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	351191
<015>	Study Area Name	GRAND MOUND COOP TEL
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Judy Christiansen
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	jchristiansen@consortiaconsulting.com
	Form Type	54.313 and 54.422

(100) Service Quality Improvement Reporting
Data Collection Form

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

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

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

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

351191ia112.pdf

Name of Attached Document

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

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	No

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

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July 2013

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

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

<220>

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

(300) Unfulfilled Service Request
Data Collection Form

FCC Form 481
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July 2013

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

<300> Unfulfilled service request (voice) 0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband) 0

<330> Detail on attempts (broadband)

Name of Attached Document

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

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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

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

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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	351191ia510.pdf

(600) Functionality in Emergency Situations
Data Collection Form

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	351191ia610.pdf

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

FCC Form 481
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<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	18.5

<703>

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

-- See attached worksheet --

(710) Broadbrand Price Offerings
Data Collection Form

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<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	**Exchange (ILEC)**	**Residential Rate**	**State Regulated Fees**	**Total Rate and Fees**	**Broadband Service - Download Speed (Mbps)**	**Broadband Service - Upload Speed (Mbps)**	**Usage Allowance (GB)**	**Usage Allowance Action Taken When Limit Reached {*select*}**
			-- See attached worksheet --					

(800) Operating Companies
Data Collection Form

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

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

<810>	Reporting Carrier	Grand Mound Cooperative Telelphone Association
<811>	Holding Company	Grand Mound Cooperative Telephone Association
<812>	Operating Company	Grand Mound Cooperative Telelphone Association

<813>	<a1>	<a2>	<a3>
	Affiliates	**SAC**	**Doing Business As Company or Brand Designation**

(900) Tribal Lands Reporting
Data Collection Form

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

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

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

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

<920> Tribal Government Engagement Obligation

Name of Attached Document

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

		Select Yes or No or Not Applicable
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	
<922>	Feasibility and sustainability planning;	
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	

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

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

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

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	Name of Attached Document
<1020>	Broadband comparability certification	Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau
<1030>	Attach detailed description for broadband comparability compliance	Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form

FCC Form 481
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July 2013

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

<1100>	Certify whether terrestrial backhaul options exist (Y/N)	Yes
<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	

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

FCC Form 481
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July 2013

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

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

351191ia1210.pdf

Name of Attached Document

<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. ✔

(2000) 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

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

Incremental Connect America Phase I reporting

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

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

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

Name of Attached Document Listing Required Information

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

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

Name of Attached Document Listing Required Information

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

(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.

Name of Attached Document Listing Required Information

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

Name of Attached Document Listing Required Information

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

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

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

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

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

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

FCC Form 481
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Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

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	351191ia3010.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	◉ ○
(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	351191ia3026.pdf

REDACTED - FOR PUBLIC INSPECTION

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

Data Collection Form

FCC Form 481

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

July 2013

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Financial Data Summary

(3027) Revenue	[redacted]
(3028) Operating Expenses	[redacted]
(3029) Net Income	[redacted]
(3030) Telephone Plant In Service(TPIS)	[redacted]
(3031) Total Assets	[redacted]
(3032) Total Debt	[redacted]
(3033) Total Equity	[redacted]
(3034) Dividends	[redacted]

Name of Attached Document Listing Required Information

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4005 Rural Broadband Experiment

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

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)
Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

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

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

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

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

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

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

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

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

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

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer: Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.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) Consortia Consulting **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: Consortia Consulting

Name of Reporting Carrier: GRAND MOUND COOP TEL

Signature of Authorized Officer: CERTIFIED ONLINE Date: 06/28/2016

Printed name of Authorized Officer: Marcus Behnken

Title or position of Authorized Officer: General Manager

Telephone number of Authorized Officer: 5638473000 ext.

Study Area Code of Reporting Carrier: 351191 Filing Due Date for this form: 07/01/2016

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.

Name of Reporting Carrier: GRAND MOUND COOP TEL

Name of Authorized Agent Firm: Consortia Consulting

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/28/2016

Name of Authorized Agent Employee: Judy Christiansen

Title or position of Authorized Agent or Employee of Agent Consultant

Telephone number of Authorized Agent or Employee of Agent: 4028181322 ext.

Study Area Code of Reporting Carrier: 351191 Filing Due Date for this form: 07/01/2016

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Attachments

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

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

<010>	Study Area Code	351191
<015>	Study Area Name	GRAND MOUND COOP TEL
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	18.5

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	**Exchange (ILEC)**	**SAC (CETC)**	**Rate Type**	**Residential Local Service Rate**	**State Subscriber Line Charge**	**State Universal Service Fee**	**Mandatory Extended Area Service Charge**	**Total per line Rates and Fees**
IA	Grand Mound		FR	18.5	0.0	0.0	0.0	18.5

(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	351191
<015>	Study Area Name	GRAND MOUND COOP TEL
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	**Exchange (ILEC)**	**Residential Rate**	**State Regulated Fees**	Total Rates and Fees	**Broadband Service - Download Speed (Mbps)**	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
IA	Grand Mound	42.95	0.0	42.95	10.0	1.0	999999	Other, No limit on usage allowance
IA	Grand Mound	42.95	0.0	42.95	10.0	10.0	999999	Other, No limit on usage allowance
IA	Grand Mound	62.95	0.0	62.95	20.0	1.0	999999	Other, No limit on usage allowance
IA	Grand Mound	62.95	0.0	62.95	20.0	20.0	999999	Other, No limit on usage allowance
IA	Grand Mound	77.95	0.0	77.95	50.0	50.0	999999	Other, No limit on usage allowance

Grand Mound Cooperative Telephone Association

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

Iowa Administrative Code §199-22.6 requires an ETC to certify in its annual report that it is complying with applicable service quality standards and consumer protection rules. The ETC will measure its service connection, held order, and service interruption performance monthly according to this section. Grand Mound Cooperative Telephone certifies that it has complied with these requirements and will continue to comply with these requirements.

Grand Mound Cooperative Telephone Association

Certification Regarding Ability to Function in Emergency Situations

Iowa Administrative Code §199-22.6(5) requires an ETC to certify in its annual report that it is complying with provisions to meet emergencies, including, but not limited to the provision of emergency power. Each central office shall contain a minimum of two hours of battery reserve and for offices without permanently installed emergency power facilities, there shall be access to a mobile power unit with enough capacity to carry the load which can be delivered on reasonably short notice and readily connected. Grand Mound Cooperative Telephone certifies that it has complied with these requirements and will continue to comply with these requirements.

Grand Mound Cooperative Telephone Association

Lifeline Terms and Conditions

Grand Mound Cooperative Telephone Association ("Grand Mound") 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	$57,010
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

Grand Mound's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Grand Mound'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 Grand Mound. 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.

Grand Mound Cooperative Telephone Association

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:

- Grand Mound Cooperative Telephone Association certifies that it has taken reasonable steps to provide upon a reasonable request 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.

REDACTED – FOR PUBLIC INSPECTION

REDACTED - FOR PUBLIC INSPECTION

Five-Year Plan Progress Report **Grand Mound Coop. Tel Assn**

SAC 351191

Line 112 Five-year Plan or Progress Report

Year 2015 Federal Universal Service Receipts:

HCLS [redacted]

ICLS [redacted]

CAF/ICC [redacted]

Expenditures for Provision, Maintenance, and Upgrading of Facilities and Services Supported by Federal Universal Service Funding:

Total Operating Expenses [redacted]

Total Capital Expenditures [redacted]

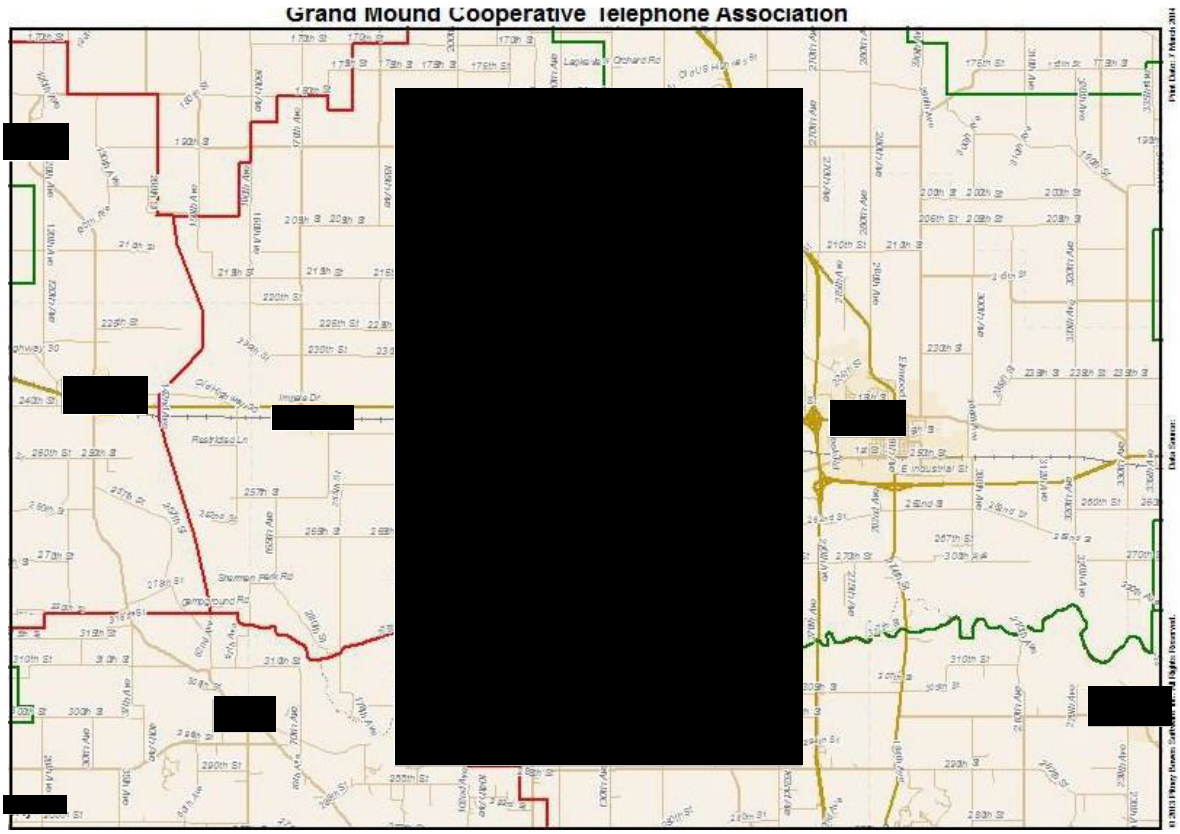
It is estimated that [redacted] of universal service funding received in 2015 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications 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* at locations served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband).

It is estimated that the remaining proportion 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).

REDACTED - FOR PUBLIC INSPECTION

351191 Grand Mound



Grand Mound Cooperative Telephone Association

REDACTED - FOR PUBLIC INSPECTION

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S REPORTS
Years ended December 31, 2015 and 2014

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grand Mound Cooperative Telephone Association and Subsidiary
Grand Mound, Iowa

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Grand Mound Cooperative Telephone Association (an Iowa corporation) and subsidiary as of December 31, 2015 and 2014, and the related consolidated statements of operations, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment; including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 estimates made by management as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grand Mound Cooperative Telephone Association and subsidiary as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kiesling Associates LLP

West Des Moines, Iowa
March 9, 2016

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2015 and 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	$ [redacted]	[redacted]
Temporary investments	-	[redacted]
Accounts receivable:		
Due from customers	[redacted]	[redacted]
Interexchange carriers	[redacted]	[redacted]
Other	[redacted]	[redacted]
Prepaid income taxes	[redacted]	[redacted]
Interest receivable	[redacted]	[redacted]
Materials and supplies at average cost	[redacted]	[redacted]
Inventory at average cost	[redacted]	[redacted]
Prepayments	[redacted]	[redacted]
	[redacted]	[redacted]
OTHER NONCURRENT ASSETS		
Investment in [redacted]	-	[redacted]
Long-term cash investments	[redacted]	-
Other investments	[redacted]	[redacted]
Intangibles, net of amortization	[redacted]	[redacted]
	[redacted]	[redacted]
PROPERTY, PLANT AND EQUIPMENT		
Telephone plant in service	[redacted]	[redacted]
Video plant in service	[redacted]	[redacted]
Wireless plant in service	[redacted]	[redacted]
	[redacted]	[redacted]
Less accumulated depreciation	[redacted]	[redacted]
	[redacted]	[redacted]
Plant under construction	[redacted]	-
	[redacted]	[redacted]
TOTAL ASSETS	$ [redacted]	[redacted]

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ [redacted]	[redacted]
Accounts payable:		
Interexchange carriers	[redacted]	[redacted]
Other	[redacted]	[redacted]
Advance billing and payments	[redacted]	[redacted]
Accrued taxes	[redacted]	[redacted]
	[redacted]	[redacted]
LONG-TERM DEBT, less current portion	[redacted]	[redacted]
OTHER NONCURRENT LIABILITIES		
Deferred income taxes	[redacted]	[redacted]
MEMBERS' EQUITY		
Memberships - [redacted] par value, [redacted] and [redacted] shares issued and outstanding, respectively	[redacted]	[redacted]
Memberships - [redacted] par value, [redacted] shares issued and outstanding	-	-
Patronage capital assigned	[redacted]	[redacted]
Patronage capital assignable (deficit)	[redacted]	[redacted]
Other reserves	[redacted]	[redacted]
	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ [redacted]	[redacted]

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Local network services	$ [redacted]	[redacted]
Network access services	[redacted]	[redacted]
Long distance services	[redacted]	[redacted]
Internet services	[redacted]	[redacted]
Video services	[redacted]	[redacted]
Miscellaneous	[redacted]	[redacted]
	[redacted]	[redacted]
OPERATING EXPENSES		
Plant specific operations	[redacted]	[redacted]
Plant nonspecific operations	[redacted]	[redacted]
Cost of long distance services	[redacted]	[redacted]
Cost of internet services	[redacted]	[redacted]
Cost of programming	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Customer operations	[redacted]	[redacted]
Corporate operations	[redacted]	[redacted]
General taxes	[redacted]	[redacted]
	[redacted]	[redacted]
OPERATING LOSS	[redacted]	[redacted]
OTHER INCOME (EXPENSE)		
Interest and dividend income	[redacted]	[redacted]
Equity earnings (loss) from wireless investment	[redacted]	[redacted]
Interest on funded debt	[redacted]	[redacted]
Other, net	-	[redacted]
	[redacted]	[redacted]
MARGINS (LOSS) BEFORE INCOME TAXES	[redacted]	[redacted]
INCOME TAXES	[redacted]	[redacted]
NET MARGINS (LOSS)	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years ended December 31, 2015 and 2014

	Memberships [redacted] par value)		Memberships [redacted] par value)	
	Shares	Amount	Shares	Amount
Balance at December 31, 2013	[redacted]	[redacted]	-	-
Net margins	-	-	-	-
Patronage dividends paid	-	-	-	-
Memberships redeemed, net	[redacted]	[redacted]	-	-
Forfeited patronage	-	-	-	-
Balance at December 31, 2014	[redacted]	[redacted]	-	-
Net loss	-	-	-	-
Patronage dividends assigned	-	-	-	-
Patronage dividends paid	-	-	-	-
Excise tax refund	-	-	-	-
Memberships redeemed, net	[redacted]	[redacted]	[redacted]	-
Forfeited patronage	-	-	-	-
Balance at December 31, 2015	[redacted]	[redacted]	[redacted]	-

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years ended December 31, 2015 and 2014

	Patronage Capital Assigned	Patronage Capital Assignable	Other Reserves	Total
$	[redacted]	[redacted]	[redacted]	[redacted]
	-	[redacted]	-	[redacted]
	[redacted]	-	-	[redacted]
	-	-	-	[redacted]
	[redacted]	-	[redacted]	-
	[redacted]	[redacted]	[redacted]	[redacted]
	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	-
	[redacted]	-	-	[redacted]
	-	[redacted]	-	[redacted]
	-	-	-	[redacted]
	[redacted]	-	[redacted]	-
	[redacted]	[redacted]	[redacted]	[redacted]

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net margins (loss)	$ [redacted]	$ [redacted]
Adjustments to reconcile net margins (loss) to net cash provided by operating activities:		
Depreciation and amortization	[redacted]	[redacted]
Deferred income taxes	[redacted]	[redacted]
Equity (earnings) loss in unconsolidated affiliates	[redacted]	[redacted]
Distributions received from unconsolidated affiliates	[redacted]	[redacted]
Changes in assets and liabilities:		
(Increase) Decrease in:		
Receivables	[redacted]	[redacted]
Materials, supplies and inventory	[redacted]	[redacted]
Prepayments	[redacted]	[redacted]
Increase (Decrease) in:		
Accounts payable	[redacted]	[redacted]
Accrued taxes	[redacted]	[redacted]
Advance billing and payments	[redacted]	[redacted]
Other	-	[redacted]
Net cash provided by operating activities	[redacted]	[redacted]
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	[redacted]	[redacted]
Purchase of investments	[redacted]	[redacted]
Salvage, net of cost of removing plant	[redacted]	-
Net cash used in investing activities	[redacted]	[redacted]
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowing	-	[redacted]
Repayment of long-term debt	[redacted]	[redacted]
Patronage capital retired	[redacted]	[redacted]
Excise tax refund	[redacted]	-
Other, net	[redacted]	[redacted]
Net cash used in financing activities	[redacted]	[redacted]
Net Increase (Decrease) in Cash and Cash Equivalents	[redacted]	[redacted]
Cash and Cash Equivalents at Beginning of Year	[redacted]	[redacted]
Cash and Cash Equivalents at End of Year	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Grand Mound Cooperative Telephone Association and subsidiary (herein referred to as "the Company") are providers of telecommunications exchange and local access services, long distance, internet, video services and telecommunications equipment in a service area located primarily in Clinton County, Iowa.

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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management has evaluated subsequent events through March 9, 2016, the date the consolidated financial statements were available for issue. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the telephone company are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the state regulatory authority.

Principles of Consolidation

The consolidated financial statements include the accounts of the parent company, Grand Mound Cooperative Telephone Association, and its [redacted]-owned subsidiary, [redacted]. All material intercompany transactions have been eliminated in consolidation.

Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash equivalents.

Accounts Receivable

Receivables are reported at the amounts the Company expects to collect on balances outstanding at year end. The Company monitors outstanding balances and periodically writes off balances that are determined to be uncollectible. The Company has concluded that losses on balances outstanding at year end will be immaterial.

Inventory

Inventory is stated at the lower of cost or market with cost determined by the average cost method. Inventory consists of internet and video equipment that are purchased by the Company primarily for sale or lease to customers.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Nonmarketable equity investments over which the Company has significant influence are reflected on the equity method. Investments of more than [redacted] to [redacted] in limited liability companies are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

Goodwill and Intangibles

Goodwill and 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.

Property, Plant and Equipment

Property, plant and equipment is capitalized at original cost including the capitalized cost of salaries and wages, materials, certain payroll taxes, employee benefits and interest incurred during the construction period.

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. These estimates are subject to change in the near term.

Renewals and betterments of units of telephone property are charged to telephone plant in service. 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. Repairs and renewals of minor items of telephone property are included in plant specific operations expense.

Repairs of other property, as well as renewals of minor items, are charged to plant specific operations expense. A gain or loss is recognized when other property is sold or retired.

Long-Lived Assets

The Company would provide for impairment losses on long-lived assets when indicators of impairment are present and the undiscounted 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.

Income Taxes

The Company is organized and operated on a nonprofit basis. However, as more fully explained in Note 5, the Company has provided for income taxes on certain portions of its operations.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Company files a consolidated federal tax return with its subsidiary for income tax purposes. For financial reporting purposes, income taxes are presented by apportioning the consolidated tax provision in the ratio of the income taxes to be paid as if each were filing a separate return.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the consolidated 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 related to nonpatronage sourced activities 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 certain plant assets and partnership investments for financial and income tax reporting. 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. Temporary differences related to patronage sourced activities are not expected to offset tax liabilities when the differences are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income.

Revenue Recognition

The Company recognizes 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, video and internet revenues are recognized over the period a subscriber is connected to the network.

Network access and long distance service revenues are derived from charges for access to the Company's local exchange network. The ILEC interstate portion of access revenues is based on an average schedule company settlement formula administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The CLEC interstate portion of access revenues is billed based upon an individual company tariff access charge structure filed with the FCC. The intrastate portion of access revenues is billed based upon an individual company tariff access charge structure filed with the Iowa Utilities Board (IUB). The tariffs developed from this structure are used to charge 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 contracted rates.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Company recognizes internet revenue as the total amount earned from charges to customers in the statement of operations as internet services. In accordance with tariffs filed with the FCC by NECA, the Company charges its non-regulated internet operations the tariffed wholesale DSL rate for the use of the Company's regulated plant facilities. These charges in network access services and cost of internet services totaled [redacted] and [redacted] in 2015 and 2014, respectively.

Patronage Capital

Revenues in excess of costs and expenses are assigned to patrons on a patronage basis in accordance with the Company's bylaws and are represented by patronage capital.

Fair Value Measurements

The Company determines the fair 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.

Reclassifications

Certain reclassifications have been made to the 2014 consolidated financial statements to conform with the 2015 presentation.

NOTE 2. EQUITY METHOD INVESTMENTS

The Company had a [redacted] interest in the [redacted] partnership which provided wireless service. This investment was accounted for by the equity method. For the investment [redacted] at December 31, 2014) accounted for under the equity method, the Company recognized its proportionate share of the income and losses accruing to it under the terms of its partnership agreements. In 2014, [redacted] sold its wireless assets, effectively ending its wireless operations and producing a gain. In 2015, [redacted] was dissolved.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 2. EQUITY METHOD INVESTMENTS (Continued)

The following is a summary of condensed financial information pertaining to the investment described above:

	December 31,	
	2015	2014
Assets	$ -	$ [redacted]
Liabilities	-	[redacted]
Equity	$ -	$ [redacted]

	Years ended December 31,	
	2015	2014
Revenues	$ [redacted]	[redacted]
Expenses	[redacted]	[redacted]
Net Income (Loss)	$ [redacted]	[redacted]

NOTE 3. INTANGIBLES

Intangible assets at December 31 consist of the following:

	2015		2014	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized Intangibles				
Customer base	$ [redacted]	[redacted]	$ [redacted]	$ [redacted]

Amortization expense was [redacted] and [redacted] for the years ended December 31, 2015 and 2014, respectively.

Estimated amortization expense for the next four years is:

2016	$ [redacted]
2017	[redacted]
2018	[redacted]
2019	[redacted]

The Company annually assesses its recorded balances of indefinite lived intangible assets for impairment. The fair value of indefinite lived intangibles is based on Level 3 inputs of the fair value hierarchy. The estimated fair value is derived from various valuation techniques, including market capitalization, comparable sales, and discounted cash flows.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following:

	2015	2014
Telephone plant in service:		
Land	$ [redacted]	$ [redacted]
Buildings	[redacted]	[redacted]
Furniture and office equipment	[redacted]	[redacted]
Vehicles and work equipment	[redacted]	[redacted]
Central office assets	[redacted]	[redacted]
Cable and wire facilities	[redacted]	[redacted]
Other plant and equipment	[redacted]	[redacted]
Subtotal	[redacted]	[redacted]
Video plant in service:		
Electronic transmitting and receiving equipment	[redacted]	[redacted]
Other plant and equipment	[redacted]	[redacted]
Cable and wire facilities	-	[redacted]
Subtotal	[redacted]	[redacted]
Wireless plant in service:		
Wireless equipment	[redacted]	[redacted]
Total property, plant and equipment	$ [redacted]	$ [redacted]

Depreciation on depreciable property resulted in composite rates of [redacted] and [redacted] for 2015 and 2014, respectively.

Depreciation expense was [redacted] and [redacted] for the years ending December 31, 2015 and 2014, respectively.

NOTE 5. INCOME TAXES

Income taxes reflected in the Consolidated Statements of Operations consist of the following:

	2015	2014
Federal income taxes:		
Current tax expense (benefit)	$ [redacted]	$ [redacted]
Deferred tax benefit	[redacted]	[redacted]
State income taxes:		
Current tax benefit	[redacted]	[redacted]
Deferred tax benefit	[redacted]	[redacted]
Total income tax benefit	$ [redacted]	[redacted]

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5. INCOME TAXES (Continued)

No cash was paid for income taxes during 2015 and 2014.

Income tax refunds of [redacted] were received during 2014.

Deferred federal and state tax liabilities and assets reflected in the Consolidated Balance Sheets are summarized as follows:

	2015	2014
Deferred Tax Liabilities		
Federal	$ [redacted]	[redacted] [redacted]
State	[redacted]	[redacted]
Total Deferred Tax Liabilities	[redacted]	[redacted]
Deferred Tax Assets		
Federal	[redacted]	-
State	[redacted]	-
Total Deferred Tax Assets	[redacted]	-
Net Deferred Tax Liabilities	$ [redacted]	$ [redacted]
Current Portion	$ -	$ -
Long-term Portion	[redacted]	[redacted]
Net Deferred Tax Liabilities	$ [redacted]	$ [redacted]

Prepaid income taxes of [redacted] and [redacted] appearing on the Consolidated Balance Sheets at December 31, 2015 and 2014, respectively, reflect overpayments of estimated taxes.

Operating loss carryforwards of [redacted] are available to reduce future taxable income and/or payments. These credits expire in 2035.

The tax provision differs from the expense that would result from applying the federal statutory rates to operations before income taxes because of state income taxes and the Company is permitted to exclude from taxable income, margins generated from patronage-sourced activities if those margins are appropriately allocated to patrons as capital credits. This excluded income will vary from year to year, resulting in fluctuations in the effective tax rate and income tax expense.

The Company has evaluated its income tax positions and has determined that there are no uncertain income tax positions that need to be recorded or reported in the financial statements at December 31, 2015.

The Company's federal and state income tax returns for years 2012 to present remain subject to examination.

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 6. LONG-TERM DEBT

Long-term debt consists of:

	2015	2014
First Trust & Savings note - [redacted]	$ [redacted]	$ [redacted]
Less current portion	[redacted]	[redacted]
	$ [redacted]	$ [redacted]

The annual requirements for principal payments on long-term debt for the next five years are as follows:

2016	$ [redacted]
2017	[redacted]
2018	[redacted]
2019	[redacted]
2020	[redacted]

Substantially all assets of the Company are pledged as security for the long-term debt under certain loan agreements with [redacted]. Grand Mound Communications' mortgage note is to be repaid in equal monthly installments of [redacted] covering principal and interest beginning after date of issue through February 2021. A single balloon payment of the entire unpaid principal and interest is due in March 2021.

Cash paid for interest, net of amounts capitalized, for 2015 and 2014 totaled [redacted] and [redacted], respectively.

NOTE 7. DEFINED CONTRIBUTION PENSION PLAN

The Company has a defined contribution plan covering all employees. This plan, which is noncontributory, provides that the Company shall contribute a portion of its net profit as determined by the Board of Directors. The Company's policy is to fund plan costs accrued. Costs expensed and capitalized for 2015 and 2014 were [redacted] and [redacted], respectively.

NOTE 8. CONCENTRATIONS OF CREDIT RISK

The Company grants credit to customers, all of whom are located in the franchised service area, and telecommunications intrastate and interstate long distance carriers. The Company is currently subject to competition for video services and telecommunications services.

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

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 8. CONCENTRATIONS OF CREDIT RISK (Continued)

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 and cash equivalents.

NOTE 9. REGULATORY MATTERS

The Company received [redacted] of its 2015 revenues from access revenues and assistance provided by the Federal Universal Service Fund. As a result of the National Broadband Plan the manner in which access revenues and Universal Service Funds are determined has been modified by the Federal Communications Commission in an order effective December 29, 2011. Among other things, this order provides for (1) a requirement to provide broadband services; (2) the establishment of a Connect America Fund (CAF) to replace current USF and high cost support mechanisms with a cap on the total fund; (3) modifications to the current rate of return support model including caps on the recovery of certain expenditures; (4) a reduction in the terminating access charges billed by the Company over a nine year period with eventual transition to a bill-and-keep framework for the exchange of traffic between carriers; (5) a new access recovery charge on monthly customer bills; and (6) a national framework for reporting and oversight.

The order calls for further guidelines to be adopted on implementation and other topics. Portions of this order applicable to the Company are being challenged. Accordingly, neither the outcome of these proceedings nor their potential impact on the Company can be predicted at this time.

NOTE 10. NONCASH INVESTING ACTIVITIES

Noncash investing activities included [redacted] during the year ended December 31, 2014, relating to plant and equipment additions placed in service or under construction during 2014, which is reflected in accounts payable at year end.

NOTE 11. EXCISE TAX REFUNDS

Under the Internal Revenue Code, the Company is entitled to a refund for overpayment of federal excise taxes by its patrons. The amount of the refund is limited to excise taxes paid, which are attributable to taxable revenues, which are included in net margins allocated to patrons. The excise tax refund will be allocated to patrons' capital credits along with net margins from operations.

NOTE 12. CONTINGENCIES

The Company is involved in certain contractual disputes in the ordinary course of business, but does not believe the resolution of any of these matters will have a material adverse effect on the financial position, results of operations or cash flows.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Grand Mound Cooperative Telephone Association and Subsidiary
Grand Mound, Iowa

We have audited the consolidated financial statements of Grand Mound Cooperative Telephone Association and subsidiary as of and for the years ended December 31, 2015 and 2014, and our report thereon dated March 9, 2016, which expressed an unmodified opinion on those consolidated financial statements appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies, and is not a required part of the consolidated financial statements. The consolidating balance sheets and consolidating statements of operations are also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Kiesling Associates LLP

West Des Moines, Iowa
March 9, 2016

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING BALANCE SHEET
December 31, 2015

ASSETS

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
CURRENT ASSETS				
Cash and cash equivalents	$ [redacted]	[redacted]	[redacted]	[redacted]
Accounts receivable:				
Due from customers	[redacted]	[redacted]	-	[redacted]
Interexchange carriers	[redacted]	[redacted]	-	[redacted]
Affiliates	[redacted]	-	[redacted]	-
Other	[redacted]	-	-	[redacted]
Prepaid income taxes	[redacted]	-	-	[redacted]
Interest receivable	[redacted]	-	-	[redacted]
Materials and supplies at average cost	[redacted]	[redacted]	-	[redacted]
Inventory at average cost	[redacted]	-	-	[redacted]
Prepayments	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OTHER NONCURRENT ASSETS				
Investment in affiliates	[redacted]	[redacted]	[redacted]	-
Accounts receivable-advances to affiliate	[redacted]	-	[redacted]	-
Long-term cash investments	[redacted]	-	-	[redacted]
Other investments	[redacted]	-	-	[redacted]
Intangibles, net of amortization	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
PROPERTY, PLANT AND EQUIPMENT				
Telephone plant in service	[redacted]	[redacted]	-	[redacted]
Video plant in service	[redacted]	[redacted]	-	[redacted]
Wireless plant in service	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
Less accumulated depreciation	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
Plant under construction	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
TOTAL ASSETS	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING BALANCE SHEET
December 31, 2015

LIABILITIES AND MEMBERS' EQUITY

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
CURRENT LIABILITIES				
Current portion of long-term debt	$ -	$ [redacted]	$ -	$ [redacted]
Accounts payable:				
Interexchange carriers	[redacted]	[redacted]	-	[redacted]
Affiliates	-	[redacted]	[redacted]	-
Other	[redacted]	[redacted]	-	[redacted]
Advance billing and payments	[redacted]	[redacted]	-	[redacted]
Accrued taxes	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
LONG-TERM DEBT, less current portion	-	[redacted]	-	[redacted]
OTHER NONCURRENT LIABILITIES				
Deferred income taxes	[redacted]	[redacted]	-	[redacted]
Advances from affiliated companies	-	[redacted]	[redacted]	-
	[redacted]	[redacted]	[redacted]	[redacted]
MEMBERS' EQUITY				
Memberships - [redacted] par value [redacted] shares issued and outstanding	[redacted]	-	[redacted]	[redacted]
Memberships - [redacted] par value [redacted] shares issued and outstanding	-	-	-	-
Memberships - no par value, [redacted] shares issued and outstanding	-	[redacted]	[redacted]	-
Patronage capital assigned	[redacted]	-	-	[redacted]
Patronage capital assignable (deficit)	[redacted]	[redacted]	[redacted]	[redacted]
Additional paid-in capital	-	[redacted]	[redacted]	-
Other reserves	[redacted]	-	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING STATEMENT OF OPERATIONS
Year ended December 31, 2015

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
OPERATING REVENUES				
Local network services	$ [redacted]	[redacted]	[redacted]	[redacted]
Network access services	[redacted]	[redacted]	[redacted]	[redacted]
Long distance services	[redacted]	[redacted]	-	[redacted]
Internet services	[redacted]	[redacted]	-	[redacted]
Video services	[redacted]	[redacted]	-	[redacted]
Miscellaneous	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OPERATING EXPENSES				
Plant specific operations	[redacted]	[redacted]	[redacted]	[redacted]
Plant nonspecific operations	[redacted]	[redacted]	-	[redacted]
Cost of long distance services	[redacted]	[redacted]	-	[redacted]
Cost of internet services	[redacted]	[redacted]	[redacted]	[redacted]
Cost of programming	[redacted]	[redacted]	-	[redacted]
Depreciation and amortization	[redacted]	[redacted]	-	[redacted]
Customer operations	[redacted]	[redacted]	-	[redacted]
Corporate operations	[redacted]	[redacted]	[redacted]	[redacted]
General taxes	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OPERATING LOSS	[redacted]	[redacted]	-	[redacted]
OTHER INCOME (EXPENSE)				
Interest and dividend income	[redacted]	[redacted]	-	[redacted]
Equity earnings (loss) from wireless investment	[redacted]	-	-	[redacted]
Interest on funded debt	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
LOSS BEFORE INCOME TAXES AND EQUITY LOSS OF SUBSIDIARY	[redacted]	[redacted]	-	[redacted]
INCOME TAXES	[redacted]	[redacted]	-	[redacted]
LOSS BEFORE EQUITY LOSS OF SUBSIDIARY	[redacted]	[redacted]	-	[redacted]
EQUITY LOSS OF SUBSIDIARY	[redacted]	-	[redacted]	-
NET LOSS	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING BALANCE SHEET
December 31, 2014

ASSETS

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
CURRENT ASSETS				
Cash and cash equivalents	$ [redacted]	[redacted]	[redacted]	[redacted]
Temporary investments	[redacted]	-	-	[redacted]
Accounts receivable:				
Due from customers	[redacted]	[redacted]	-	[redacted]
Interexchange carriers	[redacted]	[redacted]	-	[redacted]
Affiliates	-	[redacted]	[redacted]	-
Other	[redacted]	-	-	[redacted]
Prepaid income taxes	[redacted]	-	-	[redacted]
Interest receivable	[redacted]	-	-	[redacted]
Materials and supplies at average cost	[redacted]	[redacted]	-	[redacted]
Inventory at average cost	[redacted]	-	-	[redacted]
Prepayments	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OTHER NONCURRENT ASSETS				
Investment in affiliates	[redacted]	[redacted]	[redacted]	-
Investment in [redacted], [redacted]	[redacted]	-	-	[redacted]
Accounts receivable-advances to affiliate	[redacted]	-	[redacted]	-
Other investments	[redacted]	-	-	[redacted]
Intangibles, net of amortization	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
PROPERTY, PLANT AND EQUIPMENT				
Telephone plant in service	[redacted]	[redacted]	-	[redacted]
Video plant in service	[redacted]	[redacted]	-	[redacted]
Wireless plant in service	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
Less accumulated depreciation	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
TOTAL ASSETS	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING BALANCE SHEET
December 31, 2014

LIABILITIES AND MEMBERS' EQUITY

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
CURRENT LIABILITIES				
Current portion of long-term debt	$ -	$ [redacted]	$ -	[redacted]
Accounts payable:				
Interexchange carriers	[redacted]	[redacted]	-	[redacted]
Affiliates	[redacted]	-	[redacted]	-
Other	[redacted]	[redacted]	-	[redacted]
Advance billing and payments	[redacted]	[redacted]	-	[redacted]
Accrued taxes	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
LONG-TERM DEBT, less current portion	-	[redacted]	-	[redacted]
OTHER NONCURRENT LIABILITIES				
Deferred income taxes	[redacted]	[redacted]	-	[redacted]
Advances from affiliated companies	-	[redacted]	[redacted]	-
	[redacted]	[redacted]	[redacted]	[redacted]
MEMBERS' EQUITY				
Memberships - [redacted] par value [redacted] shares issued and outstanding	[redacted]	-	[redacted]	[redacted]
Memberships - no par value, [redacted] shares issued and outstanding	-	[redacted]	[redacted]	-
Patronage capital assigned	[redacted]	-	-	[redacted]
Patronage capital assignable (deficit)	[redacted]	[redacted]	[redacted]	[redacted]
Additional paid-in capital	-	[redacted]	[redacted]	-
Other reserves	[redacted]	-	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information

GRAND MOUND COOPERATIVE TELEPHONE ASSOCIATION
GRAND MOUND, IOWA

CONSOLIDATING STATEMENT OF OPERATIONS
Year ended December 31, 2014

	Grand Mound Cooperative Telephone Association	[redacted]	[redacted]	[redacted]
OPERATING REVENUES				
Local network services	$ [redacted]	[redacted]	[redacted]	[redacted]
Network access services	[redacted]	[redacted]	[redacted]	[redacted]
Long distance services	[redacted]	[redacted]	-	[redacted]
Internet services	[redacted]	[redacted]	-	[redacted]
Video services	[redacted]	[redacted]	-	[redacted]
Miscellaneous	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OPERATING EXPENSES				
Plant specific operations	[redacted]	[redacted]	[redacted]	[redacted]
Plant nonspecific operations	[redacted]	[redacted]	-	[redacted]
Cost of long distance services	[redacted]	[redacted]	-	[redacted]
Cost of internet services	[redacted]	[redacted]	[redacted]	[redacted]
Cost of programming	[redacted]	[redacted]	-	[redacted]
Depreciation and amortization	[redacted]	[redacted]	-	[redacted]
Customer operations	[redacted]	[redacted]	-	[redacted]
Corporate operations	[redacted]	[redacted]	[redacted]	[redacted]
General taxes	[redacted]	[redacted]	-	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]
OPERATING MARGINS (LOSS)	[redacted]	[redacted]	-	[redacted]
OTHER INCOME (EXPENSE)				
Interest and dividend income	[redacted]	[redacted]	-	[redacted]
Equity earnings (loss) from wireless investment	[redacted]	-	-	[redacted]
Interest on funded debt	[redacted]	[redacted]	-	[redacted]
Other, net	-	[redacted]	-	[redacted]
	[redacted]	[redacted]	-	[redacted]
MARGINS (LOSS) BEFORE INCOME TAXES AND EQUITY LOSS OF SUBSIDIARY	[redacted]	[redacted]	-	[redacted]
INCOME TAXES	[redacted]	[redacted]	-	[redacted]
MARGINS (LOSS) BEFORE EQUITY LOSS OF SUBSIDIARY	[redacted]	[redacted]	-	[redacted]
EQUITY LOSS OF SUBSIDIARY	[redacted]	-	[redacted]	-
NET MARGINS (LOSS)	$ [redacted]	[redacted]	[redacted]	[redacted]

See Independent Auditor's Report on Supplementary Information