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EUGENE MALISZEWSKYJ  
ENGINEERING CONSULTANT

ACCEPTED/FILED

OCT 18 2013

Federal Communications Commission  
Office of the Secretary

ARTHUR BLOOSTON  
1914 - 1999

**WRITER'S CONTACT INFORMATION**

gjd@bloostonlaw.com  
202-828-5528

**REDACTED - FOR PUBLIC INSPECTION**

*VIA HAND DELIVERY AND ECFS*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**RE: Form 481 - Carrier Annual Reporting Data Collection Form  
WC Dockets No. 10-90 and 11-42**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules<sup>1</sup> and the Commission's *Public Notice*<sup>2</sup> and *Protective Order*<sup>3</sup> in this proceeding, Kinsman Mutual Telephone Company ("the Company") hereby submits two copies of its "FCC Form 481 - Carrier Annual Reporting Data Collection Form," which was timely filed with the Universal Service Administrative Company and the appropriate state commission on or before October 15, 2013, and which includes a Redacted Confidential Document containing proprietary and confidential financial information that has been obscured.

<sup>1</sup> 47 CFR §§54.313 and 54.422.

<sup>2</sup> *Wireline Competition Bureau Announces Filing Deadline of October 15, 2013 for Eligible Telecommunications Carriers to File High-Cost and Low-Income Annual Reports*, PUBLIC NOTICE, WC Dockets No. 10-90 and 11-42, DA 13-1707, released August 6, 2013.

<sup>3</sup> *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket No. 10-90, et al., DA 12-1857, released November 16, 2013.

File of Copies rec'd 0+1  
LRA/SCDE

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The Company seeks confidential treatment under the *Protective Order* for the financial information included in its report pursuant to §54.313(f)(2). Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public. The Company is also submitting a copy of its FCC Form 481 (including the Redacted Confidential Document) via the Electronic Comment Filing System, as directed by the Public Notice.

Due to temporary closure of the Commission's filing window, mail room, and electronic filing systems beginning October 1, 2013, this filing is being submitted on the business day following the day of return to normal operations in accordance with the Commission's Public Notice on filing procedures in the event of a lapse in funding.<sup>4</sup> If you have any questions regarding this matter, please contact undersigned counsel.

Respectfully submitted,

Gerard J. Duffy

Filed: **OCT 18 2013**

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<sup>4</sup> *Procedures for Filings in the Event of a Lapse in Funding*, PUBLIC NOTICE, released October 1, 2013.

**FCC Form 481 - Carrier Annual Reporting Data Collection Form**  
 FCC Form 481  
 OMB Control No. 3060-0286/OMB Control No. 3060-0113  
 July 2013

<010> Study Area Code 341041

<015> Study Area Name KINSMAN MUTUAL TEL

<020> Program Year 2014

<030> Contact Name: Person USAC should contact with questions about this data Mike Petrouske

<035> Contact Telephone Number: Number of the person identified in data line <030> 815-621-5212

<039> Contact Email Address: Email of the person identified in data line <030> mpetrouske@hometel.com

**ANNUAL REPORTING FOR ALL CARRIERS**

	54.313 Completion Required	54.422 Completion Required
--	----------------------------------	----------------------------------

			(check box when complete)	
	54.313 Completion Required	54.422 Completion Required		
<100> Service Quality Improvement Reporting (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<200> Outage Reporting (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice) <input type="text" value="0"/> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<310> Detail on Attempts (voice)	<input type="checkbox"/>	<input type="checkbox"/>		
<320> Unfulfilled Service Requests (broadband)	<input type="checkbox"/>	<input type="checkbox"/>		
<330> Detail on Attempts (broadband) (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>		
<400> Number of Complaints per 1,000 customers (voice)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<410> Fixed <input type="text" value="0.0"/>				
<420> Mobile <input type="text"/>				
<430> Number of Complaints per 1,000 customers (broadband)	<input type="checkbox"/>	<input type="checkbox"/>		
<440> Fixed <input type="text"/>				
<450> Mobile <input type="text"/>				
<500> Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<510> <input type="text" value="34104111510"/> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<600> Functionality in Emergency Situations (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<610> <input type="text" value="34104111610"/> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<700> Company Price Offerings (voice) (complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>		
<710> Company Price Offerings (broadband) (complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>		
<800> Operating Companies and Affiliates (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> (if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<1000> Voice Services Rate Comparability (check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>		
<1010> <input type="text"/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>		
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>		
<1110> <input type="text"/> (complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>		
<1200> Terms and Condition for Lifeline Customers (complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**  
 Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000> (check to indicate certification)

<2005> (complete attached worksheet)

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000> (check to indicate certification)

<3005> (complete attached worksheet)

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035>	Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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

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

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

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

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








**(900) Tribal Lands Reporting  
Data Collection Form**

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

<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035>	Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

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

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

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting Data Collection Form** FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTUAL TEL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Mike Petruske
<035> Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetruske@hometel.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box 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)

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035>	Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 341041111210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP \_\_\_\_\_

"Please check these boxes below to confirm that the attached PDF, 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.

<b>(2000) Price Cap Carrier Additional Documentation</b> Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<b>&lt;010&gt;</b>	Study Area Code	341041
<b>&lt;015&gt;</b>	Study Area Name	KINSMAN MUTUAL TEL
<b>&lt;020&gt;</b>	Program Year	2014
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

**CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, 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(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.**

**Incremental Connect America Phase I reporting**

- <2010>** 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011>** 3rd Year Certification {47 CFR § 54.313(b)(2)}

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012>** 2013 Frozen Support Certification
- <2013>** 2014 Frozen Support Certification
- <2014>** 2015 Frozen Support Certification
- <2015>** 2016 and future Frozen Support Certification

**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)}**

- <2017>** 3rd year Broadband Service Certification
- <2018>** 5th year Broadband Service Certification
- <2019>** Interim Progress Certification
- <2020>** Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021>** Interim Progress Community Anchor Institutions  Name of Attached Document Listing Required Information \_\_\_\_\_



Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTUAL TEL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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

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

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

<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTUAL TEL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.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>Mike Petrouske</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:	Mike Petrouske
Name of Reporting Carrier:	KINSMAN MUTUAL TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Officer:	Michelle Baudino
Title or position of Authorized Officer:	Secretary/Treasurer
Telephone number of Authorized Officer:	815-392-4210
Study Area Code of Reporting Carrier:	341041 Filing Due Date for this form: 10/15/2013
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:	KINSMAN MUTUAL TEL
Name of Authorized Agent or Employee of Agent:	Mike Petrouske
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Agent or Employee of Agent:	Mike Petrouske
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	815-621-5212
Study Area Code of Reporting Carrier:	341041 Filing Due Date for this form: 10/15/2013
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



341041il510.pdf

Kinsman Mutual Telephone Company (SAC 341041)  
FCC Form 481 – Line 510  
Program Year – 2014

**Service Quality Standards and Consumer Protection Compliance Explanation Document:**

The company is in compliance with all Federal and State service quality standards and consumer protection rules.

The Illinois Commerce Commission has defined standards for service quality in its administrative rule parts 730 and 735 for incumbent local exchange carriers. The company is in compliance with these rules. The company has systems in place for customers with regard to service trouble reporting, billing issues questions and complaints, service offerings information, after hours service problem reporting and other customer issues resolution.

The company also complies with all applicable consumer protection rules including the implementation of customer data protection under the Federal Communications Commission's rules for Customer Proprietary Network Information.

341041il610.pdf

Kinsman Mutual Telephone Company (SAC 341041)  
FCC Form 481 – Line 610  
Program Year – 2014

Emergency Functionality Explanation Document:

The company maintains emergency backup power for the local distribution plant and central office and transmission facilities that keep the company functional in an emergency which deprives the company equipment of commercial electrical power.

The central office facility is powered with commercial electric power and battery banks that continue power to the office and transmission equipment for a period of 8 hours in the event of a power source outage. The central office is equipped with a liquid propane powered generator with a fuel capacity of 12 hours of generation capacity to continue supplying power in the event of a power outage. The propane can be replenished without stopping the generator, so the company has the ability to continue generation of power beyond the initial capacity of the tank. The company can remain operational in the situation where commercial power is lost..

The company has additional route capacity to keep emergency service (911 service) available in the event of an emergency situation. The company also supplies an emergency answering point (call box) for emergency personnel in the event of an isolation or emergency situation.

Kinsman Mutual Telephone Co. (SAC 341041)  
FCC Form 481 – Line 1210  
Program Year – 2014

### Terms & Conditions of Voice Telephony Lifeline Program

The Lifeline Program is a federally funded program established to provide monthly assistance to low income households. Eligible subscribers may receive a discount of \$9.25 for the monthly Federal subscriber line charge and voice telephony service, or a bundled service that includes voice telephony service.

To qualify for the program, the Lifeline applicant must participate in any of the following assistance programs. The Illinois Department of Human Services may certify the applicant's participation in assistance programs listed below for purposes of determining eligibility.

- Medicaid
- Supplemental Nutrition Assistance Program
- Supplemental Security Income (SSI)
- Federal Housing Assistance (Section 8)
- Low Income Home Energy Assistance (LIHEAP)
- National School Lunch Program's free lunch program
- Temporary Assistance to Needy Families (TANF)
- Head Start
- Customer household income is at or below 135% of the National Poverty Guidelines, for a household of that size

The Telephone Company's verification of income eligibility will be through the Department of Human Services or, in lieu of electronic verification, applicants will sign a form certifying that the applicant qualifies under the program criteria, and provide program participation or income documentation to the Company for review and verification of eligibility.

The Lifeline program credit shall be limited to one credit per low income household or economic unit.

Lifeline service shall not be disconnected for non-payment of toll charges.

Qualifying low-income subscribers who voluntarily elect toll blocking, where available, will not be required to pay a service deposit in order to initiate Lifeline Service. This service will only be provided at the customer's request.

Qualifying Lifeline customers will not be charged a monthly number-portability charge.

Basic Residential Local Exchange service is available to all Lifeline qualified customers.

Basic Residential Local Exchange Service offers the customer unlimited local calling, emergency service calling (at no additional charge), access to directory assistance service (additional charge per call), equal access to interexchange toll carrier service (additional charges based on carrier toll plans) and access to operator services.

KINSMAN MUTUAL TELEPHONE CO.

219 W. MAIN ST. P.O. BOX 747  
KINSMAN, IL 60437-0747  
(815)392-4210 (815)392-4211 FAX

**SECTION 54.313(f)(2)(iii) OFFICER CERTIFICATION**

Pursuant to Section 54.313(f)(2)(iii) of the FCC Rules, I, Michelle Baudino, hereby certify the following under penalty of perjury:

1. I am the Secretary/Treasurer of Kinsman Mutual Telephone Company (the "Carrier"; Study Area Code 341041), and am authorized to make this certification on its behalf.
2. The Carrier was not audited in the ordinary course of business for the preceding fiscal year. And, that the Carrier did not have financial statements for fiscal year 2011 compiled or prepared by an independent certified public accountant.
3. The reported data in the accompanying financial statements of the Carrier are accurate.
4. The accompanying financial statements of the Carrier have been subject to review by Marlett & Associates, CPAs LTD, an independent certified public accountant.

Michelle Baudino

Signature

Michelle Baudino

Printed Name

October 10, 2013

Date

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**KINSMAN MUTUAL TELEPHONE COMPANY**  
**KINSMAN, ILLINOIS**

**REVIEWED FINANCIAL STATEMENTS**  
**Year ended December 31, 2012**

REDACTED - FOR PUBLIC INSPECTION



REDACTED - FOR PUBLIC INSPECTION

MARLETT & ASSOCIATES  
C P A S LTD

3220 Pleasant Run, Suite B  
Springfield, Illinois 62711

Tel: (217) 793-3541  
Fax: (217) 793-3816  
[www.twocpas.net](http://www.twocpas.net)

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Kinsman Mutual Telephone Company  
Kinsman, Illinois

We have reviewed the accompanying balance sheet of Kinsman Mutual Telephone Company, (an Illinois corporation) as of December 31, 2012, and the related statements of operations and patronage capital and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matters described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has informed us that Kinsman Mutual Telephone Company has been operating as a not-for-profit organization exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code; however, approval of this status has never been sought or obtained from the Internal Revenue Service and no federal tax returns have been filed. The effects of these omissions on financial position, results of operations, and cash flows have not been determined. See Note 4 to the Financial Statements

*Marlett & Associates CPAs, Ltd.*

Springfield, Illinois  
August 21, 2013

REDACTED - FOR PUBLIC INSPECTION

REDACTED - FOR PUBLIC INSPECTION

KINSMAN MUTUAL TELEPHONE COMPANY  
KINSMAN, ILLINOIS

BALANCE SHEET  
December 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents  
Accounts receivable:  
    Due from customers  
    Interexchange carriers  
Prepayments

PROPERTY, PLANT AND EQUIPMENT

Telephone plant in service  
Less accumulated depreciation

TOTAL ASSETS

See accompanying notes and independent accountant's review report.

REDACTED - FOR PUBLIC INSPECTION

**REDACTED - FOR PUBLIC INSPECTION**

**KINSMAN MUTUAL TELEPHONE COMPANY  
KINSMAN, ILLINOIS**

**BALANCE SHEET  
December 31, 2012**

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable  
Accrued taxes

**MEMBERS' EQUITY**

Memberships  
Patronage capital

**TOTAL LIABILITIES AND  
MEMBERS' EQUITY**

See accompanying notes and independent accountant's review report.

**REDACTED - FOR PUBLIC INSPECTION**

REDACTED - FOR PUBLIC INSPECTION

KINSMAN MUTUAL TELEPHONE COMPANY  
KINSMAN, ILLINOIS

STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL  
Year ended December 31, 2012

OPERATING REVENUES

Local network services  
Network access services  
Long distance services  
Customer credits  
Miscellaneous revenue

OPERATING EXPENSES

Plant specific operations  
Plant nonspecific operations  
Cost of long distance services  
Cost of internet services  
Depreciation  
Customer operations  
Corporate operations  
Other taxes

OPERATING MARGINS

OTHER INCOME

Interest income

NET MARGIN

PATRONAGE CAPITAL, Beginning of Year

PATRONAGE CAPITAL, End of Year

See accompanying notes and independent accountant's review report.

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KINSMAN MUTUAL TELEPHONE COMPANY  
KINSMAN, ILLINOIS

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Net margin  
Adjustments to reconcile net margin to net cash  
provided by operating activities:  
Depreciation  
Changes in assets and liabilities:  
Receivables  
Accounts payable  
Accrued taxes  
Other  
Net cash used in operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures  
Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in memberships  
Net cash provided by financing activities

Net Decrease in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for:  
Interest  
Income Taxes

See accompanying notes and independent accountant's review report.

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