

NOTES TO FINANCIAL STATEMENTS

The Conneaut Telephone Company

December 31, 2013

17. OTHER OPERATING TAXES

Other operating taxes consist of the following:	<u>2013</u>	<u>2012</u>
██████████ Taxes	\$ ██████████	\$ ██████████
██████████ Income Tax	██████████	██████████
██████████ Tax	██████████	██████████
Other Misc. Taxes	██████████	██████████
TOTAL	\$ ██████████	\$ ██████████

18. CONCENTRATION

The Company has a concentration of customers in one geographic area, specifically Conneaut, Ohio and the surrounding Ashtabula County communities.

The Company is operating under a collective bargaining agreement with the ██████████ and its ██████████. It covers all outside plant and central office personnel, excluding supervisors, employed by the Company. Management and office clerical employees are also not covered by the ██████████. In August 2013, the Company signed a new ██████████ contract that expires July 31, 2016.

Occasionally in 2013 the Company has concentrated its credit risk for cash by maintaining bank deposit balances in excess of the Federally insured limit of ██████████.

19. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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.

Examples of such estimates and assumptions include – actuarial assumptions of remaining lives of employees for calculating postretirement pension obligations, postretirement health care benefits obligations, and expected long term rate of return on pension assets. Actual results could differ from those estimated.

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

REDACTED - FOR PUBLIC INSPECTION  
NOTES TO FINANCIAL STATEMENTS

The Conneaut Telephone Company

December 31, 2013

20. SUBSEQUENT EVENTS

A. NEW LEASES

In 2014, the Company purchased various equipment for [REDACTED] that has been financed with [REDACTED] capital leases over a [REDACTED] period. The total monthly payments will be [REDACTED]

B. CONTINGENCY

The Company has a [REDACTED] for [REDACTED] that claims the Company [REDACTED] them for telephone related services.

[REDACTED]

Subsequent events have been evaluated through July 22, 2014, the date of the issuance of these financial statements.

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

REDACTED - FOR PUBLIC INSPECTION

SUPPLEMENTAL INFORMATION

SCHEDULES OF [REDACTED] INCOME

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	2013	2012	Increase (Decrease)
<b>OPERATING REVENUE</b>			
[REDACTED] Partnership - Operating Income	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
State Access Revenue			
Sales - Net (Below)			
Sales - Commissions			
Total Revenue			
<b>OPERATING EXPENSES</b>			
Plant Specific			
Plant Non-Specific			
Customer Operations			
Corporate Operations			
Total Expense			
<b>OPERATING TAXES</b>			
Federal Income Tax (Credit)			
Deferred Income Tax			
Other Operating Taxes			
Total Taxes			
<b>NET INCOME - [REDACTED] OPERATIONS</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>
*	*	*	*
<b>NET SALES - OPERATING REVENUES</b>			
Gross Sales	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Cost of Goods Sold (Below)			
<b>NET SALES</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>
<b>COST OF GOODS SOLD</b>			
[REDACTED] Inventory Beginning of Year	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Add: Purchases			
Labor & Freight			
Material Used for Repair			
Y/E Reconcile Adjustment			
Cost of Goods Available for Sale			
Less: [REDACTED] Inventory End of Year			
<b>TOTAL COST OF GOODS SOLD</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>

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

REDACTED - FOR PUBLIC INSPECTION

SCHEDULES OF [REDACTED] INCOME

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	2013	2012	Increase (Decrease)
<b><u>OPERATING REVENUE</u></b>			
Basic [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
[REDACTED] Maintenance	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sales - Net (Below)	[REDACTED]	[REDACTED]	[REDACTED]
Sales & Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]
Less: Uncollectible Revenues	[REDACTED]	[REDACTED]	[REDACTED]
Total Revenue	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>OPERATING EXPENSES (Page 26)</u></b>			
Plant Specific Operations	[REDACTED]	[REDACTED]	[REDACTED]
Plant Specific Networking	[REDACTED]	[REDACTED]	[REDACTED]
Plant Non-Specific Operations	[REDACTED]	[REDACTED]	[REDACTED]
Customer Operations	[REDACTED]	[REDACTED]	[REDACTED]
Corporate Operations	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation and Amortization	[REDACTED]	[REDACTED]	[REDACTED]
Total Operating Expenses	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>OPERATING TAXES</u></b>			
Federal Income Tax	[REDACTED]	[REDACTED]	[REDACTED]
Deferred Income Tax (Credit)	[REDACTED]	[REDACTED]	[REDACTED]
Other Operating Taxes	[REDACTED]	[REDACTED]	[REDACTED]
Total Taxes	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous Income	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>NET INCOME - [REDACTED] OPERATIONS</u></b>			
*	*	*	*
<b><u>NET SALES - OPERATING REVENUES</u></b>			
Gross Sales	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Cost of Goods Sold (Below)	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>NET SALES</u></b>	<b>[REDACTED]</b>	<b>[REDACTED]</b>	<b>[REDACTED]</b>
<b><u>COST OF GOODS SOLD</u></b>			
[REDACTED] Inventory Beginning of Year	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Add: Purchases	[REDACTED]	[REDACTED]	[REDACTED]
Labor & Freight	[REDACTED]	[REDACTED]	[REDACTED]
Y/E Reconcile Adjustment	[REDACTED]	[REDACTED]	[REDACTED]
Cost of Goods Available for Sale	[REDACTED]	[REDACTED]	[REDACTED]
Less: [REDACTED] Inventory End of Year	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>TOTAL COST OF GOODS SOLD</u></b>	<b>[REDACTED]</b>	<b>[REDACTED]</b>	<b>[REDACTED]</b>

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

**REDACTED - FOR PUBLIC INSPECTION**  
**SCHEDULES OF OPERATING EXPENSES - [REDACTED]**

**THE CONNEAUT TELEPHONE COMPANY**

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<b><u>PLANT SPECIFIC OPERATIONS</u></b>			
Vehicles	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Other Work Equipment	[REDACTED]	[REDACTED]	[REDACTED]
Land and Building	[REDACTED]	[REDACTED]	[REDACTED]
Office Furniture	[REDACTED]	[REDACTED]	[REDACTED]
Office Equipment	[REDACTED]	[REDACTED]	[REDACTED]
General Purpose Computers	[REDACTED]	[REDACTED]	[REDACTED]
Digital Electric Switch	[REDACTED]	[REDACTED]	[REDACTED]
Circuit Equipment - Digital	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>PLANT SPECIFIC NETWORKING</u></b>			
[REDACTED] Maintenance	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Install	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>PLANT NON-SPECIFIC OPERATIONS</u></b>			
Provisioning	[REDACTED]	[REDACTED]	[REDACTED]
Network Administration	[REDACTED]	[REDACTED]	[REDACTED]
Plant Administration	[REDACTED]	[REDACTED]	[REDACTED]
Testing	[REDACTED]	[REDACTED]	[REDACTED]
Engineering	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>CUSTOMER OPERATIONS</u></b>			
Product Management	[REDACTED]	[REDACTED]	[REDACTED]
Sales	[REDACTED]	[REDACTED]	[REDACTED]
Advertising	[REDACTED]	[REDACTED]	[REDACTED]
Customer Service	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>CORPORATE OPERATIONS</u></b>			
Accounting and Finance	[REDACTED]	[REDACTED]	[REDACTED]
External Relations	[REDACTED]	[REDACTED]	[REDACTED]
Information Management	[REDACTED]	[REDACTED]	[REDACTED]
Legal	[REDACTED]	[REDACTED]	[REDACTED]
Programming Costs	[REDACTED]	[REDACTED]	[REDACTED]
Procurement	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other General and Administration	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>DEPRECIATION AND AMORTIZATION</u></b>			
<b><u>TELECOMMUNICATIONS PLANT</u></b>	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>TOTAL OPERATING</u></b>			
<b><u>EXPENSES - [REDACTED]</u></b>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>

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

SCHEDULES OF [REDACTED] INCOME

THE CONNEAUT TELEPHONE COMPANY

For the Years Ending December 31, 2013 and 2012

	2013	2012	Increase (Decrease)
<u>OPERATING REVENUE</u>			
Basic [REDACTED]	[REDACTED]	[REDACTED]	\$ [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Advertising	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]
Less: Uncollectible Revenues	[REDACTED]	[REDACTED]	[REDACTED]
Total Revenue	[REDACTED]	[REDACTED]	[REDACTED]
<u>OPERATING EXPENSES</u>			
Computers	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Expenses	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Repair	[REDACTED]	[REDACTED]	[REDACTED]
Sales Expense & Marketing	[REDACTED]	[REDACTED]	[REDACTED]
Advertising	[REDACTED]	[REDACTED]	[REDACTED]
Customer Service	[REDACTED]	[REDACTED]	[REDACTED]
Accounting	[REDACTED]	[REDACTED]	[REDACTED]
External Relations	[REDACTED]	[REDACTED]	[REDACTED]
Legal	[REDACTED]	[REDACTED]	[REDACTED]
Other G & A	[REDACTED]	[REDACTED]	[REDACTED]
Procurement	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation	[REDACTED]	[REDACTED]	[REDACTED]
Total Operating Expenses	[REDACTED]	[REDACTED]	[REDACTED]
<u>OPERATING TAXES</u>			
<u>LOSS BEFORE FEDERAL INCOME TAX CREDIT</u>			
Less - Provision for Federal Income Tax Credit	[REDACTED]	[REDACTED]	[REDACTED]
Deferred Income Tax Credit	[REDACTED]	[REDACTED]	[REDACTED]
Total Tax Credit	[REDACTED]	[REDACTED]	[REDACTED]
<u>NET LOSS</u>	[REDACTED]	[REDACTED]	\$ [REDACTED]

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

SCHEDULES OF OTHER INCOME AND EXPENSES - DEREGULATED

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>OPERATING REVENUE</u>			
Rentals	\$	\$	\$
Toll Resale			
Sales - Net (Page 29)			
██████████ Maintenance			
Service Charges			
Miscellaneous			
Less: Uncollectible Revenue			
Total Revenue			
 <u>OPERATING EXPENSES (Page 30)</u>			
Plant Specific Operations			
Plant Non-Specific Operations			
Customer Operations			
Corporate Operations			
Depreciation and Amortization			
Total Expenses			
 <u>OPERATING TAXES</u>			
Federal Income Tax (Credit)			
Deferred Income Tax Expense (Credit)			
Other Operating Taxes (Credits)			
Net Tax (Credit)			
 <u>OTHER INCOME &amp; EXPENSES</u>			
Other Non Operating Income			
Other Non Operating Expenses			
Total Other Income			
 <u>NET OTHER EXPENSES - DEREGULATED</u>			
	\$	\$	\$

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

REDACTED - FOR PUBLIC INSPECTION

SCHEDULES OF NET SALES AND  
COST OF GOODS SOLD - DEREGULATED

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>NET SALES - OPERATING</u>			
<u>REVENUES - DEREGULATED</u>			
Gross Sales	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Cost of Goods Sold (Below)	[REDACTED]	[REDACTED]	[REDACTED]
<u>NET SALES</u>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>
*	*	*	*
<u>COST OF GOODS SOLD</u>			
Deregulated Inventory at Beginning of Year	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Add: Purchases	[REDACTED]	[REDACTED]	[REDACTED]
Labor and Freight	[REDACTED]	[REDACTED]	[REDACTED]
Materials Used for Repair	[REDACTED]	[REDACTED]	[REDACTED]
Materials Leased	[REDACTED]	[REDACTED]	[REDACTED]
Junked from Stock	[REDACTED]	[REDACTED]	[REDACTED]
Inventory Adjustment (Reconciled to Physical Count)	[REDACTED]	[REDACTED]	[REDACTED]
Cost of Goods Available for Sale	[REDACTED]	[REDACTED]	[REDACTED]
Less: Deregulated Inventory at End of Year	[REDACTED]	[REDACTED]	[REDACTED]
<u>Total Cost of Goods Sold</u>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>

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

**REDACTED - FOR PUBLIC INSPECTION**  
**SCHEDULES OF OPERATING EXPENSES - DEREGULATED**

**THE CONNEAUT TELEPHONE COMPANY**

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<b><u>PLANT SPECIFIC OPERATIONS</u></b>			
Office Equipment	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
General Purpose Computers	[REDACTED]	[REDACTED]	[REDACTED]
Circuit Equipment - Voice	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Public Telephone Term. Equip.	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>PLANT NON-SPECIFIC OPERATIONS</u></b>			
Plant Administration	[REDACTED]	[REDACTED]	[REDACTED]
Engineering	[REDACTED]	[REDACTED]	[REDACTED]
Provisioning	[REDACTED]	[REDACTED]	[REDACTED]
Access - Toll Resale	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>CUSTOMER OPERATIONS</u></b>			
Customer Services	[REDACTED]	[REDACTED]	[REDACTED]
Product Advertising	[REDACTED]	[REDACTED]	[REDACTED]
Product Management	[REDACTED]	[REDACTED]	[REDACTED]
Sales Expense	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>CORPORATE OPERATIONS</u></b>			
Executive	[REDACTED]	[REDACTED]	[REDACTED]
Accounting and Finance	[REDACTED]	[REDACTED]	[REDACTED]
External Relations	[REDACTED]	[REDACTED]	[REDACTED]
Legal	[REDACTED]	[REDACTED]	[REDACTED]
Procurement	[REDACTED]	[REDACTED]	[REDACTED]
Graphic Arts	[REDACTED]	[REDACTED]	[REDACTED]
Other General and Administration	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>DEPRECIATION AND AMORTIZATION</u></b>			
<b><u>TELECOMMUNICATIONS PLANT</u></b>	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>TOTAL OPERATING</u></b>	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>EXPENSES - DEREGULATED</u></b>	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

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

SCHEDULES OF OPERATING REVENUES - REGULATED

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>OPERATING REVENUES</u>			
<u>Local Network Services Revenue</u>			
Basic Local Service	\$	\$	\$
Optional Extended Area			
Local Private Line			
Customer Premise			
Other Local - Touch Call			
Other Local - Customer Call			
<u>Network Access Services Revenue</u>			
End User			
Switched Access			
N.E.C.A. Settlement			
Special Access			
State Access - Switched Intra/E			
State Access - Special Intra/E			
State Access - Switched Intra/A			
<u>Long Distance Network Services Revenue</u>			
Intra / Inter			
Inter / Inter			
Intra / Intra			
Voice Grade			
Other - Intra DA			
<u>Miscellaneous</u>			
Directory			
Rent			
Carrier B&C - Inter			
B&C Intra/Inter			
B&C Intra/Intra			
911			
Miscellaneous	\$	\$	\$

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

SCHEDULES OF OPERATING EXPENSES - REGULATED

THE CONNEAUT TELEPHONE COMPANY

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>OPERATING EXPENSES</u>			
<u>Plant Specific Operations</u>			
Motor Vehicles	\$	\$	\$
Other Work Equipment			
Land and Buildings			
Furniture and Artwork			
Office Equipment			
General Purpose Computers			
Digital Electric Switch			
Circuit Equipment - Digital			
Other Terminal Equipment			
Poles			
Aerial Cable			
Underground Cable			
Buried Cable			
Aerial Cable - Drop			
Conduit System			
<u>Plant Non-Specific Operations</u>			
Access			
Provisioning			
Power			
Testing			
Plant Operations Administration			
Engineering			
<u>Customer Operations</u>			
Product Management			
Product Advertising			
Call Comp Services			
Number Services			
Customer Services	\$	\$	\$

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

**REDACTED - FOR PUBLIC INSPECTION**  
**SCHEDULES OF OPERATING EXPENSES - REGULATED (Cont'd)**  
**AND OTHER INCOME - NET**

**THE CONNEAUT TELEPHONE COMPANY**

Years Ended December 31, 2013 and 2012

<u>OPERATING EXPENSES (Cont'd)</u>	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>Corporate Operations</u>			
Executive	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Accounting and Finance	[REDACTED]	[REDACTED]	[REDACTED]
External Relations	[REDACTED]	[REDACTED]	[REDACTED]
Human Resources	[REDACTED]	[REDACTED]	[REDACTED]
Information Management	[REDACTED]	[REDACTED]	[REDACTED]
Legal	[REDACTED]	[REDACTED]	[REDACTED]
Procurement	[REDACTED]	[REDACTED]	[REDACTED]
Research & Development	[REDACTED]	[REDACTED]	[REDACTED]
Pension Expense	[REDACTED]	[REDACTED]	[REDACTED]
Hospitalization Retirees	[REDACTED]	[REDACTED]	[REDACTED]
Other General and Administration	[REDACTED]	[REDACTED]	[REDACTED]
<u>Depreciation and Amortization - Plant in Service</u>	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>TOTAL OPERATING EXPENSES - REGULATED</u></b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>
* * *	*	*	*
<u>OTHER INCOME - NET</u>			
<u>Income</u>			
Gain on Fiber Route Sale	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
[REDACTED] Income	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Adjustment	[REDACTED]	[REDACTED]	[REDACTED]
Interest Income	[REDACTED]	[REDACTED]	[REDACTED]
Insurance Reimbursements	[REDACTED]	[REDACTED]	[REDACTED]
Utility Refunds	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]
Total Non-Operating Income - Regulated	[REDACTED]	[REDACTED]	[REDACTED]
<u>Expenses</u>			
Amortization of Refinancing Costs	[REDACTED]	[REDACTED]	[REDACTED]
Interest - Capital Lease	[REDACTED]	[REDACTED]	[REDACTED]
Sale - Leaseback Loss	[REDACTED]	[REDACTED]	[REDACTED]
Contributions	[REDACTED]	[REDACTED]	[REDACTED]
Penalties & Late Payment Fees	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]
Total Non-Operating Expenses-Regulated	[REDACTED]	[REDACTED]	[REDACTED]
<b><u>TOTAL NON-OPERATING INCOME AND (EXPENSES) - REGULATED</u></b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>	<b>\$ [REDACTED]</b>

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

Received & Inspected

JUN 29 2015

FCC Mail Room

**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

Conneaut Tel Co

SAC 300606

**Year 2014 Federal Universal Service Receipts:**

Interstate Access Support	\$	
Interstate Common Line Support	\$	
Connect America Fund Support	\$	
High Cost Loop Support	\$	
Safety Net Additive Support	\$	
CAF-ICC	\$	
<b>TOTAL</b>	\$	

**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

	<b>Actual</b>	
	<b>2014</b>	
<b>Plant Specific Operations Expenses</b>		
Network support (Accts 6110-16)	\$	
General support (Accts 6120-24)	\$	
Central office (Accts 6210-6232)	\$	
Cable and wire facilities (Accts 6410-41)	\$	
Network operations (Accts 6512-6535)	\$	
Depreciation and amortization (Accts 6560-65)	\$	
<b>Customer Operations Expenses</b>		
Customer services (Accts 6611-23)	\$	
<b>Corporate Operations Expenses</b>		
Executive and planning (Accts 6710-12)	\$	
General and administrative (Accts 6720-28)	\$	
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$	
<b>Additions/Capx</b>	\$	
<b>Total</b>	\$	
<b>Total Supported Expenditures, Before Return on Investment</b>	\$	

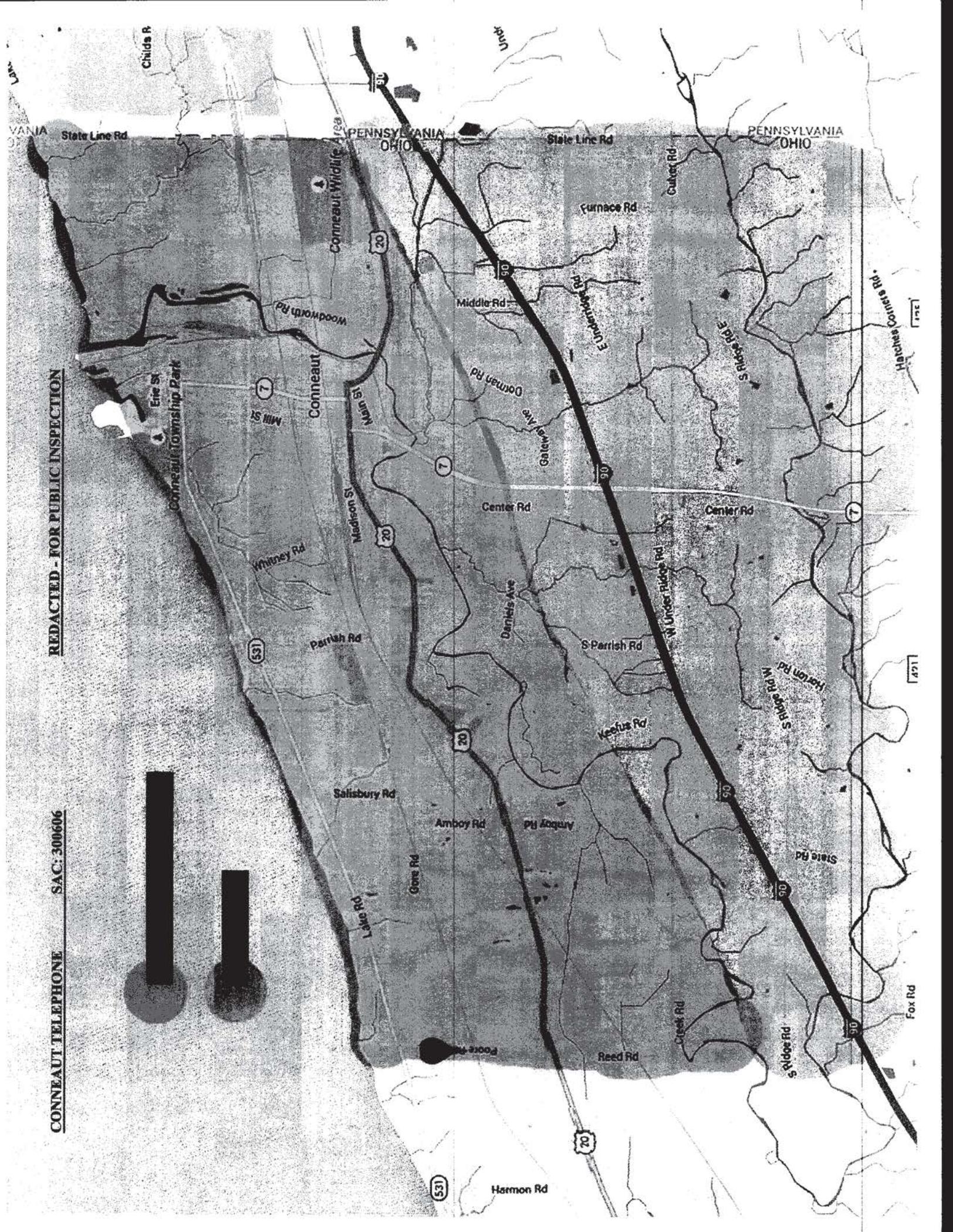
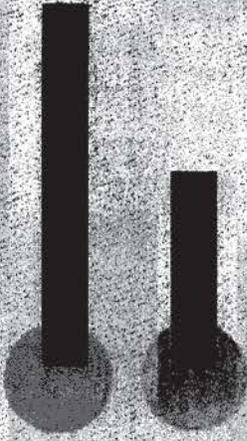
It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications 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. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.

CONNEAUT TELEPHONE SAC: 300606

REDACTED - FOR PUBLIC INSPECTION



Childs R

Unk

PENNSYLVANIA OHIO

PENNSYLVANIA OHIO

PENNSYLVANIA OHIO

State Line Rd

State Line Rd

Conneaut Wildlife Area

Furnace Rd

Culver Rd

Woodworth Rd

Middle Rd

E Underbridge Rd

Conneaut Township Park

MM St

Conneaut

Mar St

Orman Rd

Galena Ave

S Ridge Rd E

Hatchers Corners Rd

Whitney Rd

Madison St

Center Rd

Center Rd

531

Parrish Rd

Darrels Ave

S Parrish Rd

W Under Ridge Rd

S Ridge Rd W

State Rd

Salisbury Rd

Amboy Rd

Amboy Rd

Keefus Rd

Harmon Rd

Leare Rd

Gore Rd

Amboy Rd

50

30

Frore Rd

Reed Rd

Creek Rd

S Slide Rd

Fox Rd

531

Harmon Rd

20

30

A21

A21

Received & Inspected

JUN 29 2015

FCC Mail Room

**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

**Conneaut Tel Co**

**SAC 300606**

**Year 2014 Federal Universal Service Receipts:**

Interstate Access Support	\$	
Interstate Common Line Support	\$	
Connect America Fund Support	\$	
High Cost Loop Support	\$	
Safety Net Additive Support	\$	
CAF-ICC	\$	
<b>TOTAL</b>	\$	

**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

	<b>Actual</b>	
	<b>2014</b>	
<b>Plant Specific Operations Expenses</b>		
Network support (Accts 6110-16)	\$	
General support (Accts 6120-24)	\$	
Central office (Accts 6210-6232)	\$	
Cable and wire facilities (Accts 6410-41)	\$	
Network operations (Accts 6512-6535)	\$	
Depreciation and amortization (Accts 6560-65)	\$	
<b>Customer Operations Expenses</b>		
Customer services (Accts 6611-23)	\$	
<b>Corporate Operations Expenses</b>		
Executive and planning (Accts 6710-12)	\$	
General and administrative (Accts 6720-28)	\$	
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$	
<b>Additions/Capx</b>	\$	
<b>Total</b>	\$	
<b>Total Supported Expenditures, Before Return on Investment</b>	\$	

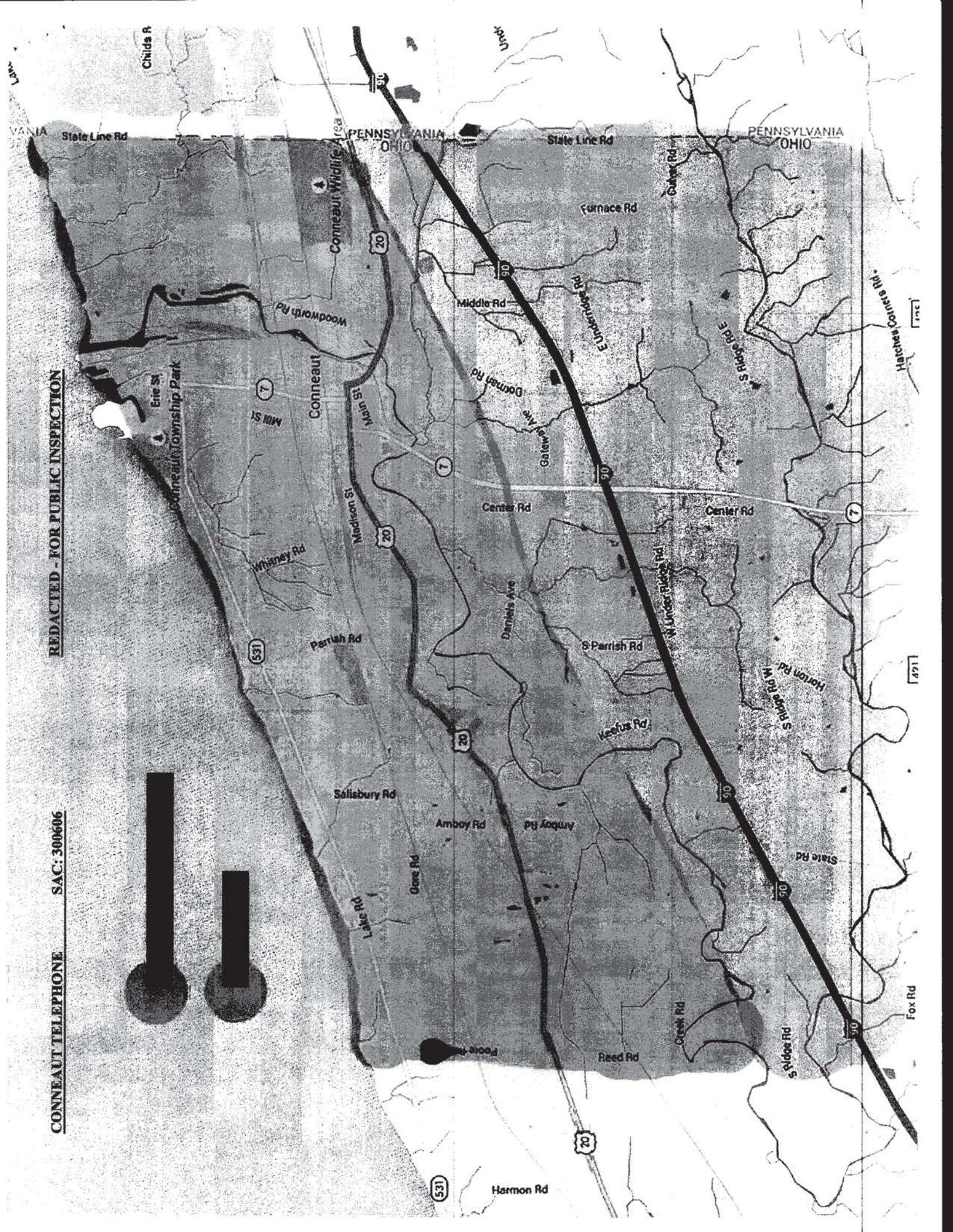
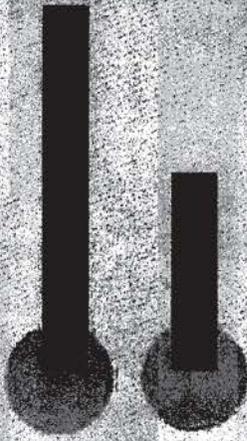
It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications 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. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.

REDACTED - FOR PUBLIC INSPECTION

CONNEAUT TELEPHONE SAC: 300606



Childs R

Unkr

State Line Rd

PENNSYLVANIA OHIO

State Line Rd

PENNSYLVANIA OHIO

Conneaut Wildlife Area

Furnace Rd

Cuba Rd

Woodworth Rd

Middle Rd

E. Lincoln Rd

Conneaut Township Park

Mill St

Conneaut

Madison St

Doonan Rd

Galaw Ave

US-90

S. Ridge Rd E

Hatchers Corners Rd

Whisney Rd

Center Rd

Center Rd

US-531

Parrish Rd

Daniels Ave

S Parrish Rd

W Underhill Rd

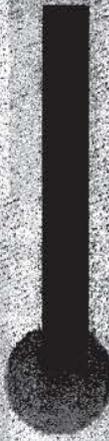
AP11

Salisbury Rd

Keefus Rd

Horton Rd

S. Ridge Rd W



US-20

US-531

Harmon Rd

Amboy Rd

Amboy Rd

State Rd

Lake Rd

Gene Rd

US-90

US-90

US-90

Fox Rd

Reed Rd

Reed Rd

Creek Rd

S. Idoo Rd

US-90

Received & Inspected

JUN 29 2015

FCC Mail Room

**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

Conneaut Tel Co

SAC 300606

**Year 2014 Federal Universal Service Receipts:**

Interstate Access Support	\$	
Interstate Common Line Support	\$	
Connect America Fund Support	\$	
High Cost Loop Support	\$	
Safety Net Additive Support	\$	
CAF-ICC	\$	
<b>TOTAL</b>	\$	

**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

	<u>Actual</u>	
	<u>2014</u>	
<b>Plant Specific Operations Expenses</b>		
Network support (Accts 6110-16)	\$	
General support (Accts 6120-24)	\$	
Central office (Accts 6210-6232)	\$	
Cable and wire facilities (Accts 6410-41)	\$	
Network operations (Accts 6512-6535)	\$	
Depreciation and amortization (Accts 6560-65)	\$	
<b>Customer Operations Expenses</b>		
Customer services (Accts 6611-23)	\$	
<b>Corporate Operations Expenses</b>		
Executive and planning (Accts 6710-12)	\$	
General and administrative (Accts 6720-28)	\$	
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$	
<b>Additions/Capx</b>	\$	
<b>Total</b>	\$	
<b>Total Supported Expenditures, Before Return on Investment</b>	\$	

It is estimated that [REDACTED] of universal service funding received in 2014 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. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

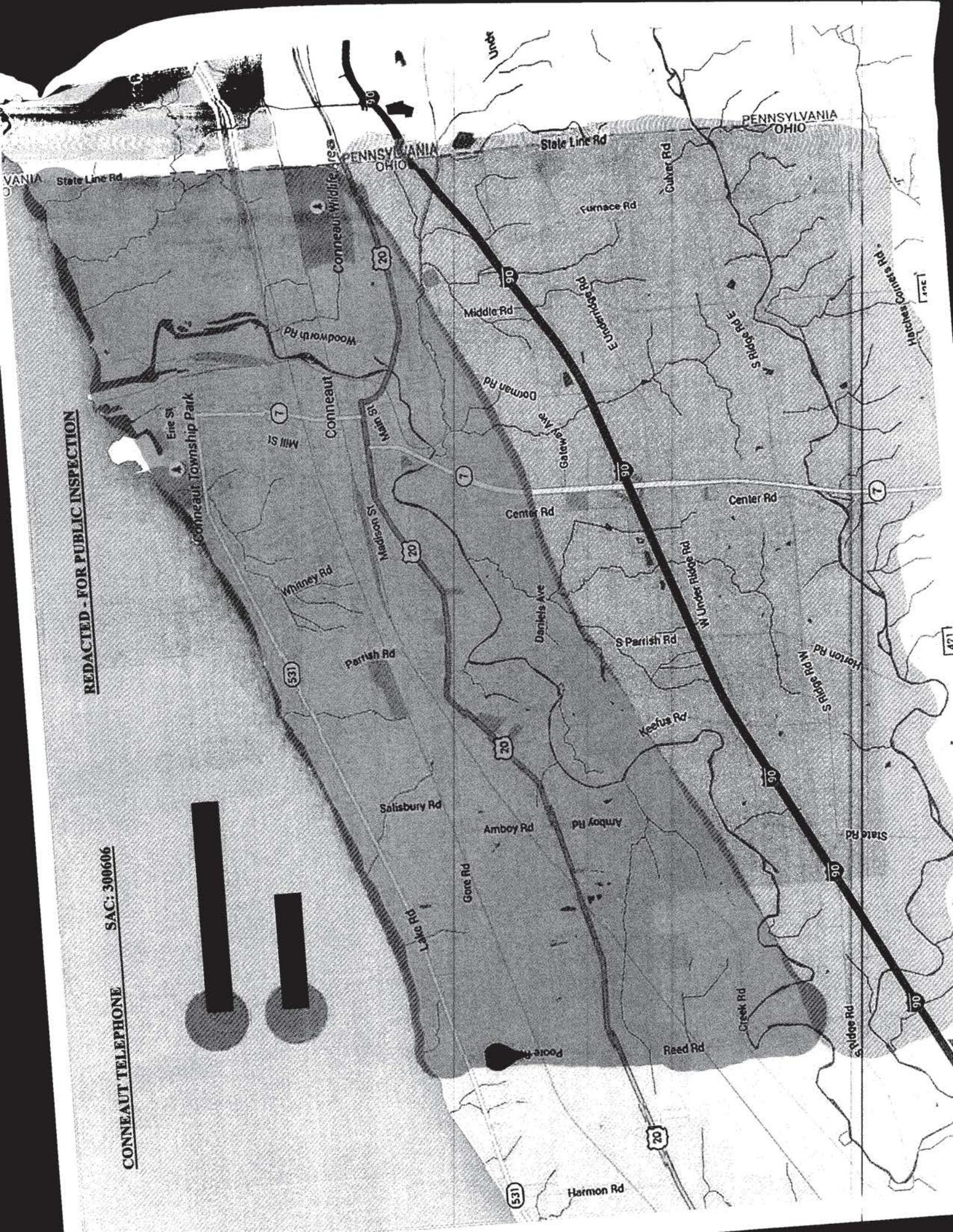
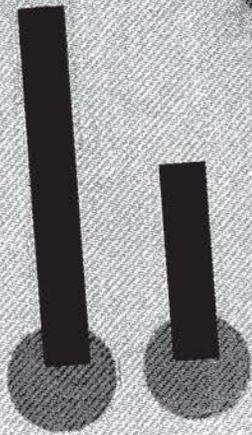
It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to broadband at 4Mbps/1Mbps and approximately [REDACTED] of households will have access to broadband at 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.

**REDACTED - FOR PUBLIC INSPECTION**

**SAC: 300606**

**CONNEAUT TELEPHONE**



VANIA

PENNSYLVANIA  
OHIO

PENNSYLVANIA  
OHIO

State Line Rd

State Line Rd

Conneaut Wildlife Area

Furnace Rd

Culver Rd

20

90

Conneaut Township Park

Erie St

7

Mill St

Conneaut

Main St

Middle Rd

E Underage Rd

S Ridge Rd E

Hacker's Corner Rd

Dorman Rd

Gateway Ave

90

Center Rd

Center Rd

7

20

Madison St

Whitney Rd

Daniels Ave

N Underage Rd

S Parrish Rd

S Ridge Rd W

Parrish Rd

531

20

Salisbury Rd

Keebus Rd

State Rd

Amboy Rd

Amboy Rd

90

Gore Rd

Lake Rd

Creek Rd

Reed Rd

S Ridge Rd

531

Harmon Rd

20

90