



Christopher T. Ulmer
Senior Vice President

July 10, 2018

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

Re: *Connect America Fund*, WC Docket No. 10-90; 2018 FCC Form 481

Dear Ms. Dortch:

ICORE Consulting, on behalf of Bloomingdale Home Telephone Company ("the Company") hereby submits to the Commission a copy of the Company's completed Form 481¹. Certain portions of the Form 481 filing include information that is confidential in nature. Specifically, the section entitled "Rate of Return Carrier Additional Information"² should be accorded confidential treatment. Attached please find a statement of the reasons for withholding the redacted materials from public inspection pursuant to 47 CFR § 0.459.

Thank you for your attention to this matter. Should you or any member of the Commission Staff have any questions or comments, please do not hesitate to contact us at your convenience.

Sincerely,

A large black rectangular redaction box covering the signature of Christopher T. Ulmer.

Senior Vice President

¹ This filing is required to comply with 47 CFR §§ 54.313 and 54.422(c).

² The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company ("USAC") website as "Section 3005" in the downloadable version and as "Section 3000" in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filled out employs the 3005 or 3000 designation.

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Emmaus, PA 18049

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www.icorellc.com

**CONFIDENTIALITY REQUEST AND STATEMENT OF JUSTIFICATION
IN COMPLIANCE WITH 47 C.F.R. §0459(b)**

Bloomington Home Telephone Company ("Company") is a small, privately held rural local exchange company based in Indiana. The Company requests confidential treatment of certain information being provided to the Commission in its 2018 FCC Form 481. The information is competitively sensitive and its disclosure would have a negative competitive consequence upon the Company were it made publicly available. Such information would not ordinarily be made available to the public and should be afforded confidential treatment under 47 CFR §0.459.

Regulation	Statement of support and compliance with Confidentiality requests
47 CFR §0.459(a)(2)	ICORE Consulting, on behalf of the Company has e-filed, through ECFS, the redacted version and sent via USPS Express Mail the confidential hard copy version (original and one copy) of its 2018 FCC Form 481.
47 CFR §0.459(b)(1)	The Company requests that the documentation required in the section entitled "Rate of Return Carrier Additional Information" ³ , which consists of the Company's financial reports, income statement, balance sheet and cash flow statement, be accorded confidential treatment. The confidential information has been redacted from the public version with black shading.
47 CFR §0.459(b)(2)	The circumstances giving rise to the submission of this confidential information is set forth in 47 CFR § 54.313 and 47 CFR § 54.422.
47 CFR §0.459(b)(3) and §0.459(b)(4)	The information for which confidentiality is sought is financial in nature, including balance sheet, income statement, and statement of cash flows.
47 CFR §0.459(b)(5)	There is robust competition in the telecommunications market today, including wireless, VoIP providers, and cable television providers to name a few. Financial data such as the amount of cash on hand, amount of debt, and revenue by source are all examples of information that competitors would not receive in the normal course of business.
47 CFR §0.459(b)(6)	The financial information is disclosed only within the Company, and furthermore is only provided (1) members of senior management, or (2) those employees who require this information to perform their jobs.
47 CFR §0.459(b)(7)	The Company has not previously released this information to third parties without the execution of a non-disclosure agreement.
47 CFR §0.459(b)(8)	The Company requests that the information be held by the Commission as confidential indefinitely.

³ The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company ("USAC") website as "Section 3005" in the downloadable version and as "Section 3000" in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filed out employs the 3005 or 3000 designation.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3050-0819
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
Form Type		54.313 and 54.422

REDACTED - FOR PUBLIC INSPECTION

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

REDACTED - FOR PUBLIC INSPECTION

<010> Study Area Code

320742

<015> Study Area Name

BLOOMINGDALE HOME

<020> Program Year

2019

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

Christopher Ulmer

<035> Contact Telephone Number - Number of person identified in data line
<030>

6109283903 ext.

<039> Contact Email Address - Email Address of person identified in data line
<030>

culmer@icorellc.com

<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.

<410> Complaints per 1000 customers for fixed voice

<420> Complaints per 1000 customers for mobile voice

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

FCC Form 481
OMB Control No. 3060-
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<515>	Certify compliance with applicable minimum service standards	

**(600) Functionality in Emergency Situations
Data Collection Form**

FCC Form 481
OMB Control No. 3060-091
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality In Emergency Situations	320742IN610.pdf

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<810>	Reporting Carrier	Bloomington Home Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Bloomington Home Telephone Company

[illegible]

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@tcorellc.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 PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

[illegible]

<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 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6102283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorelle.com

<1000> Voice services rate comparability certification

Yes

320742IN1010.pdf

<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

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

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

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<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).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

Not Applicable

(1200) Terms and Condition for Lifeline Customers		FCC Form 481	
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
Data Collection Form		July 2018	

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorelle.com

320742IN1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

www.bloomingtondaletel.com

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

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

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

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

(2005) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

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

July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corellc.com

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

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

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?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2017.

<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)(1)(ii)(A)

<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)(1)(ii)(C)

Name of Attached Document Listing
Required Information

(3005) Rate Of Return Carrier Additional Documentation Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

CAF BLS Reporting

- (3008A) Please indicate whether new locations were deployed during the prior calendar year. (Yes/No)
- (3008B) Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers.
- (3008B1) Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.
- (3008B2) Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher.
- (3008C) Please provide the percentage of deployment across the entire study area.

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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

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

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

Data Collection Form

FCC Form 481
OMB Control No. 3050-0986/OMB Control No. 3050-0819
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@core11c.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

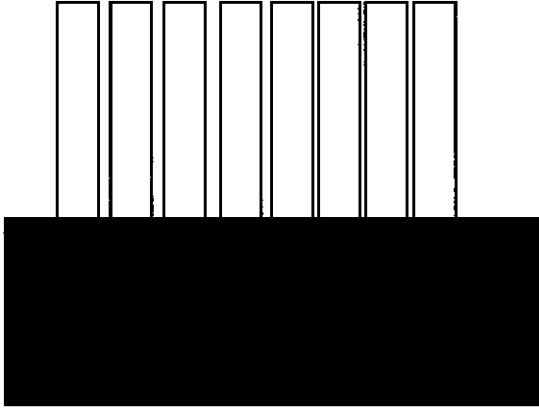
(3030) Telephone Plant In Service (TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends



REDACTED - FOR PUBLIC INSPECTION

**(4005) Rural Broadband Experiment Additional Documentation
Data Collection Form**

FCC Form 481

OMB Control No

July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide list of newly served community anchor institutions.

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 response to Line 4001.

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

FCC Form 481
OMB Control No. 3060-0
July 2018

<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

5005 Alaska Plan

- | | | |
|--------|--|----------|
| (5010) | Do you participate in the Alaska plan? | (Yes/No) |
| (5011) | Please indicate whether any terrestrial backhaul or other satellite backhaul became commercially available in the previous calendar year in areas previously served exclusively by performance-limiting satellite backhaul. | (Yes/No) |
| (5012) | If the filing carrier identified in its approved performance plans that it relies exclusively on satellite backhaul for a certain portion of the population in its service area, indicate whether any terrestrial backhaul or other satellite backhaul became commercially available in the previous calendar year in areas that were previously served exclusively by satellite backhaul. | (Yes/No) |

[illegible]

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010>	Study Area Code	320742
<015>	Study Area Name	BLOOMINGDALE HOME
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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

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 2018
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<010> Study Area Code	320742
<015> Study Area Name	BLOOMINGDALE HOME
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	BLOOMINGDALE HOME
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 07/09/2018
Printed name of Authorized Officer:	Ronja Branson
Title or position of Authorized Officer:	Director
Telephone number of Authorized Officer:	7654982000 ext.
Study Area Code of Reporting Carrier:	320742 Filing Due Date for this form: 07/16/2018
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	BLOOMINGDALE HOME
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 07/09/2018
Name of Authorized Agent Employee:	Christopher T Ulmer
Title or position of Authorized Agent or Employee of Agent	Sr. VP
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	320742 Filing Due Date for this form: 07/16/2018
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

Company	Bloomington Home Telephone Company
Study Area Code	320742
Supplemental Data For:	Line 610 – Description of Functionality in Emergency Situations

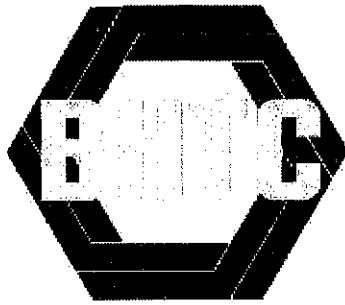
As an initial point, the Company had no service outages during 2017 which met the FCC's threshold for reporting into the Network Outage Reporting System ("NORS").

The Company engages in preventative maintenance programs which help ensure network reliability in all conditions. This includes regular checks on generators, battery back-up, HVAC infrastructure at central office switches, and tree trimming/removal when trees have the potential to take down telephone lines during events of high wind or heavy snow. Access to critical infrastructure (like central office switches) is limited to essential personnel. Spare equipment is maintained in inventory.

Like most local exchange carriers, the Company's network consists of electronic switching equipment and a network of fiber optics and copper facilities. From a switching standpoint, the Company has one primary switch and smaller switches which are fed by the primary switch. These smaller switches are often referred to as intraexchange remote switches or concentrators. The largest threat to switches is the loss of power. To address this, the Company ensures adequate battery back-up is maintained. For emergency situations which extend beyond the useful life of the battery back-up, the Company uses generators to power the switches. These generators are portable which ensures they can be relocated to any switching center based on the specific needs of each switch. In addition, the Company's office will serve as a Command and Control center. This center is included as a primary location to which continuous power is required.

In cases of emergency, the Company's management has contact information for all employees. Depending upon the scope of the emergency, the Company may call-in as many employees as necessary to provide continual telecommunications service. The Company has access to local and regional construction companies which can be called in to supplement the work force if necessary. When poles are down from emergencies, the Company works with other utilities attached to the same poles to expedite the repair or replacement of the infrastructure.

In summation, the Company takes preventative measures to plan for emergency situations and also takes steps to mitigate the risk or duration of such events.



June 27, 2018

I, Ronja Branson, hereby certify that Bloomingdale Home Telephone Company pricing of voice services is no more than two standard deviations above the applicable national average urban rate for service specified in the most recent public notice issued by the Wireline Commission Bureau.

Thank you

Ronja Branson

rbranson@bloomingdaletel.com

Bloomingdale Home Telephone Company, Inc.

Secretary/Treasurer/GM

Phone: 765-498-2000

Fax: 765-498-8000

CALL BEFORE YOU DIG

INDIANA STATE LAW REQUIRES 48 HOUR ADVANCE NOTICE TO ALLOW US TO MARK THE LOCATION OF TELEPHONE LINES.

Before you start any project involving digging or excavation,
Please call 811*.



STATEMENT OF NONDISCRIMINATION

Bloomingtondale Home Telephone Company is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) Should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call toll free (866) 632-9992 (voice) or (800) 877-8339 (TDD) or (866) 377-8642 (relay voice users). USDA is an equal opportunity provider and employer

DEAF, HARD OF HEARING OR SPEECH IMPAIRED RELAY INDIANA - CUSTOMER TELEPHONE ACCESS

This service relays calls between a person using a text telephone (TTY/TDD) and users of the general telephone network in the State of Indiana. Specially trained personnel are available 24 hours a day, 7 days a week, to relay the call. There is no extra charge for this service. Long distance calls placed through RELAY INDIANA to destinations within the US will be billed at discounted rates. To use RELAY INDIANA or to obtain more information, including rate information, call toll free:

1-800-743-3333 (Voice or Text Telephone) or simply dial 7-1-1.

LIFELINE AND LINK-UP ASSISTANCE PROGRAMS

In order to increase the availability of telecommunication services to all consumers in its serving area, Bloomingtondale Home Telephone Co., Inc., offers these two low income assistance programs: Lifeline Assistance and Link-Up Assistance. Any subscriber who meets the low income eligibility criteria established by the Indiana Utility Regulatory Commission (IURC) and lives within the Bloomingtondale Home Telephone Company's service area is eligible for participation in one or both of these programs. In order to meet the low income eligibility criteria established by the IURC, a customer must be a participant in one of the following programs: Medicaid, food stamps, Supplementary Social Security Income (SSI), federal public housing assistance or Section 8 (a Federal Housing Assistance program administered by the Department of Urban Development) or Low Income Home Energy Assistance Program (LIHEAP). For information on service assistance eligibility and application procedures, please contact our office, 498-1000.

TELEPHONE SAFETY TIPS

Remember that your telephone is an electrical instrument. It is one of the safest appliances in your home. However, in some instances, you should use extra care.

DURING AN ELECTRICAL STORM: Avoid using your telephone during an electrical storm to reduce the chance of shock due to lightning.

NEAR WATER: Immersion of a telephone in a bathtub, shower or pool could cause electrical shock.

GAS LEAKS: Do not use your telephone in the immediate area of a gas leak. The electrical components could cause a spark to ignite the gas.

Lydale Home Telephone Company, Inc.

I.U.R.C. Tariff No. I-85
Section III
First Revised Sheet 10

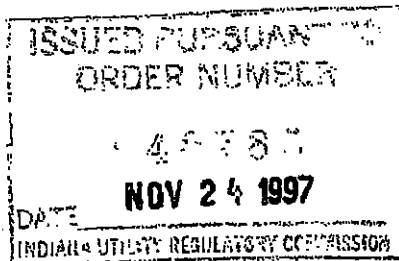
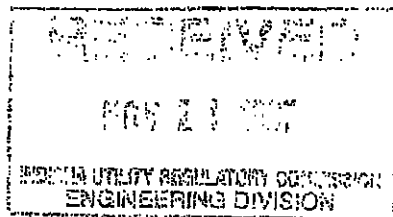
LOW INCOME PROGRAMS

CONCURRENCE

Pursuant to the provisions contained in Cause Nos. 40785 and 40786, the Company hereby adopts and concurs in I.U.R.C. Tariff No. I-85, Part I, Section 3 for Low Income Programs.

(N)

(N)



Effective: _____
(Date)

Officer: Ronald D. Cook
Title: Director

Indiana Utility Regulatory Commission

Tariff No. T-7

The T-7 Tariff provides a central location for issues that affect many or all companies. Terms, conditions, and rates contained herein, are available for concurrence by any provider in that provider's individual tariff. Use of the T-7 is not required.

Explanation of Symbols

- (C) – to signify changed regulation or rate (See note below)
- (D) – to signify discontinued or deleted rate or regulation
- (I) – to signify increase
- (N) – to signify new rate or regulation
- (R) – to signify reduction
- (S) – to signify reissued or relocated material/text
- (T) – to signify a change in text but no change in rate or regulation

NOTE: When used in reference to a rate, the symbol (C) indicates that a changed rate or method of applying a rate will result in either an increase or a decrease for certain customers.

EFFECTIVE: July 1, 2009

In compliance with I.C. 8-1-2.6-4.1

REDACTED - FOR PUBLIC INSPECTION

TABLE OF CONTENTS

PART I MISCELLANEOUS SERVICES

- Section 1 Indiana Universal Service Surcharge
- Section 2 Low-Income Programs
- Section 3 Dual Party Relay Services Surcharge

EFFECTIVE: July 1, 2009
In compliance with I.C. 8-1-2.6-4.1

1.0 INDIANA UNIVERSAL SERVICE SURCHARGE

1.1 Description

Pursuant to the requirements of the Final Order in Cause No. 42144, all customer billings on and after October 1, 2007 shall reflect an additional charge to fund the Indiana Universal Service Fund (IUSF). The purpose of the IUSF is to implement a competitively neutral funding mechanism that promotes universal telecommunication service to all Indiana residents by ensuring availability of basic telecommunications services at just, reasonable, and affordable rates that are reasonably comparable between urban and rural areas of Indiana.

1.2 Conditions

- a. The surcharge will apply to net intrastate retail telecommunications services.
- b. The surcharge is subject to change pursuant to the procedure set forth in the Final Order in Cause No. 42144.

1.3 Amount of Surcharge

Monthly Surcharge: 0.52 percent of net intrastate retail telecommunications services. (I)

1.4 Concurrence

The surcharge shall be applied and remitted to the IUSF by all companies that provide intrastate retail telecommunications service. Telecommunications providers serving

Indiana customers shall be bound by the Commission's tariff or their own equivalent tariff if filed with Commission's Communications Division.

2.0 LOW-INCOME PROGRAMS¹

2.1 Description

The Low-Income Program is a federal program, that reimburses eligible telecommunications carriers (ETCs) for reducing their monthly service charges for voice telephony service as defined in 47 C.F.R. 54.101 to eligible low-income customers. The Company participates in this assistance program to increase the availability of telecommunications services to all consumers in its serving areas.

The Low-Income Program was approved pursuant to the Commission's Order of November 5, 1997, in Cause No. 40785. Pursuant to that Order, any telecommunications carriers desiring to be declared an Eligible Telecommunications Carrier ("ETC") for the purpose of receiving interstate Universal Service Funds may file a concurrence in I.U.R.C. T-7, Lifeline tariff, or may file a stand-alone tariff for such low-income programs (Cause No. 40785, Page 10). The structure of the program is outlined in the following paragraphs.

2.2 Definitions

The following terms shall be defined as follows:

Qualifying low-income subscriber – a subscriber who meets the low-income eligibility criteria established by the Indiana Utility Regulatory Commission:

Participation in at least one of the following federal programs:

- a. Medicaid; Supplemental Nutritional Assistance Program (SNAP) also known (T) as food stamps; Supplemental Security Income (SSI); federal public housing assistance or Section 8 (a Federal Housing Assistance Program administered by the Department of Urban Development); Low-Income Home Energy Assistance Program (LIHEAP); Temporary Assistance for Needy Families (TANF); or the National School Lunch's free lunch program (NSL).
- b. Annual Household Income is at or below 135% of the Federal Poverty Guidelines.

Toll blocking – a service provided by carriers that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel.

Toll control – a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.

Toll limitation – denotes both toll blocking and toll control.

¹Material on this sheet formerly appeared on the Preface Sheet and Part I, Section 3, 2nd Revised Sheet 1.

2.0 LOW-INCOME PROGRAMS (Continued)²

2.3 Lifeline Assistance

a. Description

Lifeline Assistance reduces an eligible Customer's monthly rate for voice telephony service. (T)

b. Regulations

1. Lifeline Assistance is available to all residential customers who meet the following eligibility requirements:
 - i. Customers must be participants in at least one of the following programs:
Medicaid, Supplemental Nutritional Assistance Program (T) (SNAP), Supplemental Security Income (SSI), federal public housing assistance or Section 8 (a Federal Housing Assistance Program administered by the Department of Urban Development), Low Income Home Energy Assistance Program (LIHEAP), Temporary Assistance for Needy Families (TANF), or the National School Lunch's free lunch program (NSL).
 - ii. Annual Household Income is at or below 135% of the Federal Poverty Guidelines.
2. As a participant in Lifeline Assistance, customers are eligible to receive Toll Blocking Service or Toll Control Service, as described in their Indiana Serving Tariff, at no charge. These services will only be provided at the customer's request.
3. Local service deposit requirements will be waived for customers who voluntarily receive Toll Blocking Service or Toll Control Service.
4. Participants in Lifeline Assistance shall not be disconnected from Local service for non-payment of toll charges. In addition, the Company will not deny re-establishment of local service to customers who are eligible for Lifeline Assistance and have previously been disconnected for non-payment of toll charges.
5. Partial payments that are received from Lifeline customers will first be applied to local service charges and then to any outstanding toll charges.

²Material on this sheet formerly appeared on Part I, Section 3, 2nd Revised Sheet 2.

2.0 **LOW-INCOME PROGRAMS (Continued)**³

2.3 Lifeline Assistance (Continued)

b. Credits

The following credits will apply for each customer eligible for Lifeline Assistance:

	<u>Monthly Credit</u>	
Federal Credit	\$9.25	(C)

2.4 Link-Up Assistance (Lifeline Connection Assistance)^{*} (D)

*The requirement to for ETCs to offer Link-Up assistance (discounted service connection charges) was eliminated by the Federal Communications Commission pursuant to the Lifeline Reform and Modernization Order, Released February 6, 2012.

³ Material on this sheet formerly appeared on Part I, Section 3, 1st Revised Sheet 3.

EFFECTIVE: August 1, 2012
FCC Docket No. WC 11-42

3.0 DUAL PARTY RELAY SERVICES SURCHARGE⁵

3.1 Description

Dual Party Relay Services for hearing impaired and speech impaired persons provide access to telephone services that are functionally equivalent to those provided to individuals not having hearing or speech impairments. Dual Party Relay Services are subject to rules and regulations as prescribed by the FCC (Disabilities Act of 1990, 47 U.S.C. 225) and the House of Enrolled Act 1608.

Dual Party Relay Access Service was approved pursuant to the Commission's Order of September 11, 2002, in Cause No. 39880-INTRAC4. Pursuant to that Order, "All Indiana local exchange telephone companies, prior to placing in effect the new surcharge, shall either concur in the IURC T-7 tariff, Section 4, or file a company-specific revised tariff with the Commission's Telecommunications Division." (Cause No. 39880-INTRAC4, Page 3)

This surcharge is imposed on each residence and business line (or line equivalent) to fund and recover the costs for developing and providing Dual Party Relay Services.

3.2 Amount of Surcharge

<u>Charges</u>	<u>Monthly Surcharge</u>
Per residence line or business line or line equivalent	\$.03

⁵Material on this sheet formerly appeared on Part I, Section 4, 1st Revised Sheet 1.

EFFECTIVE: April 1, 2005

Issued Pursuant to January 19, 2005, Order in IURC Cause No. 39880-INTRAC5

REDACTED - FOR PUBLIC INSPECTION

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.

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

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Bloomington Home Telephone Company, Inc. (an Indiana corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

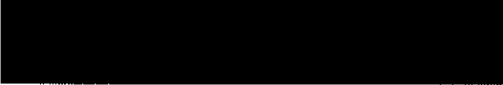
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bloomington Home Telephone Company, Inc. as of December 31, 2017 and 2016, and the results of operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2018, on our consideration of Bloomingdale Home Telephone Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Kemper CPA Group LLP
Avon, Indiana
March 19, 2018

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash		
Certificates of deposit		
Investments		
Accounts receivable		
Other receivables		
Inventory		
Prepaid expenses		
Total Current Assets		
 Property, plant and equipment, net		
Other assets		
Total Assets		
 LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Cash overdraft		
Accounts payable		
Taxes payable		
Customer deposits		
Current portion of long-term debt		
Total Current Liabilities		
 Long-term debt, net		
Deferred tax liability, net		
Total Liabilities		
Stockholder's Equity		
Capital stock - common [REDACTED] par value		
[REDACTED] shares authorized, issued and outstanding		
Retained earnings		
Total Stockholder's Equity		
 Total Liabilities and Stockholder's Equity		

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

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Local service		
Toll service		
Internet		
Interstate revenue		
Intrastate revenue		
Miscellaneous		
Total Operating Revenues		
OPERATING EXPENSES		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
Bad debt		
Operating taxes		
Total Operating Expenses		
Loss from Operations		
OTHER INCOME (EXPENSE)		
Interest expense on long-term debt		
Investment income, net		
Gain on sale of assets		
Loss on disposal of assets		
Penalties		
Total Other Expense		
LOSS BEFORE INCOME TAXES		
INCOME TAX BENEFIT		
Deferred income taxes		
Total Income Tax Benefit		
NET LOSS		
RETAINED EARNINGS - Beginning of Year		
RETAINED EARNINGS - End of Year		
Loss Per Share		

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

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss		
Adjustments to reconcile net income to cash flows to net cash provided by operating activities:		
Depreciation		
Amortization		
Deferred income tax provision, net		
Gain on sale of assets		
Loss on disposal of assets		
Unrealized gains on investments		
Realized gains on investments		
Change in operating assets and liabilities		
Accounts receivable		
Inventory		
Prepaid expenses		
Accounts payable		
Taxes payable		
Customer deposits		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		
Proceeds from sale of investments		
Purchase of investments		
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable		
Payments for debt issuance costs		
Principal repayments of notes payable		
Net cash provided (used) by financing activities		
Net increase (decrease) in cash		
CASH - beginning of year		
CASH (CASH OVERDRAFT) - end of year		
Supplemental Disclosures		
Cash paid for interest		

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

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensation for interstate access service is received through tariffed access charges filed by the National Exchange Carrier Association, Inc. (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the Company to the interstate interexchange carriers, and pooled with like revenues from all NECA member companies. The portion of the pooled access charge revenue received by the Company is based upon the nationwide average schedule cost of providing interstate access service, plus a return on the investment dedicated to providing that service. The Company recognized interstate access revenues under the terms of NECA pooling arrangements of [REDACTED] and [REDACTED] during 2017 and 2016, respectively.

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

Note 3 - CERTIFICATES OF DEPOSIT

The Company was invested in various certificates of deposit with several banks. The original maturities of these certificates of deposit range between three to four years, are recorded at cost, and earn interest at the rates ranging from [REDACTED]. These certificates of deposit were liquidated during the year ended December 31, 2017.

Note 4 - INVESTMENTS

The Company has invested in various mutual funds. Although market values of the investments are subject to fluctuations on a year-to-year basis, management believes the investment program is prudent for the long-term welfare of the Company. As of December 31, 2017 and 2016 investments consisted of the following:

	2017	2016
Mutual Funds	[REDACTED]	
Total		

For the years ended December 31, 2017 and 2016, net investment income consisted of the following:

	2017	2016
Interest and dividends	[REDACTED]	
Realized gains		
Unrealized gains		
Totals		

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 1 - NATURE OF OPERATIONS

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounts Receivable - Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined. The Company evaluates its accounts receivable periodically and records bad debt expense using the direct write-off method. Although this method is not in accordance with GAAP, use of the allowance method would not have a material effect on the financial statements.

Inventory - Inventory, which consists of telecommunication materials and related supplies, is valued at the lower of cost or net realizable value, with cost being determined using the average cost method.

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

Income Taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled.

Use of Estimates - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassification had no effect on previously reported net income or equity.

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 5 – PROPERTY, PLANT AND EQUIPMENT

Telephone plant in service at December 31, 2017 and 2016 is stated at cost. The major classes of the telephone plant as of December 31 are:

	2017	2016
Land		
Mobile equipment		
Furniture and fixtures		
Transportation		
Plant and equipment		
Other work equipment		
Construction in progress		
Accumulated depreciation		

The Company will record the fixed asset when purchased and depreciate the asset on the straight-line basis over its estimated useful life. Management has estimated useful lives ranging from 5 years for equipment to 39 years for buildings. Depreciation expense for the years ended December 31, 2017 and 2016 was [REDACTED] and [REDACTED] respectively.

Note 6 - RETIREMENT PLAN

The Company sponsors an Individual Retirement Account Plan which is administered by The Lincoln National Pension Insurance Company. The plan is a Simplified Employee Pension Plan and makes discretionary contributions to all qualified employees. Contributions for the years ended December 31, 2017 and 2016 were [REDACTED] respectively.

Note 7 - INCOME TAXES

Deferred income tax assets and liabilities components are as follows:

	2017	2016
Long term deferred tax asset		
Long term deferred tax liability		
Net long term deferred tax liability		

At December 31, 2017 and 2016, the Company has a net operating loss carry forward of approximately [REDACTED] available to reduce future taxable income, respectively. The deferred tax assets and liabilities result primarily from differences in recording depreciation for income tax and financial reporting purposes.

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 8 – LONG-TERM DEBT

Long-term debt includes the following at December 31:

	<u>2017</u>	<u>2016</u>
Rural Utility Service, payable in monthly installments of [REDACTED] bearing an annual interest rate of [REDACTED] due on [REDACTED] secured by assets of the Company.		
Rural Utility Service, payable in monthly installments of [REDACTED] bearing an annual interest rate of [REDACTED] due on [REDACTED] secured by assets of the Company.		
First Financial Bank, payable in monthly installments of [REDACTED] bearing an annual interest rate of prime, which was [REDACTED] for 2017 and 2016, respectively, plus [REDACTED] due on [REDACTED] secured by shareholder property and personal guarantee.		
First Merchants Bank, payable in monthly installments of [REDACTED] bearing an annual interest rate of [REDACTED] due on [REDACTED] secured by assets of the Company.		
Total long-term debt		
Less: current maturities		
Less: debt issuance costs		
Long-term debt, net		

The carrying value of the long-term debt is shown net of total unamortized discount of [REDACTED] as of December 31, 2017 and 2016. Amortization of the discounts is reported in the income statements as interest expense.

The maturities of long-term debt for each of the succeeding five years subsequent to December 31, 2017 are as follows:

For the Years Ended December 31,	
2018	
2019	
2020	
2021	
2022	
Thereafter	
Total	

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 9 - FAIR VALUE MEASUREMENT

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

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

Level 2 Fair Value Measurements – Fair values are based on inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs include quoted prices for similar assets or liabilities in active or non-active markets and may also include insignificant adjustments to market observable inputs. The Company did not have investments using Level 2 fair value measurement for years ended December 31, 2017 and 2016.

Level 3 Fair Value Measurements – Fair values are based on unobservable input used for valuing the asset or liability. Unobservable inputs are those that reflect the plan's own assumptions about the assumption that market participants would use in pricing the asset, based on the best information available in the circumstances. The Company did not have investments using Level 3 fair value measurement for years ended December 31, 2017 and 2016.

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2017 and 2016. FASB Statement 107, *Disclosures About Fair Value of Financial Instruments*, defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Used To Determine Price (Level 2)	Significant Unobservable Inputs Used to Determine Price (Level 3)
<u>December 31, 2017</u>			
Mutual funds			
<u>December 31, 2016</u>			
Mutual funds			

Note 10 – RISKS AND UNCERTAINTIES

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

BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017

Note 11 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 19, 2018, which is the date financial statements were available to be issued. No material subsequent events were identified which would require disclosure and/or adjustment to the financial statements as of December 31, 2017.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bloomington Home Telephone Company, Inc. (an Indiana corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bloomington Home Telephone Company, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bloomington Home Telephone Company, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomington Home Telephone Company, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness: findings 2017-1 and 2017-2.

Compliance and Other Matters

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

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Bloomington Home Telephone Company, Inc.'s Responses to Findings

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

Purpose of this Report

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



Kemper CPA Group, LLP
Avon, Indiana
March 19, 2018



**REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL
AGREEMENTS AND REGULATORY REQUIREMENTS FOR
ELECTRIC BORROWERS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bloomingdale Home Telephone Company, Inc. (an Indiana corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2018. In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2018, on our consideration of Bloomingdale Home Telephone Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and our schedule of findings and responses related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that Bloomingdale Home Telephone Company, Inc. failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we preformed additional procedures, other matters may have come to our attention regarding Bloomingdale Home Telephone Company, Inc.'s noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding Bloomingdale Home Telephone Company, Inc.'s accounting and records to indicate that Bloomingdale Home Telephone Company, Inc. did not:

Maintain adequate and effective accounting procedures:

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of property, plant, and equipment;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale of lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Report;

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Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;

Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and

Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

[REDACTED]

Kemper CPA Group, LLP
Avon, Indiana
March 19, 2018

**BLOOMINGDALE HOME TELEPHONE COMPANY, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

FINDING 2017-1 Lack of Segregation of Duties

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

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

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

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

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

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

FINDING 2017-2 Preparation of internal financial statements and related note disclosures

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

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

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

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

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

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