REDACTED]	[REDACTED]
<u>Non-operating Plant:</u>		
Land	[REDACTED]	[REDACTED]
Rental Building	[REDACTED]	[REDACTED]
	\$ [REDACTED]	\$ [REDACTED]

CORN BELT TELEPHONE COMPANY
 NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2015 AND 2014

NOTE 3 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense for the years ended December 31, is classified in the financial statements as follows:

	2015	2014
Operating Expense	\$ [REDACTED]	\$ [REDACTED]
Non-operating Expense	\$ [REDACTED]	\$ [REDACTED]

Application of rates to the various classes of plant produced a composite rate on average depreciable plant for the years ended December 31, 2015 and 2014, of [REDACTED] and [REDACTED].

NOTE 4 EMPLOYEE BENEFITS

The Company adopted a simplified employee pension plan in 1989 which was closed during the 2012 plan year. A SIMPLE plan was adopted by the Company during the 2012 year. The Company matches up to [REDACTED] for any employee that contributes to the plan. Pension plan contributions charged to operations for the years ended December 31, 2015 and 2014 were [REDACTED] and [REDACTED], respectively.

NOTE 5 AGENCY RISK MANAGEMENT

Corn Belt Telephone Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

NOTE 6 CONCENTRATIONS OF CREDIT RISK

The Company grants credit to local and toll service customers, all of whom are located in the franchised service area, and telecommunications intrastate and interstate long distance carriers.

The Company receives approximately [REDACTED] of its operating revenues from access revenues and assistance provided by the Federal Universal Service Fund. As a result of the Telecommunications Act, the manner in which access revenues and Universal Service Funds are determined is currently being modified by regulatory bodies.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, temporary investments, investments in common stock companies, and other investments. The Company places its investments in several financial institutions which limits the amount of credit exposure in any one financial institution.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash equivalents.

CORN BELT TELEPHONE COMPANY
 NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2015 AND 2014

NOTE 7 INCOME TAXES

Deferred income taxes arise primarily from timing differences between depreciation expense for tax purposes calculated under accelerated cost recovery methods and depreciation expense for financial statement purposes calculated under the straight line method.

Applicable income taxes consist of the following:

	<u>2015</u>	<u>2014</u>
Federal income tax		
Current tax expense	\$	\$
Deferred tax expense		
State income tax		
Current tax expense		
Deferred tax expense		
Total Income Tax Expense	\$	\$

Income tax expense varies from the amount of income taxes determined by applying the Federal income tax statutory rate to income before taxes.

The Company's Form 1120, U.S. Corporate Income Tax Return, for the years ending 2012 and forward, remains open for examination by federal and state taxing authorities.

NOTE 8 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 14, 2016, the date the financial statements were available for issue.