

<010> Study Area Code 502279

<015> Study Area Name GURNISON TEL CO

<020> Program Year 2016

<030> Contact Name: Person USAC should contact with questions about this data Natalie Gleave

<035> Contact Telephone Number: Number of the person identified in data line <030> 4355297236 ext.

<039> Contact Email Address: Email of the person identified in data line <030> natalieg@gtelco.net

ANNUAL REPORTING FOR ALL CARRIERS	54,313 Completion Required	54,422 Completion Required
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		(check box when complete)	
<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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300>	Unfulfilled Service Requests (voice) 0	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice) (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband) 0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband) (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440>	Fixed 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450>	Mobile 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	502279ut510.pdf (attached 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>	502279ut610.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" 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 Certification Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>	(attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers (complete attached worksheet)	<input checked="" 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)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

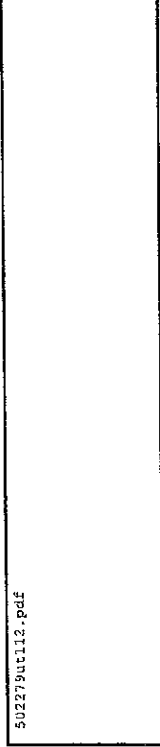
**(100) Service Quality Improvement Reporting
Data Collection Form**

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

<010> Study Area Code 502279
 <015> Study Area Name GURNISON TEL CO
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Natalie Gleave
 <035> Contact Telephone Number - Number of person identified in data line <030> 4355287236 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> natalieg@gteico.net
 <110> Has your company received its ETC certification from the FCC? (yes / no)
 If your answer to Line <110> is yes, do you have an existing §54.202(a) "5
 <111> year plan" filed with the FCC? (yes / no)

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

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

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

**(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 502279

<015> Study Area Name GUNNISON TEL CO

<020> Program Year 2016

<030> Contact Name - Person USAC should contact regarding this data Natalie O'Leave

<035> Contact Telephone Number - Number of person identified in data line <030> 4355297236 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> natalie@gtelco.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

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

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

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

<010> Study Area Code 502279
 <015> Study Area Name CUNNINGHAM TEL CO
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Natalie Gleave
 <035> Contact Telephone Number - Number of person identified in data line <030> 4355287236 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> natalie@gteico.net

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website HTTP <http://www.gteico.net/>

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

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

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

FCC Form 461
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Email Address - Email Address of person identified in data line <030>

Select the appropriate responses below (Yes, No, Not Applicable) 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)(i))
 <2011a> 3rd Year Certification (47 CFR § 54.313(b)(1)(ii))
 <2011b> Attachment (47 CFR § 54.313(b)(1)(ii))

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))
 <2012> 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))
 <2013> 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))
 <2014> 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))
 <2015> 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4))

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))
 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

Please check the box to confirm that the attached document(s), 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(s) Listing Required Information

[Empty boxes for listing document names]

[Empty box for listing required information]

FCC Form 487
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[3000] Rate Of Return Carrier, Additional Documentation
Data Collection Form

<010> Study Area Code 502279
<015> Study Area Name GUNNISON TEL CO
<020> Program Year 2016
<025> Contact Name - Person USAC should contact regarding this data Hettalie, Cleave
<030> Contact Telephone Number - Number of person identified in data line <030> 4355287236.EXT.
<035> Contact Email Address - Email Address of person identified in data line <030> hettalie@bellsouth.net

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

<010> Study Area Code 502279
<015> Study Area Name GUNNISON TEL CO
<020> Program Year 2016
<025> Contact Name - Person USAC should contact regarding this data Hettalie, Cleave
<030> Contact Telephone Number - Number of person identified in data line <030> 4355287236.EXT.
<035> Contact Email Address - Email Address of person identified in data line <030> hettalie@bellsouth.net

[3010] Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

502279ut3010.pdf
Name of Attached Document Listing Required Information

[3012] Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

502279ut3012.pdf
Name of Attached Document Listing Required Information

[3013] Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
[3014] If yes, does your company file the RUS annual report

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

[3015] Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
[3016] Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

502279ut3017.pdf
Name of Attached Document Listing Required Information

[3017] If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

[3018] If the response is no on line 3014, is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3025 pursuant to § 54.313(f)(2), contains either a copy of their audited financial statement; or (2) a financial report, in a format comparable to RUS Operating Report for Telecommunications

[3019] Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
[3020] Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit
[3021] If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

[3022] Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,
[3023] Underlying information subjected to a review by an independent certified public accountant
[3024] Underlying information subjected to an officer certification.
[3025] Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
502279ut3026.pdf
Name of Attached Document Listing Required Information

[3026] Attach the worksheet listing required information

(3000) Rate Of Return Carries Additional Documentation (Continued)

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

Data Collection Form

<010> Study Area Code 302779
 <015> Study Area Name BURNISON TEL CO
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Mattie Glauve
 <035> Contact Telephone Number - Number of person identified in data line <030> 435287236 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> mattie.glauve@telco.net

Financial Data Summary

(3027) Revenue	1427512
(3028) Operating Expenses	1355448
(3029) Net Income	38640
(3030) Telephone Plant In Service(TPIS)	5034595
(3031) Total Assets	1537595
(3032) Total Debt	0
(3033) Total Equity	1491416
(3034) Dividends	303310

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	502279
<015>	Study Area Name	GUNNISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Natalie Gleave
<035>	Contact Telephone Number - Number of person identified in data line <030>	4355287236 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	natalieg@gtelco.net

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

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

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	502279
<015> Study Area Name	GUNNISON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Natalie Gleave
<035> Contact Telephone Number - Number of person identified in data line <030>	4355287236 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	natalieg@gtelco.net

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>JSI</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:	JSI
Name of Reporting Carrier:	GUNNISON TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/18/2015
Printed name of Authorized Officer:	Natalie Gleave
Title or position of Authorized Officer:	Form 481 Officer
Telephone number of Authorized Officer:	4355287236 ext.
Study Area Code of Reporting Carrier:	502279 Filing Due Date for this form: 07/01/2015
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:	GUNNISON TEL CO
Name of Authorized Agent or Employee of Agent:	JSI
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/18/2015
Printed name of Authorized Agent or Employee of Agent:	Cassandra Heyne
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	3014597590 ext.
Study Area Code of Reporting Carrier:	502279 Filing Due Date for this form: 07/01/2015
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



[USAC Home](#) [High Cost Program](#) [Search Tools](#) [Form 481](#)

CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 3 was successfully certified on Thu 18 Jun 15 12:09:53 PM EDT by natalieg@gtelco.net .

SAC : 502279

SPIN : 143002566

Carrier Name : GUNNISON TEL CO

Program Year : 2016

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at HCCERTS@USAC.ORG if you do not receive this email within 24 hours.

[Return to 481 Search](#) [Print Confirmation Page](#)

Gunnison Telephone Company Demonstration of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

In establishing this certification in its *2005 ETC Order*,¹ the FCC found that an ETC must make “a specific commitment to objective measures to protect consumers.”² The Commission found that for wireless ETCs, compliance with CTIA’s Consumer Code for Wireless Service would satisfy this requirement” and that the sufficiency of other commitments would be considered on a case-by-case basis.³ In this context, the FCC stated, “to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement.”⁴

Gunnison Telephone Company (“Company”) hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under the Utah Service Rules for Telecommunications Corporations. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff pursuant to the requirements of Utah Public Service Commission which disclose rates, terms and conditions of service to customers; (2) adherence to state consumer protection requirements governing telephone providers which require billing procedures (R746-240-4) and procedures for responding to and

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“*2005 ETC Order*”).

² *Id.* at para. 28.

³ *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: “(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy.” *Id.* at n. 71.

⁴ *Id.* at n. 72.

resolving consumer disputes (R746-240-7); (3) truth-in-billing requirements; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy. Pursuant to Telecommunications Service Rule R746-240-1.H, the Company provides a copy of "Customer's Statement of Rights and Responsibilities" as approved by the Utah Public Service Commission to all account holders.

The Company is subject to consumer protection obligations for broadband services under federal law. These obligations include, but are not limited to, the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services; as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, service and device providers to develop, market, and maintain internet offerings as specified in F.C.C. 47 C.F.R. Part 8 §8.3. The Company furthermore will comply with all requirements set forth in the *2015 Open Internet Order* when it becomes effective.

**Gunnison Telephone Company's Demonstration of Ability to Function in
Emergency Situations**

Gunnison Telephone Company hereby certifies that it is able to function in emergency situations as set forth in §54.202(a)(2).¹ The Company's voice and broadband network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. The Company's central office can maintain 8 hours battery reserve rated for peak traffic load requirements, and a permanent auxiliary power unit is installed which can be delivered and connected within four hours. The Company has battery backup at all office locations and in its electronic equipment sites capable of running for a minimum of 8 hours.

Length of run time is determined by the equipment serving the area and the number of customers working out of the equipment. Generators are installed at all Central Office

¹ Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

locations. They will continue to run as long as the Company has access to fuel. The Company tests the batteries at least once per year.

**CONFIDENTIAL
NOT FOR PUBLIC INSPECTION**

**Five-Year Network Improvement Plan and Progress Report
For Gunnison Telephone Company**

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) required Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.¹ In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”² Gunnison Telephone Company (“GTC” or the “Company”) is a rate-of-return carrier ETC and hereby submits its annual progress report covering any progress made during the first half of 2015 on the initial five-year network improvement plan submitted in 2014 as well as any updates to the plan made since initial submission of the plan.

I. The Company’s Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it set forth the following criteria as to how the ETC is to describe with

¹ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC 11-161*, No. 11-9900 www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. filed May 23, 2014); see also *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para’s. 4, 6-9. Delaying Five-year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

² *March 5, 2013 Order* at Para. 9 citing Section 54.202(a)(1)(ii).

“specificity” the proposed improvements or upgrades to the ETC’s network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.³

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”⁴ Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”⁵ The instructions also require that in subsequent annual progress reports, which must include the total amount of universal support received, this information must be provided “broken out separately by the amount spent

³ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“2005 ETC Order”).

⁴ *Id.*

⁵ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

on capital expenses and the amount spent on operating expenses.”⁶ Accordingly, the Company’s five-year plan separately provides both capital expenditures and operating expenses.

A. The Company’s Major Network Improvement Projects

Based upon this framework, **Appendix A** updates the Company’s five-year plan submitted in 2014 and reflects Gunnison’s major network improvement projects for the calendar years 2015 through 2019⁷ along with the start and completion dates, capital costs, areas and population associated with those projects.

B. How These Projects Will Improve the Network

Gunnison Telephone Company is moving forward with the original five-year plan submitted in 2014. GTC is in process of completing a project of 100 % buried cable, both trunk cable, fiber optic cable and drop cable. This will improve service and reduce trouble instances. GTC will be using hybrid fiber/copper cables to facilitate the possibility of FTTH or at least FTTC in future greenfield installs and replacement installs. Along with installing Calix E7 and E3 remote equipment and the use of some Nanobridge M5 radio, GTC is able to offer requested bandwidth to even our most remote customers. Broadband is the new driver, but quality of voice service is important in the Gunnison service area. GTC is striving to get the most from existing copper service and will continue to upgrade the same while paying attention to the future bandwidth demands. GTC has various planned projects ongoing in 2016-2019 such as vehicle and work equipment replacement, upgrading circuit equipment, and cable replacement that will update technology and address maintenance issues and improve service quality.

⁶ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

⁷ The initial five-year network improvement plan covered calendar years 2015 through 2019.

General vehicle, electronics and equipment upgrades will benefit the entire service area.

The areas and populations that will benefit from cable replacement projects are listed in Appendix A.

C. Estimated Capital Expenditures and Operating Expenses

The first table in **Appendix B** included herein specifies the capital expenditures (projects) in **Appendix A**, by Part 32 account, along with the respective year in which the expenditures are expected to occur. In the second table of **Appendix B**, the projected operating expenses are provided, including depreciation expense for both embedded plant investment and for capital expenditures, which begins when the capital expenditures are projected to be placed into service.

II. The Company's Progress Report on its Five-Year Network Improvement Plan

Because the calendar year 2015 is still under way, Gunnison Telephone Company is only able to report progress made prior to or over the first five months of 2015. Comprehensive progress made on network improvements in calendar year 2015 will be reported by Gunnison in its 2016 ETC Annual Report. Gunnison Telephone Company hereby provides the following required elements of its progress report to satisfy Form 481 reporting obligations.

A. The Amount of Universal Service Support Received by the Company

For the first few months of 2015 Gunnison Telephone Company received a total of \$104,125.00 in high cost universal service support ("USF") through the following mechanisms:

- \$76,950.00 for Interstate Common Line Support ("ICLS");
- \$0 for High Cost Loop Support ("HCLS");
- \$27,175.00 for ICC CAF Support;

B. How Gunnison Telephone Company Has Used USF to Improve Service Quality, Coverage and Capacity

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support (“USF”) “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁸ Pursuant to Section 54.314 of the FCC’s rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1st stating that all federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁹ ETCs not designated by a state must file similar certifications with the FCC.¹⁰

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five-year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.¹¹ The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.¹² In this context, the Commission stated, “[i]n light of the

⁸ 47 U.S.C. § 254(e).

⁹ 47 C.F.R. § 54.314(a).

¹⁰ 47 C.F.R. § 54.314(b).

¹¹ See *USF/ICC Transformation Order* at Para. 612.

¹² *Id.*

public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”¹³

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Gunnison depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan as updated herein and the progress reports will have in the annual Section 254(e) certification process, Gunnison’s plan and progress reports demonstrate how the Company has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended. The Company hereby reports that for the first five months of 2015, it has made the following progress on meeting targets specified in its Five-Year Network Improvement Plan and that during those months it has used the amount of USF specified under Section II(A) above solely for which the support was intended. The support received has been used to maintain the network and provide service to our customers. It has also been used to progress on upgrading our equipment and progressing on the Five-Year Network Improvement Plan.

¹³ *Id.* (emphasis supplied).

C. Maps Depicting the Company's Network Progress

Attached to this Five-Year Network Improvement Plan as **Appendix C** is GTC's map depicting the extent of the Company's network within its service area and indicating specific geographic areas associated with certain projects listed above.

D. Network Improvement Targets Not Met

Because 2015 is the first year of the Company's network improvement plan, there is no previous year for which to report network improvement targets that have not been fulfilled. The Company will report such information for calendar year 2015 as well as progress towards meeting its targets for that year in its progress report submitted in 2016.

Appendix A

Study Area Code 502279
 Study Area Name Gunnison Telephone Company
 Company Contact Name Natalie Gleave
 Contact Telephone Number 435-528-7236
 Contact Email Address natalieg@gelco.net

PART A - PROJECT LIST FOR 2015-2019

Project	Start Date	Completion	Areas	Population	Total Dollars
Vehicle and Work equipment replacement	2015	2016	Entire Service Area	5,586	125,000
Replace Aerial cable with buried cable	2015	2019	50 N, 50 S, 100 E to 200 E, 100E to 200E, 100S 200 W to 400 W Center, Gunnison	195	58,600
Replace deteriorating Aerial cable with buried cable	2015	2019	Entire Service Area	5,586	141,400
Upgrade Circuit Equipment	2016	2019	Entire Service Area	5,586	255,000
Switch software upgrades	2016	2019	Entire Service Area	5,586	20,000
Totals					\$ 600,000

Appendix B

Study Area Code	502279
Study Area Name	Gunnison Telephone Company
Company Contact Name	Natalie Gleave
Contact Telephone Number	435-528-7236
Contact Email Address	natalieg@gtelco.net

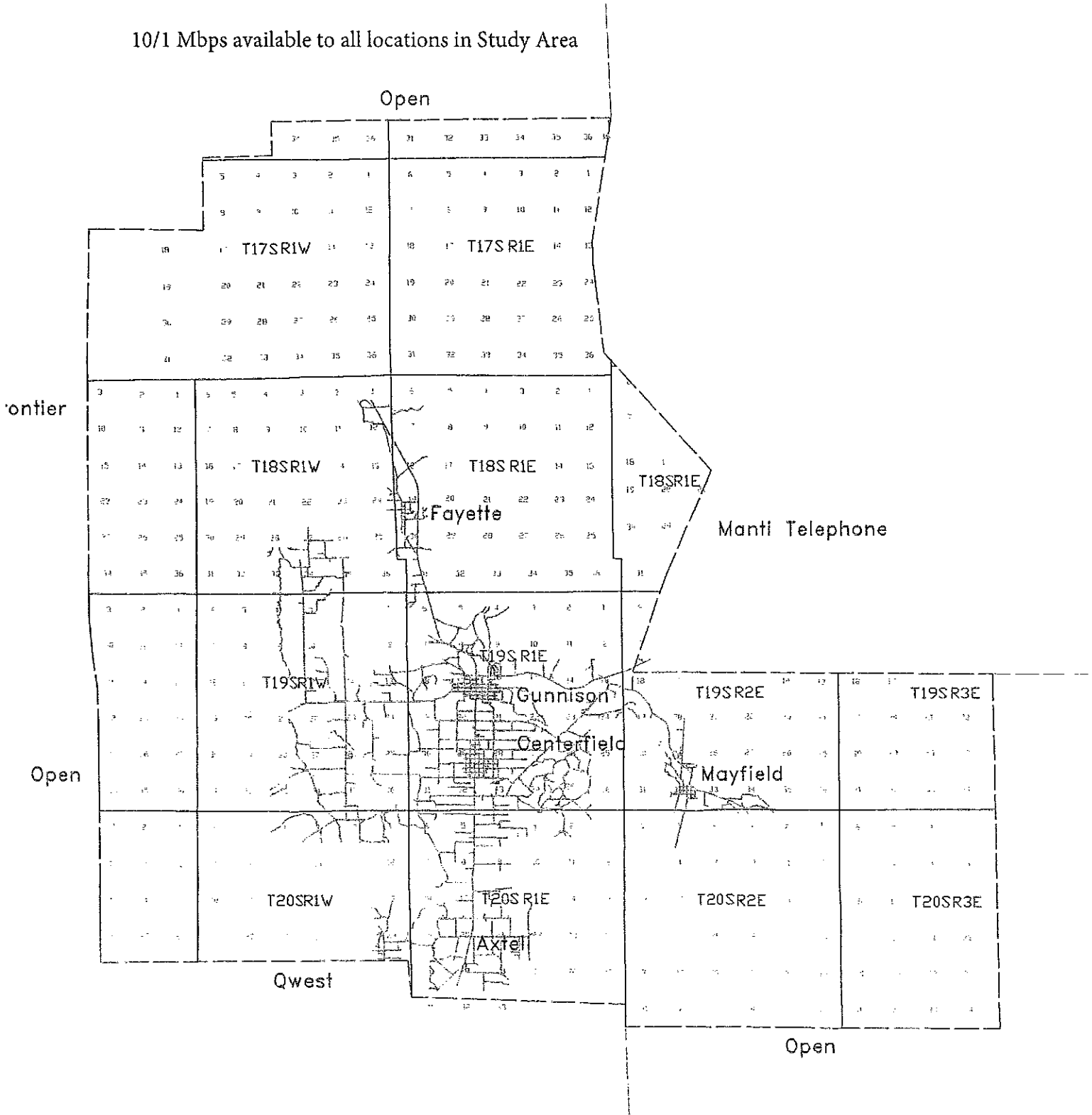
Part B: 5-Year Proposed Capital Expenditures and Operating Expenses

Regulated Capital Expenditure (CapEX) Projections							
Account	Description	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019
2111 & 2121	Land & Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2112	Vehicles	\$ 100,000	\$ 25,000				\$ 125,000
2122-2124	Support Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2210	Switching Equipment		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
2232	Circuit Equipment		\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 255,000
2410	Cable & Wire Facilities	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
1220	Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Capital Expenditures	\$ 140,000	\$ 133,750	\$ 108,750	\$ 108,750	\$ 108,750	\$ 600,000

Regulated Operating Expenditure (OpEx) Projections							
Account	Operating Expenses	2015	2016	2017	2018	2019	Total Operating Expenses 2015-2019
6110-6120	General Support Maintenance	\$ 69,388	\$ 71,470	\$ 73,614	\$ 75,823	\$ 78,097	\$ 368,393
6210	Switching Maintenance	\$ 28,000	\$ 28,840	\$ 29,705	\$ 30,596	\$ 31,514	\$ 148,656
6230	COE Transmission Maintenance	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 106,183
6410	Cable & Wire Facilities	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 106,183
6530	Non-Specific (Testing, Plant Op., Engineering)	\$ 350,000	\$ 360,500	\$ 371,315	\$ 382,454	\$ 393,928	\$ 1,858,198
6561-2110	General Support Depreciation	\$ 45,800	\$ 45,800	\$ 45,800	\$ 45,800	\$ 45,800	\$ 229,000
6561-2210	Switching Depreciation	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
6561-2230	Circuit Equip Depreciation	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
6561-2410	Cable & Wire Depreciation	\$ 81,000	\$ 81,000	\$ 81,000	\$ 81,000	\$ 81,000	\$ 405,000
6610-6620	Customer Operations	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,413	\$ 398,185
6711-6720	Corporate Operations	\$ 400,000	\$ 412,000	\$ 424,360	\$ 437,091	\$ 450,204	\$ 2,123,654
7240	Ad Valorem Expense	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 95,564
	Total Operating Expenses	\$ 1,252,188	\$ 1,281,600	\$ 1,311,894	\$ 1,343,097	\$ 1,375,236	\$ 6,564,015

Gunnison Telephone Company Boundary Map

10/1 Mbps available to all locations in Study Area



Gunnison Telephone Company (SAC 502279)

Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))

Gunnison Telephone Company hereby certifies that throughout 2014, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, and currently, it is taking reasonable steps to provide upon reasonable request actual speeds of at least 10 Mbps downstream/1 Mbps upstream broadband service at with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

Gunnison Telephone Company (SAC 502279)**Response to Line 3012 - List of Community Anchor Institutions to Which the ETC Newly
Began Providing Service**

The FCC's *USF/ICC Transformation Order* requires a listing of community anchor institutions to which the ETC newly began providing broadband service. Gunnison Telephone Company did not newly begin providing community anchor institutions with access to broadband service in calendar year 2014.

THORNE
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Gunnison Telephone Company
Gunnison, Utah 84634

Board of Directors,

We have audited the accompanying financial statements of Gunnison Telephone Company, a Utah corporation, which comprise the balance sheet as of December 31, 2014, and the related statements of income and retained earnings, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 Gunnison Telephone Company as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sincerely,


Leslie P. Thorne and Associates
Certified Public Accountants
Salt Lake City, Utah
May 28, 2015

Gunnison Telephone Company
Balance Sheet
December 31, 2014

Assets

Current Assets

Cash and Cash Equivalents	\$	111,044	
Accounts Receivable		151,802	
Materials and Supplies		24,742	
Prepaid Expenses and Accrued Interest		12,235	
Prepaid Federal and State Income Taxes		15,133	
Total Current Assets		314,956	\$ 314,956

Property, Plant, and Equipment

Land		15,000	
Buildings		472,767	
Vehicles		141,436	
Tools and Work Equipment		259,953	
Furniture and Office Equipment		38,596	
General Purpose Computers		164,722	
Telecommunications Equipment		3,942,121	
Total Property, Plant, and Equipment		5,034,595	
Less: Accumulated Depreciation		3,833,290	
Net Property, Plant, and Equipment			1,201,305

Other Assets

Non-Regulated Investment-Interest		105,563	
Less: Amortization Non-Regulated Investment-Interest		84,229	
Net Other Assets		21,334	
Total Assets			\$ <u>1,537,595</u>

Liabilities and Stockholders' Equity

Current Liabilities

Accounts Payable - Trade	\$	26,365	
Customer Deposits		2,100	
Accrued Expenses		17,714	
Total Current Liabilities		46,179	\$ 46,179

Stockholders' Equity

Common Stock, 30,000 Shares Authorized, Par Value \$2.50, Issued and Outstanding 22,026 Shares		55,065	
Retained Earnings		1,447,181	
Less: Treasury Stock		(10,830)	
Total Stockholders' Equity		1,491,416	
Total Liabilities and Stockholders' Equity			\$ <u>1,537,595</u>

See Accompanying Notes Which are an Integral Part of These Financial Statements.

Gunnison Telephone Company
Statement of Income and Retained Earnings
For the Year Ended December 31, 2014

<u>Income</u>		
Local Services	\$ 384,655	
Access Services	657,470	
Long Distance Services	366,814	
Other Services	<u>18,573</u>	
Total Income		\$ 1,427,512
 <u>Direct Expenses</u>		
Plant Operating Expenses	162,262	
Non Plant Operating Expenses	<u>588,951</u>	
Total Direct Expenses		<u>751,213</u>
Gross Profit		676,299
General and Administrative Expenses		<u>604,235</u>
Income from Operations		72,064
 <u>Other Income</u>		
Interest Income	<u>390</u>	
Total Other Income		390
 <u>Other Expense</u>		
Interest Expense	101	
Other expenses	<u>26,358</u>	
Total Other Expense		<u>26,459</u>
Income Before Income Taxes		45,995
Provision for Income Taxes		<u>7,355</u>
Net Income		38,640
Retained Earnings - January 1, 2014		1,711,851
Less: Dividends Paid		<u>303,310</u>
Retained Earnings - December 31, 2014		<u>\$ 1,447,181</u>

See Accompanying Notes Which are an Integral Part of These Financial Statements.

Gunnison Telephone Company
Notes to Financial Statements
December 31, 2014

Note One – Accounting Policies

Business Activities

Gunnison Telephone Company, a Utah Corporation, is a local telecommunications company that provides and operates a telephone service to the city of Gunnison, Utah and surrounding communities.

Revenue Recognition

The Company's records are maintained on the accrual basis of accounting.

Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates and may result in material differences to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks, savings and other liquid accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are purchased with a maturity date within 90 days or less.

Accounts Receivable

The Company grants credit to customers for services provided and requires a cash deposit which is refunded after six months of continuous use, but generally does not require collateral. Payment terms are net 30 days with a balance due in full. After 30 days the accounts are considered past due. During the year ended December 31, 2014, the Company charged accounts interest after 30 days at a rate of 1% monthly or 12% annually with a minimum late charge per month of \$.50. When the Company believes an account is uncollectible it is written off and charged to bad debt expense. At December 31, 2014 the bad debts were \$31,833.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of accounts receivable and cash equivalents.

The Company's customer base includes businesses and residences. The customers are located in Gunnison City and the surrounding communities. The Company reviews customer credit history before extending credit and requires customers to place a deposit with the Company for six months.

Generally, the Company does not require collateral for its accounts receivable but does require deposits as indicated above.

The Company maintains its cash accounts with banks that have a high credit worthiness rating. The total cash balances are insured by FDIC up to \$250,000 per bank. The Company's cash balance at December 31, 2014 did not exceed the balance insured by the FDIC.

Materials and Supplies

The Company maintains materials and supplies that are not readily available in a short period of time. These items include switching devices and supplies. Items needed to repair or replace parts that have been readily available are not kept on hand. Materials and Supplies are priced at the lower of cost or market.

Plant, Property, Equipment and Depreciation

Land and depreciable equipment are stated at cost. Major replacements and improvements are charged to the capital accounts, while repairs, which do not improve or extend the life of the assets, and maintenance are expensed currently. At the time land or depreciable assets are disposed of, the asset accounts and related accumulated depreciation accounts are relieved of the applicable amounts. Gain or loss on sales are credited or charged to income. Depreciation is computed principally by using the straight-line and declining balance methods of depreciation over the estimated useful life of the asset. The useful lives of the assets range from 3 to 5 years on autos and trucks, 5 to 8 years on furniture and fixtures, 8 to 10 years on switching equipment, and 20 to 39.5 years on buildings and buried cable.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus or minus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statements and income tax purposes. The differences relate primarily to old or uncollectible accounts receivable (deductible for financial statement purposes but not for income tax purposes). The deferred tax assets and liabilities 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. Deferred taxes also are recognized for operating losses and tax credits that are available to offset future taxable income.

Bad Debts

The Company uses the direct-writeoff method for recognition of bad debts for tax and reporting purposes. Management considers the history of low amounts of bad debts to be a good indicator that an allowance is not necessary.

Profit Sharing Plan

The Company has a profit sharing plan that covers substantially all employees. The Company's contributions to the plan are discretionary and may not exceed 15 percent of the aggregate annual salaries of the participants.

Note Two -- Depreciation and Amortization Expense

The depreciation expense for December 31, 2014 was \$260,278. The amortization expense for December 31, 2014 was \$6,798.

Note Three -- Federal Income Taxes

The provision for federal income taxes in the statement of income and retained earnings consists of the following components:

Gunnison Telephone Company
Notes to Financial Statements
December 31, 2014
Continued

Current Federal Income Taxes	<u>\$ 7,355</u>
Provision for Income Taxes	<u>\$ 7,355</u>

The amount of cash paid for federal and state income taxes for the year ended December 31, 2013 was as follows:

Federal Income Taxes	\$ 10,000
State Income Taxes	<u>2,895</u>
Total Income Taxes Paid	<u>\$ 12,895</u>

The following years are subject to audit or review by government authorities:

December 31, 2014
December 31, 2013
December 31, 2012

Note Four – Related Party Transactions

The Company has a land and building lease with one of its officer-shareholders. The lease is on a month to month rental and requires monthly payments of \$450. The rental amount was \$4950 and was charged to expense for the year ended December 31, 2014. The total amount owed at December 31, 2014 was \$0.

The Company uses a long distance carrier that is owned by some of the same shareholders as that of the Company. The total amount billed by the carrier during 2014 was \$34,759. The total amount owed at December 31, 2014 was \$1,999.

Note Five – Profit Sharing Plan

The Company has a profit sharing plan for all full time employees who meet certain age and longevity requirements. The Company's contributions to the plan are discretionary and may not exceed 15 percent of the aggregate annual salaries of the participants. Contributions for the year ended December 31, 2014 were 9% of gross wages. The Company contributed \$51,030 which was charged to expense for the year ended December 31, 2014.

Note Six – Bad Debt Expense

The bad debt expense for the year ended December 31, 2014 was \$31,833.

Note Seven – Compensated Absences

The Company has not accrued compensated absences. The Company's policy is to provide employees paid vacation and medical leave. The leave is to be used during the calendar year. Any unused leave is forfeited and employees are not compensated for the unused portion.

Note Eight – Subsequent Events

In accordance with ASC 855, the Company evaluated subsequent events through May 28, 2015, the date these financial statements were available to be issued. Management does not believe there are any subsequent matters or events that need to be disclosed in these financial statements.

Note Nine – Treasury Stock

The Company purchased 361 shares from one of its stockholders for \$30 per share. The total amount was \$10,830.

Gunnison Telephone Company (SAC 502279)

**Response to Line 3012 - List of Community Anchor Institutions to Which the ETC Newly
Began Providing Service**

The FCC's *USF/ICC Transformation Order* requires a listing of community anchor institutions to which the ETC newly began providing broadband service. Gunnison Telephone Company did not newly begin providing community anchor institutions with access to broadband service in calendar year 2014.