

(Western Study Area 391688)

<010>	Study Area Code	391688
<015>	Study Area Name	WESTERN TEL CO.
<020>	Program Year	2016
<030>	Contact Name: Person USAC should contact with questions about this data	Judy Christiansen
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	jchristiansen@consortiaconsulting.com

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	<b>54.313</b>	<b>54.422</b>
	Completion Required	Completion Required

			(check box when complete)	
<100>	Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<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 type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)			
<410>	Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	<input type="text" value="0.0"/>	<input type="checkbox"/>	<input type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)			
<440>	Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	<input type="text" value="0.0"/>	<input type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	<input type="text" value="391688sd510.pdf"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	<input type="text" value="391688sd610.pdf"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	<input type="radio"/> <input checked="" type="radio"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability Certification		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers		<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>	<i>(check to indicate certification)</i>	<input type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>

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

<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>

<b>(100) Service Quality Improvement Reporting</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	391688
<015>	Study Area Name	WESTERN TEL CO.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

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

391688sd112.pdf

Name of Attached Document

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

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

<b>(200) Service Outage Reporting (Voice)</b> Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039> Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<220>												
<a>	<b1>	<b2>	<b3>	<b4>	<c1>	<c2>	<d>	<e>	<f>	<g>	<h>	
NORS Reference Number	Outage Start Date	Outage Start Time	Outage End Date	Outage End Time	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	Service Outage Description (Check all that apply)	Did This Outage Affect Multiple Study Areas (Yes / No)	Service Outage Resolution	Preventative Procedures	



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

<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (select)

See attached worksheet

<b>(800) Operating Companies</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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<b>&lt;020&gt;</b>	Program Year	2016
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<b>&lt;810&gt;</b>	Reporting Carrier	Venture Communications Cooperative - Western
<b>&lt;811&gt;</b>	Holding Company	Venture Communications Cooperative
<b>&lt;812&gt;</b>	Operating Company	Venture Communications Cooperative

<b>&lt;813&gt;</b>	<b>&lt;a1&gt;</b>	<b>&lt;a2&gt;</b>	<b>&lt;a3&gt;</b>
	<b>Affiliates</b>	<b>SAC</b>	<b>Doing Business As Company or Brand Designation</b>
	-- See attached worksheet --		

<b>(900) Tribal Lands Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028161322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

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

<920> Tribal Government Engagement Obligation

Name of Attached Document

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

- <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 or No or Not Applicable



<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028191322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<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).

<b>(1200) Terms and Condition for Lifeline Customers</b> Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<030>	Contact Name - Person USAC should contact regarding this data	Judv Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

391688ad1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

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

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

<b>(2000) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <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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<010>	Study Area Code	391688
<015>	Study Area Name	WESTERN TEL. CO.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	JUDY CHRISTIANSEN
<035>	Contact Telephone Number - Number of person identified in data line <030>	402818122 EXT.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@comcast.net

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)

Name of Attached Document(s) Listing Required Information

**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))**

- <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 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

<b>(3000) Rate Of Return Carrier Additional Documentation</b>	FCC Form 481
<b>Data Collection Form</b>	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	391688
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<030> Contact Name - Person USAC should contact regarding this data	Judy Christensen
<035> Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jchristensen@consortiaconsulting.com

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). I further certify that the information reported on this form and in the documents attached below is accurate.

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

391688rd3010 . pdf

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(4), 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.

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

391688rd3012 . pdf

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)  Yes  No

(3014) If yes, does your company file the RUS annual report (Yes/No)  Yes  No

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

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

391688rd3017 . pdf

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)  Yes  No

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

391688rd3026 . pdf

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

REDACTED - FOR PUBLIC INSPECTION

(3000) Rate Of Return Carrier Additional Documentation (Continued) Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/DMB Control No. 3060-0819 July 2013
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<010> Study Area Code	391688
<015> Study Area Name	WESTERN TEL. CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035> Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jchristians@consertiaconsulting.com

Financial Data Summary

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

Name of Attached Document Listing Required Information

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

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

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Judy Christiansen</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:	Judy Christiansen
Name of Reporting Carrier:	WESTERN TEL CO.
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/24/2015
Printed name of Authorized Officer:	Randy Houdek
Title or position of Authorized Officer:	CEO/General Manager
Telephone number of Authorized Officer:	6058522224 ext.
Study Area Code of Reporting Carrier:	391688 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:	WESTERN TEL CO.
Name of Authorized Agent or Employee of Agent:	Judy Christiansen
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/24/2015
Printed name of Authorized Agent or Employee of Agent:	Judy Christiansen
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	4028181322 ext.
Study Area Code of Reporting Carrier:	391688 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
















**REDACTED – FOR PUBLIC INSPECTION**

REDACTED - FOR PUBLIC INSPECTION
















Five – Year Plan Progress Report      **Venture Communications Cooperative - Western**

**SAC 391688**

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	\$	
Safety Valve Loop Cost Adjustment	\$	
<b>TOTAL</b>	\$	

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

	Actual
	2014
<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 6530-35)	\$ 
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>	
Switching (Acct 2210)	\$ 
Transmission Equipment (Acct 2230)	\$ 
Cable and wire (Acct 2410)	\$ 
<b>Total</b>	\$ 
<b>Total Supported Expenditures, Before Return on Investment</b>	\$ 

It is estimated that [REDACTED] of the [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 the [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 our broadband capable network 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.

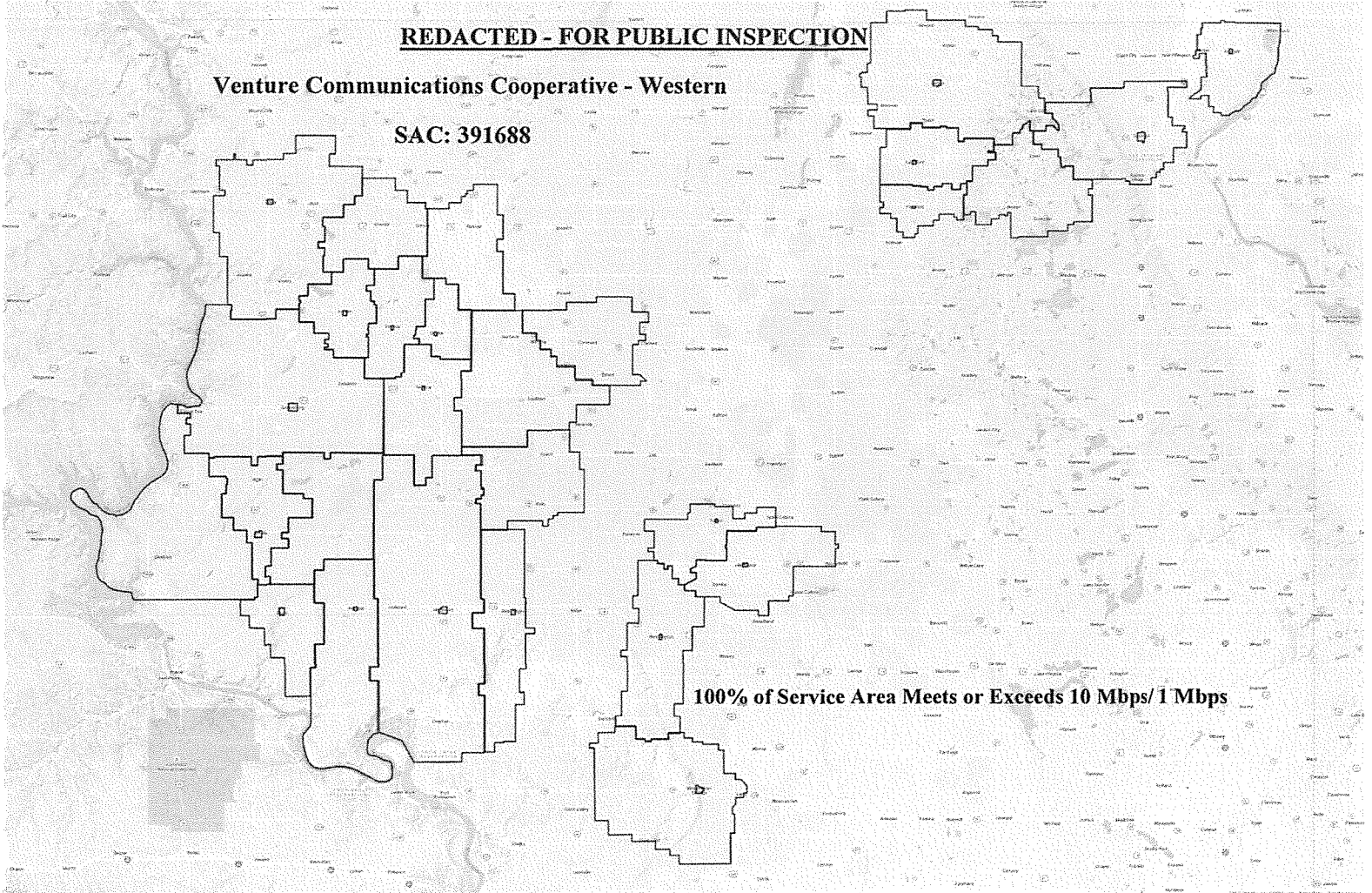
It is estimated that [REDACTED] of the [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 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**

**Venture Communications Cooperative - Western**

**SAC: 391688**

**100% of Service Area Meets or Exceeds 10 Mbps/ 1 Mbps**





Venture Communications Cooperative – Western  
(SAC 391688)

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

This document details the processes and procedures that Western Telephone Company (the "Company") follows to ensure compliance with service quality standards and consumer protection rules as laid out in FCC Form 481 Instructions.

The Company provides voice grade access to the public switched telephone network (PSTN) at a flat rate, enabling access to emergency services provided by local government or other public safety organizations such as 911.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure safe, adequate and continuous service at all times.

In addition, employees are periodically trained on service quality standards and consumer protection issues. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues beyond the normal guidelines in place for resolution of customer complaints. A recent example is the call completion problems that have arisen and the customer calls that are generated as a result. Although this is not a service quality problem caused by the Company, it does affect customers of the Company and, therefore, deserves the attention of the Company employees.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and that the operating procedures are not in violation of consumer protection rules. Internally a compliance officer ensures annual employee training and dictates the disciplinary process for improper use of consumer information. If concerns arise beyond the compliance officer, legal counsel is sought to assist with a resolution.

If complaints are filed with the Company related to service quality standards or consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made. It should be noted that the Company has received no customer complaints in the past five years regarding service quality standards or consumer protection rules as they relate to the service offered by the Company.

The Company advertises the availability of its services and the charges using media of general distribution and on its website.

**Venture Communications Cooperative – Western**  
(SAC 391688)

**Statement Demonstrating Functionality in Emergency Situations**

At line 600 of FCC Form 481, Western Telephone Company (the “Company”) certified that it is able to function in emergency situations as set forth in 47 C.F.R. §54.202(a)(1)(ii). This means that the Company has a reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how the Company is prepared to ensure continued service in an emergency situation.

**Back-Up Power**

The Company has a back-up generator available with a minimum of a four hour power supply for its central office. In addition, it has portable generators available for remote sites.

**Rerouting of Traffic Around Damaged Facilities**

The Company has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

In the case of isolated groups of customers that may suffer damage due to a cable cut, the Company maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. The Company’s emergency service equipment is located within its exchange and requires very little time to dispatch.

**Traffic Spikes**

The Company’s outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. The Company is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able to handle such emergency situations in the future.

Venture Communications Cooperative – Western (SAC 391688)

**Lifeline Terms and Conditions**

Western Telephone Company (“Western”) offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

**Lifeline Program Eligibility Information**

**Program Based Eligibility**

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- National School Lunch Program’s Free Lunch Program
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year’s statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer’s participation in a qualifying state, federal or Tribal program.

**Income Based Eligibility**

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2015 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,889	\$19,872	\$18,292
2	\$21,505	\$26,892	\$24,745
3	\$27,121	\$33,912	\$31,198
4	\$32,737	\$40,932	\$37,651
5	\$38,353	\$47,952	\$44,104
6	\$43,969	\$54,972	\$50,557
7	\$49,585	\$61,992	\$57,010
8	\$55,201	\$69,012	\$63,463
For each additional person, add	\$5,616	\$7,020	\$6,453

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

**Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service**

Western's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Western's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

**Rates**

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Western. Advertised rates do not include any applicable taxes or surcharges.

**Recertification of Lifeline Eligibility**

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

**Additional Lifeline Program Information**

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

**Venture Telecommunications Cooperative – Western  
(SAC 391688)**

**Progress Report of 5 Year Plan – Milestone Certification**

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream:

- Western Telephone Company certifies that it has taken reasonable steps to provide upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

**Venture Communications Cooperative – Western  
(SAC 391688)**

**Progress Report on 5 Year Plan – Community Anchor Institutions**

Western Telephone Company does not have any newly served community anchor institutions because all anchor institutions had broadband service available to them prior to 2014.

REDACTED - FOR PUBLIC INSPECTION



Consolidated Financial Statements  
December 31, 2014 and 2013

**Venture Communications  
Cooperative and Subsidiaries**

Venture Communications Cooperative and Subsidiaries

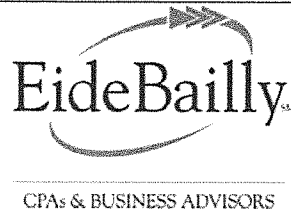
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## Independent Auditor's Report

The Board of Directors  
Venture Communications Cooperative and Subsidiaries  
Highmore, South Dakota

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Venture Communications Cooperative and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive income, equities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Venture Communications Cooperative and Subsidiaries as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Report Issued in Accordance with Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2015, on our consideration of Venture Communications Cooperative and Subsidiaries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Venture Communications Cooperative and Subsidiaries' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota  
March 25, 2015

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	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ [REDACTED]	[REDACTED]
Temporary investments in marketable securities	[REDACTED]	[REDACTED]
Accounts receivable, net of allowance	[REDACTED]	[REDACTED]
Other accounts receivable, net of allowance	[REDACTED]	[REDACTED]
Accrued toll and access revenue	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Current maturities of notes receivable	[REDACTED]	[REDACTED]
Total current assets	[REDACTED]	[REDACTED]
Investments and Noncurrent Assets		
Investments in marketable securities	[REDACTED]	[REDACTED]
Other investments	[REDACTED]	[REDACTED]
Investments in limited liability companies	[REDACTED]	[REDACTED]
Intangibles, net of amortization (2014 [REDACTED] 2013 [REDACTED])	[REDACTED]	[REDACTED]
Long-term notes receivable	[REDACTED]	[REDACTED]
Total investments and noncurrent assets	[REDACTED]	[REDACTED]
Telecommunications Plant		
In service	[REDACTED]	[REDACTED]
Acquisition adjustment	[REDACTED]	[REDACTED]
Under construction	[REDACTED]	[REDACTED]
Total investment in plant	[REDACTED]	[REDACTED]
Less accumulated depreciation	[REDACTED]	[REDACTED]
Net plant	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]

Venture Communications Cooperative and Subsidiaries  
 Consolidated Balance Sheets  
 December 31, 2014 and 2013

	2014	2013
Liabilities and Equities		
Current Liabilities		
Current maturities of long-term debt	\$ [REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Accounts payable - construction	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Advanced billings	[REDACTED]	[REDACTED]
Accrued taxes - other	[REDACTED]	[REDACTED]
Income taxes payable	[REDACTED]	[REDACTED]
Other current liabilities	[REDACTED]	[REDACTED]
Total current liabilities	[REDACTED]	[REDACTED]
Long-Term Debt, Less Current Maturities	[REDACTED]	[REDACTED]
Other Liabilities		
Deferred income taxes	[REDACTED]	[REDACTED]
Deferred credits	[REDACTED]	[REDACTED]
Total other liabilities	[REDACTED]	[REDACTED]
Equities		
Patronage capital	[REDACTED]	[REDACTED]
Other allocated patronage	[REDACTED]	[REDACTED]
Other equities	[REDACTED]	[REDACTED]
Current year margins	[REDACTED]	[REDACTED]
Accumulated other comprehensive income	[REDACTED]	[REDACTED]
Total equities	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]

Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Operations and Comprehensive Income  
 Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues		
Local network access	\$ [REDACTED]	[REDACTED]
Network access services	[REDACTED]	[REDACTED]
Cable television revenue	[REDACTED]	[REDACTED]
Internet revenue	[REDACTED]	[REDACTED]
Long distance network services	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]
Nonregulated telecom and wireless revenue	[REDACTED]	[REDACTED]
Uncollectibles	[REDACTED]	[REDACTED]
Total operating revenues	[REDACTED]	[REDACTED]
Operating Expenses		
Plant specific operations	[REDACTED]	[REDACTED]
Plant nonspecific operations	[REDACTED]	[REDACTED]
Cable television programming	[REDACTED]	[REDACTED]
Depreciation	[REDACTED]	[REDACTED]
Amortization	[REDACTED]	[REDACTED]
Customer operations	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]
Operating taxes, other	[REDACTED]	[REDACTED]
Total operating expenses	[REDACTED]	[REDACTED]
Net Operating Margin	[REDACTED]	[REDACTED]
Nonoperating Margin		
Interest and dividend income	[REDACTED]	[REDACTED]
Allowance for funds used during construction	[REDACTED]	[REDACTED]
Equity in earnings of investees	[REDACTED]	[REDACTED]
Miscellaneous income	[REDACTED]	[REDACTED]
Net nonoperating margin	[REDACTED]	[REDACTED]
Net Margin Before Interest Expense and Income Taxes	[REDACTED]	[REDACTED]
Interest Expense		
Interest on long-term debt	[REDACTED]	[REDACTED]
Net Margin Before Income Taxes	[REDACTED]	[REDACTED]
Provision for Income Taxes	[REDACTED]	[REDACTED]
Net Margin	[REDACTED]	[REDACTED]
Other Comprehensive Income (Loss)		
Unrealized gain (loss) on marketable securities	[REDACTED]	[REDACTED]
Income tax effect on comprehensive income	[REDACTED]	[REDACTED]
Total other comprehensive income (loss)	[REDACTED]	[REDACTED]
Comprehensive Income	\$ [REDACTED]	[REDACTED]

Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Equities  
 Years Ended December 31, 2014 and 2013

	Patronage Capital	Other Allocated Capital	Other Equities	Current Margins	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2013	\$ ██████████	██████████	██████████	██████████	██████████	██████████
Assignment of prior year margins	██████████	██████████	██████████	██████████	██████████	██████████
Net margin	██████████	██████████	██████████	██████████	██████████	██████████
Retirement of capital credits	██████████	██████████	██████████	██████████	██████████	██████████
Donated capital credits	██████████	██████████	██████████	██████████	██████████	██████████
Federal excise tax refund	██████████	██████████	██████████	██████████	██████████	██████████
Change in unrealized gain on marketable securities, net of deferred taxes	██████████	██████████	██████████	██████████	██████████	██████████
Balance, December 31, 2013	██████████	██████████	██████████	██████████	██████████	██████████
Assignment of prior year margins	██████████	██████████	██████████	██████████	██████████	██████████
Net margin	██████████	██████████	██████████	██████████	██████████	██████████
Retirement of capital credits	██████████	██████████	██████████	██████████	██████████	██████████
Donated capital credits	██████████	██████████	██████████	██████████	██████████	██████████
Change in unrealized gain on marketable securities, net of deferred taxes	██████████	██████████	██████████	██████████	██████████	██████████
Balance, December 31, 2014	\$ ██████████	██████████	██████████	██████████	██████████	██████████







Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Cash Flows  
 Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net margin	\$ [REDACTED]	[REDACTED]
Adjustments to reconcile net margin to net cash from operating activities		
Depreciation accruals		
Telecommunications plant	[REDACTED]	[REDACTED]
Nonregulated telecommunications plant	[REDACTED]	[REDACTED]
CATV plant	[REDACTED]	[REDACTED]
Amortization - acquisition adjustment	[REDACTED]	[REDACTED]
Amortization - customer lists	[REDACTED]	[REDACTED]
Deferred income taxes	[REDACTED]	[REDACTED]
Equity in earnings of equity investees	[REDACTED]	[REDACTED]
Gain on sale of marketable securities	[REDACTED]	[REDACTED]
Change in current assets and liabilities	[REDACTED]	[REDACTED]
Change in deferred credits	[REDACTED]	[REDACTED]
Net Cash from Operating Activities	[REDACTED]	[REDACTED]
Investing Activities		
Plant additions and replacements		
Telecommunications plant	[REDACTED]	[REDACTED]
CATV plant	[REDACTED]	[REDACTED]
Nonregulated telecommunications equipment	[REDACTED]	[REDACTED]
Contribution in aid of construction	[REDACTED]	[REDACTED]
Change in other investments	[REDACTED]	[REDACTED]
Contributions to equity investees	[REDACTED]	[REDACTED]
Distributions from equity investees	[REDACTED]	[REDACTED]
Purchases of marketable securities	[REDACTED]	[REDACTED]
Sales of marketable securities	[REDACTED]	[REDACTED]
Payments received on notes receivable	[REDACTED]	[REDACTED]
Net Cash used for Investing Activities	[REDACTED]	[REDACTED]
Financing Activities		
Advances on long-term debt	[REDACTED]	[REDACTED]
Principal payments on long-term debt	[REDACTED]	[REDACTED]
Donated capital credits	[REDACTED]	[REDACTED]
Federal excise tax refund	[REDACTED]	[REDACTED]
Retirement of capital credits	[REDACTED]	[REDACTED]
Net Cash used for Financing Activities	[REDACTED]	[REDACTED]
Net Change in Cash and Cash Equivalents	[REDACTED]	[REDACTED]
Cash and Cash Equivalents - Beginning of Period	[REDACTED]	[REDACTED]
Cash and Cash Equivalents - End of Period	\$ [REDACTED]	[REDACTED]



Venture Communications Cooperative and Subsidiaries  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2014 and 2013

---

	<u>2014</u>	<u>2013</u>
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	\$ 	
Cash payments for income taxes	\$ 	
Non-Cash Investing and Financing Activities		
Accounts payable for plant additions	\$ 	

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

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**Note 1 - Summary of Significant Accounting Policies**

**Nature of Operations**

Venture Communications Cooperative and Subsidiaries (collectively 'the Cooperative') principal businesses are providing local telephone and [REDACTED] and access to long distance telephone service through its local exchange network.

**General**

The Cooperative follows the Federal Communications Commission's (FCC) Uniform System of Accounts for Class A and B Telephone Utilities as required by the Rural Utilities Service (RUS).

Rates charged to customers for local services are established by the Board of Directors. Toll and access rates are subject to state and FCC regulations.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Venture Communications Cooperative and its wholly owned subsidiaries Western Telephone Company and [REDACTED]. The assets and liabilities of the subsidiaries are consolidated with the assets and liabilities of the parent. All significant intercompany transactions have been eliminated in consolidation.

On January 1, 2015, the assets and operations of Western Telephone Company and [REDACTED] were merged with the Cooperative.

**Telecommunications and Other Plant**

Additions to plant are stated at cost. The cost of additions to plant includes contracted work, direct labor and materials, and allocable overheads. When units of property are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Repairs and replacements and renewal of items determined to be less than units of property are charged to maintenance.

**Recoverability of Long-Lived Assets**

The Cooperative reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. If a review indicates that the carrying value of such asset is not recoverable as determined based on projected undiscounted cash flows related to the asset over its remaining life, the Cooperative would determine whether an impairment loss should be recognized. Impairment losses have been identified in the financial statements as they pertained to wireless licenses and customer lists.

**Depreciation**

Depreciation is computed using the straight-line method based upon the estimated useful lives of the various classes of property.

### **Amortization**

Amortization of intangible assets is computed using the straight-line method over the useful life of such assets. The acquisition adjustment and customer lists are currently being amortized over periods of ■ to ■ years.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the Cooperative considers all cash deposits, certificates of deposit, and treasury securities purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

### **Accounts Receivable**

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on trade receivables are applied to the applicable unpaid invoices. The carrying amount of the trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected. The allowance for uncollectible accounts was approximately ■ and ■ as of December 31, 2014 and 2013, respectively. The ■ in the allowance for uncollectible accounts is discussed in Note 16.

### **Materials and Supplies**

Inventories are stated at average cost.

### **Investments**

The Cooperative uses the provisions of ASC 320, *Investments – Debt and Equity Securities*. The objective of the standard is to classify the investment portfolio between those investments the Cooperative intends to hold to maturity, those investments available-for-sale, and those investments held for trading purposes.

Investments classified as held-to-maturity securities consist solely of debt securities which the Cooperative has the positive intent and ability to hold to maturity and are stated at amortized cost. Premiums and discounts on investments in debt securities are amortized over the contractual lives of those securities using the straight-line method. Gains or losses on held-to-maturity securities are recognized only upon realization using the specific identification method.

Investments classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. Available-for-sale securities are reported at fair value and include securities not classified as held-to-maturity or trading. Unrealized holding gains and losses are excluded from earnings and reported, net of any income tax effect, as a separate component of member's equity. Realized gains and losses are reported in earnings based on the adjusted cost of the specific security sold.

Trading securities are those held principally for the purpose of selling in the near future and are carried at fair value. The Cooperative does not have any investments held for trading purposes.

Investments in limited liability companies are accounted for using the equity method. Under the equity method, the Cooperative records its proportionate share of earnings and losses of this entity. Distributions from these investments reduce their carrying value.

## Venture Communications Cooperative and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

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Investments which are not readily marketable or that are a condition of acquiring long-term debt are recorded at cost.

### **Fair Value Measurements**

The Cooperative has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC 820, *Fair Value Measurements and Disclosures*, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

### **Notes Receivable**

The Cooperative invests in economic development loan agreements. The loans are reported at the amount the Cooperative expects to collect on balances outstanding at year end. Interest on loans is recognized over the term of the note.

The Cooperative issues primarily rural economic development loans that are secured by real estate or equipment. Management reviews delinquent loans to evaluate the adequacy of the valuation allowance. Management arrives at an estimate it believes will not be collected on these loans and evaluates the allowance account to the total estimated loss on delinquent loans. Management also considers inherent losses on loans not classified as delinquent.

The allowance for loan losses is evaluated on a regular basis by management. Management considers past loan loss experience, known and inherent risks in the loan portfolio, adverse situations that may affect the borrower's ability to repay, and current economic conditions in arriving at an allowance for unknown and inherent losses. While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available.

There is no valuation allowance on the notes receivable as of December 31, 2014 and 2013.

### **Patronage Capital**

The Cooperative operates on a nonprofit basis. Amounts received from the furnishing of telephone services in excess of operating costs and expenses are assigned to patrons on a patronage basis. All other amounts received by the Cooperative from its operations in excess of costs and expenses may be allocated to its patrons or transferred to unallocated equity.

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

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**Revenue Recognition**

Revenue from local telephone network, [REDACTED] s reflected in the accounts at the time such revenue is actually billed to the customers. Revenues from toll and network access service are recorded through approximately the 12<sup>th</sup> of each month. Unbilled toll and access is accrued through the end of the period.

**Concentrations of Business and Credit Risk**

The Cooperative provides telephone, [REDACTED] on account to its customers located in [REDACTED] and [REDACTED] South Dakota. The Cooperative also provides access service on account to various long distance companies, which provide toll service to the Cooperative's customers.

A significant portion of the Cooperative's revenues are from long distance carriers in the telephone industry, and consequently, the Cooperative is directly affected by the financial well-being of that industry. However, the credit risk associated with other accounts receivable is minimized due to the larger number of long distance carriers, and historically, credit losses have not been significant.

In 2014 and 2013, the Cooperative received approximately [REDACTED] and [REDACTED] respectively, of its operating revenues from access revenues and [REDACTED] by the [REDACTED]. The manner in which access revenues and revenues from the [REDACTED] are determined is currently being modified by regulatory bodies.

The Cooperative maintains cash and cash equivalent balances in [REDACTED] banks located in South Dakota. The accounts at these institutions are generally insured by deposit insurance limits of the FDIC. At times during the year, the Cooperative's balances at certain institutions may exceed this limit.

**Accounting Estimates**

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

**Allowance for Funds used During Construction (AFUDC)**

The allowance for funds used during construction represents a rate of return on general funds, a noncash item, used to finance construction of telephone plant. The AFUDC rate is based on the Cooperative's cost of debt.

**Pension Costs**

The policy is to fund pension costs accrued.

[REDACTED]

The Cooperative has customers in South Dakota and [REDACTED]. The Cooperative [REDACTED] its customers and remits the entire amount to the [REDACTED]. The Cooperative's accounting policy is to [REDACTED] revenue and cost of revenue.

[REDACTED]

The Cooperative is [REDACTED] under [REDACTED]; however, based upon guidance contained in a [REDACTED], the Cooperative does not meet the [REDACTED].

The Cooperative files a consolidated [REDACTED] with its subsidiary. The subsidiary is subject to [REDACTED] as a fully [REDACTED]. Deferred [REDACTED] are established for all temporary differences resulting from the use of different accounting methods reported for financial accounting and [REDACTED], principally equity investments. [REDACTED] assets and liabilities are measured using [REDACTED], expected to apply to [REDACTED] in the years in which those temporary differences are expected to be recovered or settled.

The Cooperative has evaluated whether it was necessary to recognize any benefit from uncertain [REDACTED] in currently open [REDACTED] and determined that there are no material uncertainties within its [REDACTED]. As of December 31, 2014 and 2013, the unrecognized [REDACTED]. The Cooperative would recognize future accrued interest and penalties related to [REDACTED] if incurred. Generally, the Cooperative is no longer subject to [REDACTED] for years prior to 2011.

#### **Reclassifications**

Certain reclassifications have been made to the 2013 financial statement presentation to conform to the 2014 presentation. These reclassifications had no impact on consolidated net margins.

#### **Subsequent Events**

The Cooperative has evaluated subsequent events through March 25, 2015 the date on which the consolidated financial statements were available to be issued.

Venture Communications Cooperative and Subsidiaries  
 Notes to Consolidated Financial Statements  
 December 31, 2014 and 2013

**Note 2 - Marketable Securities**

Available-for-sale securities:

	2014		2013	
Current	\$	█	█	█
Non-current		█	█	█
	\$	█	█	█

	2014		
	Cost	Unrealized Gain/(Loss)	Fair Value
Municipal bonds	\$	█	█
Corporate bonds	█	█	█
Certificates of deposit	█	█	█
Common stock and mutual funds	█	█	█
	\$	█	█

	2013		
	Cost	Unrealized Gain/(Loss)	Fair Value
Municipal bonds	\$	█	█
Corporate bonds	█	█	█
Certificates of deposit	█	█	█
Common stock and mutual funds	█	█	█
	\$	█	█

Available-for-sale securities are recorded at fair market value, with unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported as a component of equities.

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

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**Note 3 - Fair Value Measurements**

The related fair values are determined as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2014				
Assets:				
Marketable securities	\$			
December 31, 2013				
Assets:				
Marketable securities	\$			

**Fair Value of Financial Instruments**

The Cooperative considers the carrying amount of significant classes of financial instruments on the balance sheets, including cash and cash equivalents, construction payables, and variable rate debt to be reasonable estimates of fair value due to the length of maturity underlying such financial instruments, credit considerations, and interest rates that approximate prevailing market rates at December 31, 2014 and 2013.

The Cooperative has fixed-rate long term debt financial instruments as of December 31, 2014 and 2013. Generally, the carrying value of the Cooperative's fixed rate long-term debt approximates fair value, but certain fixed-rate long-term debt financial instruments of the Cooperative have carrying values that may differ from their estimated fair values. It is not practicable for the Cooperative to estimate the fair value of these financial instruments given the nature of the debt agreements that are in place which include debt from federal agencies of the United States with interest rates that are not considered to have comparable prevailing rates as of December 31, 2014 and 2013.



Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

**Note 4 - Other Investments**

	2014	2013
Rural Telephone Finance Cooperative		
Patronage capital allocations	\$ [REDACTED]	[REDACTED]
Membership fee	[REDACTED]	[REDACTED]
<hr/>		
[REDACTED] - common stock (at cost)	[REDACTED]	[REDACTED]
[REDACTED] - common stock (at cost)	[REDACTED]	[REDACTED]
[REDACTED] - common stock (at cost)	[REDACTED]	[REDACTED]
[REDACTED] patronage capital	[REDACTED]	[REDACTED]
[REDACTED] from other cooperatives	[REDACTED]	[REDACTED]
Cash surrender value of life insurance	[REDACTED]	[REDACTED]
Memberships and other investments	[REDACTED]	[REDACTED]
LMDS licenses (at cost, less impairment allowance)	[REDACTED]	[REDACTED]
<hr/>		
	\$ [REDACTED]	[REDACTED]

**Note 5 - Notes Receivable**

Notes receivable represent obligations to the Cooperative in conjunction with the Rural Economic Development Loan & Grant (REDLG) program. The instruments are repayable in monthly installments over a [REDACTED] period at [REDACTED] interest. The amounts were funded by a [REDACTED] loan from REDLG in the original amount of [REDACTED] along with a [REDACTED] grant that has been recorded in other equities.

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

**Note 6 - Investments in Limited Liability Companies**

	2014	2013
[REDACTED]	\$ [REDACTED]	\$ [REDACTED]

Summarized financial information of the significant equity method investees as of December 31, 2014, are as follows:

	[REDACTED]
Revenues	\$ [REDACTED]
Expenses	[REDACTED]
Net income (loss)	[REDACTED]
Assets	\$ [REDACTED]
Liabilities	[REDACTED]
Equity	[REDACTED]

[REDACTED] provides centralized equal access services and access to leased transport facilities. The Cooperative's share of [REDACTED] was [REDACTED] and [REDACTED] in 2014 and 2013, respectively. The Cooperative received distributions from [REDACTED] of [REDACTED] and [REDACTED] in 2014 and 2013, respectively. The Cooperative also leases capacity of certain telecommunications plant on a short term basis to customers through [REDACTED]. [REDACTED] paid the Cooperative approximately [REDACTED] and [REDACTED] for the use of the Cooperative's network during 2014 and 2013, respectively, and is recorded as miscellaneous revenue in the consolidated statements of operations and comprehensive income.

[REDACTED] are joint ventures that were created to explore and develop [REDACTED] systems. The Cooperative recorded [REDACTED] from these entities totaling [REDACTED] and [REDACTED] in 2014 and 2013, respectively. The Cooperative invested [REDACTED] in these entities in 2014.

Venture Communications Cooperative and Subsidiaries  
 Notes to Consolidated Financial Statements  
 December 31, 2014 and 2013

**Note 7 - Intangibles**

	2014		2013
	Cost	Accumulated Amortization	Net
Customer list	\$ [REDACTED]	[REDACTED]	[REDACTED]

The excess of the Western Telephone purchase price over the estimated fair value of net assets acquired was allocated to intangible assets - customer lists. These intangibles were being amortized over an [REDACTED] period on a straight-line basis. During 2014, the Cooperative determined the [REDACTED] on this [REDACTED] totaled [REDACTED] and [REDACTED] for the years ended December 31, 2014 and 2013, respectively. The change resulted in an [REDACTED] of approximately [REDACTED] during the year ended December 31, 2014.

**Note 8 - Telecommunications Plant and Depreciation**

	Depreciation/ Amortization Rates	2014	2013
Land and support assets	[REDACTED]	[REDACTED]	[REDACTED]
Central office switching	[REDACTED]	[REDACTED]	[REDACTED]
Central office transmission	[REDACTED]	[REDACTED]	[REDACTED]
Information origination and termination	[REDACTED]	[REDACTED]	[REDACTED]
Cable and wire facilities	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Organization costs	[REDACTED]	[REDACTED]	[REDACTED]
Original cost of plant in service	[REDACTED]	[REDACTED]	[REDACTED]
Acquisition adjustment	[REDACTED]	[REDACTED]	[REDACTED]
Plant in service	[REDACTED]	[REDACTED]	[REDACTED]
Plant under construction	[REDACTED]	[REDACTED]	[REDACTED]
Total plant		\$ [REDACTED]	\$ [REDACTED]

Acquisition adjustment is the difference between the purchase price of plant acquired from another telephone company and the original cost of the plant net of accumulated depreciation at the time of purchase. Amortization of the acquisition adjustment of [REDACTED] and [REDACTED] was [REDACTED] for the years ended December 31, 2014 and 2013, respectively. During 2014, the Cooperative determined that the acquisition adjustment assets will be retired earlier than the original estimated life. Accordingly, the amortizable life of the related assets was changed to the expected useful life effective January 1, 2014. The change resulted in an [REDACTED] in [REDACTED] of approximately [REDACTED] during the year ended December 31, 2014.

**Note 9 - Long-Term Debt**

	2014	2013
Rural Utilities Service (RUS) mortgage notes		
notes due in quarterly installments through 2018	\$ [REDACTED]	[REDACTED]
notes due in monthly installments through 2016	[REDACTED]	[REDACTED]
notes due in monthly installments through 2016	[REDACTED]	[REDACTED]
notes due in monthly installments through 2016	[REDACTED]	[REDACTED]
note due in quarterly installments through 2018	[REDACTED]	[REDACTED]
note due in quarterly installments through 2027	[REDACTED]	[REDACTED]
note due in quarterly installments through 2027	[REDACTED]	[REDACTED]
note due in quarterly installments through 2028	[REDACTED]	[REDACTED]
note due in quarterly installments through 2028	[REDACTED]	[REDACTED]
note due in quarterly installments through 2028	[REDACTED]	[REDACTED]
note due in quarterly installments through 2028	[REDACTED]	[REDACTED]
USDA (BIP loan program)		
note due in quarterly installments through 2032	[REDACTED]	[REDACTED]
note due in quarterly installments through 2032	[REDACTED]	[REDACTED]
note due in quarterly installments through 2032	[REDACTED]	[REDACTED]
USDA (REDLG program)		
note due in [REDACTED] monthly installments through 2022	[REDACTED]	[REDACTED]
Long-term debt	[REDACTED]	[REDACTED]
Less current maturities	[REDACTED]	[REDACTED]
Long-term debt, less current maturities	\$ [REDACTED]	\$ [REDACTED]

Substantially all assets are pledged as security for this debt.

It is estimated that principal repayments on the above debt for the next five years ending December 31 are as follows:

	RUS	[REDACTED]	USDA	Total
2015	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2016	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2017	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2018	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2019	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

All loan funds advanced by RUS and [REDACTED] are deposited in a [REDACTED] account, the disbursements from which are restricted by the provisions of the loan agreement to purposes approved by RUS and [REDACTED]. There were unadvanced loan funds available to the Cooperative of [REDACTED] from [REDACTED] as of December 31, 2014. The mortgage provisions restrict the Cooperative's debt limit to [REDACTED].

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

**Note 10 - Deferred Credits**

	2014	2013
Unclaimed checks	\$ [REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]

**Note 11 - Patronage Capital**

	2014	2013
Assigned to date	\$ [REDACTED]	[REDACTED]
Retired to date	[REDACTED]	[REDACTED]
Balance	\$ [REDACTED]	[REDACTED]
Assigned to date - special allocation	\$ [REDACTED]	[REDACTED]

The long-term debt agreements with Rural Utilities Service contain restrictions on retirements of patronage capital, memberships, and equity capital. The restrictions are related in general to the Cooperative's adjusted net worth and assets as defined in said agreement. The Cooperative may however, make distributions in any calendar year equal to [REDACTED] the net margins of the prior calendar year.

**Note 12 - Other Equities**

	2014	2013
Unallocated nonoperating margins	\$ [REDACTED]	[REDACTED]
Rural Economic Development Grant	[REDACTED]	[REDACTED]
Total other equities	\$ [REDACTED]	[REDACTED]

**Note 13 - Pension Plan**

The Cooperative has a contributory defined benefit pension plan covering substantially all employees. The [REDACTED] is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The plan sponsor's [REDACTED] is [REDACTED] and the [REDACTED]

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

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A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative's contributions to the [REDACTED] in 2014 and 2013 represented less than [REDACTED] of the total contributions made to the plan by all participating employers. The Cooperative made contributions to the plan of approximately [REDACTED] in 2014 and [REDACTED] in 2013. There have been no significant changes that affect the comparability of 2014 and 2013 contributions.

In the [REDACTED], a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. The program meets ERISA minimum funding requirements. The Funding Target Attainment Percentage valued as of January 1, 2013 is [REDACTED]. Section 104 of PPA delays the effective date of funding rules for certain multiple employer rural cooperative plans. As such, the program will not be subject to the PPA funding rules until after December 31, 2016.

Because the provisions of the PPA do not apply to the [REDACTED] funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

**Note 14 - Income Tax Expense/Accumulated Deferred Taxes**

The provision for income tax is reflected in the consolidated statements of operations as follows:

	2014	2013
Income tax expense consists of the following		
Current payable	\$ [REDACTED]	[REDACTED]
Alternative minimum tax credit carryforward used		
Deferred - accelerated depreciation - [REDACTED]	[REDACTED]	[REDACTED]
Deferred - amortization of [REDACTED]	[REDACTED]	[REDACTED]
Deferred - accelerated depreciation - Western plant	[REDACTED]	[REDACTED]
Deferred - timing differences from equity investments	[REDACTED]	[REDACTED]
Provision for income taxes	\$ [REDACTED]	[REDACTED]

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

Deferred income tax assets (liabilities) consist of the following:

	2014	2013
Timing difference - accelerated depreciation - [REDACTED]	\$ [REDACTED]	[REDACTED]
Timing difference - accelerated depreciation - Western Telephone	[REDACTED]	[REDACTED]
Timing difference - amortization of [REDACTED]	[REDACTED]	[REDACTED]
Equity investments - timing differences	[REDACTED]	[REDACTED]
[REDACTED] carryforwards	[REDACTED]	[REDACTED]
Marketable securities	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Deferred tax (liabilities) assets	\$ [REDACTED]	[REDACTED]

The timing differences for accelerated depreciation and amortization result in deferred income taxes as result of using different depreciation and amortization for financial reporting and income tax purposes.

The net deferred tax asset related to alternative minimum tax credits is from years where the Cooperative's alternative minimum tax liability exceeded its regular income tax liability. The credit carryforwards can be used to reduce regular income taxes in years when the regular income tax exceeds AMT.

The estimated deferred taxes related to marketable securities represent an income tax liability that would occur if the securities were sold.

**Note 15 - Commitments**

During 2014, the Cooperative entered into a signed contract of approximately [REDACTED] for construction of multiple fiber to the premise projects. As of December 31, 2014, the Cooperative had expended approximately [REDACTED] related to these projects. The remaining commitment on this contract was approximately [REDACTED] at December 31, 2014.

**Note 16 - Contingency**

[REDACTED]

Venture Communications Cooperative and Subsidiaries  
Notes to Consolidated Financial Statements  
December 31, 2014 and 2013

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**Note 17 - Supplemental Cash Flow Disclosures**

The following is the detail information for the changes in current assets and liabilities shown on the consolidated statements of cash flows.

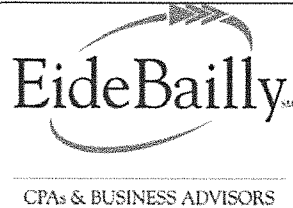
	<u>2014</u>	<u>2013</u>
Changes in current and other assets and liabilities		
Accounts receivable	\$ [REDACTED]	[REDACTED]
Accrued toll and access revenue	[REDACTED]	[REDACTED]
Other accounts receivable	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Advanced billings	[REDACTED]	[REDACTED]
Accrued taxes - other	[REDACTED]	[REDACTED]
Income taxes payable	[REDACTED]	[REDACTED]
Other current liabilities	[REDACTED]	[REDACTED]
	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>





Supplemental Information  
December 31, 2014 and 2013

**Venture Communications  
Cooperative and Subsidiaries**



**Independent Auditor's Report on Supplementary Information**

To the Board of Directors  
Venture Communications Cooperative and Subsidiaries  
Highmore, South Dakota

We have audited the consolidated financial statements of Venture Communications Cooperative and Subsidiaries as of and for the year ended December 31, 2014, and our report thereon dated March 25, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 24 through 29 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Eide Bailly LLP*

Sioux Falls, South Dakota  
March 25, 2015

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			Western Telephone Company		
<b>Current Assets</b>					
Cash and cash equivalents	\$				
Temporary investments in marketable securities					
Accounts receivable, net of allowance					
Other accounts receivable, net of allowance					
Accrued toll and access revenue					
Materials and supplies					
Prepaid expenses					
Interest receivable					
Due from affiliates					
Current maturities of notes receivable					
Short-term lease receivable from affiliate					
<b>Total current assets</b>					
<b>Investments and Noncurrent Assets</b>					
Investments in marketable securities					
Investment in subsidiaries					
Other investments					
Investments in limited liability companies					
Nonregulated investments					
Deferred income taxes					
Long-term notes receivable					
Long-term lease receivable from affiliate					
<b>Total investments and noncurrent assets</b>					
<b>Telecommunications Plant</b>					
In service					
Acquisition adjustment					
Under construction					
<b>Total investment in plant</b>					
Less accumulated depreciation and amortization					
<b>Net plant</b>					
<b>\$</b>					

Venture Communications Cooperative and Subsidiaries  
 Consolidated Balance Sheets with Supplementary Consolidating Information  
 December 31, 2014

			Western Telephone Company		
<b>Current Liabilities</b>					
Current maturities of long-term debt	\$				
Accounts payable					
Accounts payable - construction					
Due to (from) affiliates					
Customer deposits					
Advanced billings					
Accrued taxes - other					
Income taxes payable					
Other current liabilities					
<b>Total current liabilities</b>					
<b>Long-Term Debt, Less Current Maturities</b>					
<b>Other Liabilities</b>					
Deferred income taxes					
Deferred credits					
<b>Total other liabilities</b>					
<b>Equities</b>					
Patronage capital					
Other allocated equity					
Other equities (deficit)					
Common stock					
Current year margins					
Accumulated other comprehensive income					
<b>Total equities</b>					
	\$				

	[REDACTED]	[REDACTED]	Western Telephone Company	[REDACTED]	[REDACTED]
<b>Current Assets</b>					
Cash and cash equivalents	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Temporary investments in marketable securities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts receivable, net of allowance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other accounts receivable, net of allowance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued toll and access revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Due from affiliates	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Current maturities of notes receivable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Short-term lease receivable from affiliate	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total current assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Investments and Noncurrent Assets</b>					
Investments in marketable securities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Investment in subsidiaries	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other investments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Investments in limited liability companies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intangibles, net	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Nonregulated investments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred income taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Long-term notes receivable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Long-term lease receivable from affiliate	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total investments and noncurrent assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Telecommunications Plant</b>					
In service	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Acquisition adjustment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Under construction	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total investment in plant	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Less accumulated depreciation and amortization	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net plant	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Venture Communications Cooperative and Subsidiaries  
 Consolidated Balance Sheets with Supplementary Consolidating Information  
 December 31, 2013

			Western Telephone Company		
Current Liabilities					
Current maturities of long-term debt	\$				
Accounts payable					
Accounts payable - construction					
Due to (from) affiliates					
Customer deposits					
Advanced billings					
Accrued taxes - other					
Income taxes payable					
Other current liabilities					
Total current liabilities					
Long-Term Debt, Less Current Maturities					
Other Liabilities					
Deferred income taxes					
Deferred credits					
Total other liabilities					
Equities					
Patronage capital					
Other allocated equity					
Other equities (deficit)					
Common stock					
Current margins					
Accumulated other comprehensive loss					
Total equities					
	\$				

Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Operations with Supplementary Consolidating Information  
 Year Ended December 31, 2014

			Western Telephone Company		
Operating Revenues					
Local network access	\$				
Network access services					
Long distance network services					
Miscellaneous					
Uncollectible revenue					
Nonregulated telecom and wireless revenue					
Total operating revenues					
Operating Expenses					
Plant specific operations					
Plant nonspecific operations					
Cable television programming					
Depreciation					
Amortization					
Customer operations					
Corporate operations					
Operating taxes, other					
Total operating expenses					
Net Operating Margin					
Nonoperating Margin (Loss)					
Interest and dividend income					
AFUDC					
Nonoperating margin (loss) from					
Earnings in equity of subsidiaries					
Earnings (losses) in equity of investee					
Nonregulated net income					
Miscellaneous income					
Net nonoperating margin (loss)					
Net Margin Before Interest and Taxes					
Interest Expense					
Interest on long-term debt					
Total interest expense					
Net Margin Before Taxes					
Provision for Income Taxes					
Net Margin	\$				



Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Operations with Supplementary Consolidating Information  
 Year Ended December 31, 2013

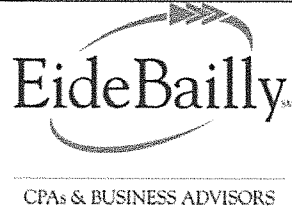
			Western Telephone Company		
Operating Revenues					
Local network access	\$				
Network access services					
██████████ revenue					
Long distance network services					
Miscellaneous					
Uncollectible revenue					
Nonregulated telecom and wireless revenue					
Total operating revenues					
Operating Expenses					
Plant specific operations					
Plant nonspecific operations					
Cable television programming					
Depreciation					
Amortization					
Customer operations					
Corporate operations					
Operating taxes, other					
Total operating expenses					
Net Operating Margin					
Nonoperating Margin (Loss)					
Interest and dividend income					
AFUDC					
Nonoperating margin (loss) from					
Earnings in equity of subsidiaries					
Earnings (losses) in equity of investee					
Nonregulated net income					
Miscellaneous income charges					
Net nonoperating margin (loss)					
Net Margin Before Interest and Taxes					
Interest Expense					
Interest on long-term debt					
Total interest expense					
Net Margin (Loss) Before Taxes					
Provision for (Benefit from) Income Taxes					
Net Margin (Loss)	\$				

Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Cash Flows with Supplementary Consolidating Information  
 Year Ended December 31, 2014

			Western Telephone Company		
Operating Activities					
Net margin	\$				
Adjustments to reconcile net margin (loss) to net cash from (used for) operating activities					
Depreciation accruals					
Telecommunications plant					
Nonregulated telecommunication plant					
Amortization - plant adjustment					
Amortization - customer lists					
Deferred income taxes					
Equity in (earnings) losses of investees					
Equity in earnings of subsidiaries					
Gain on sale of marketable securities					
Change in current assets and liabilities					
Change in lease receivable from affiliate					
Change in due to/due from affiliate					
Change in deferred credits					
Net Cash from (used for) Operating Activities					
Investing Activities					
Plant additions and replacements, net					
Telecommunications plant					
Nonregulated telecommunication equipment					
Contribution in aid of construction					
Change in other investments					
Contributions to equity investees					
Distributions from equity investees					
Purchases of marketable securities					
Sales of marketable securities					
Payments received on notes receivable					
Net Cash used for Investing Activities					
Financing Activities					
Advances on long-term debt					
Principal payments on long-term debt					
Donated capital credits					
Retirement of capital credits					
Net Cash used for Financing Activities					
Net Change in Cash and Cash Equivalents					
Cash and Cash Equivalents					
Beginning of period					
End of period	\$				

Venture Communications Cooperative and Subsidiaries  
 Consolidated Statements of Cash Flows with Supplementary Consolidating Information  
 Year Ended December 31, 2013

			Western Telephone Company		
Operating Activities					
Net margin (loss)	\$				
Adjustments to reconcile net margin (loss) to net cash from (used for) operating activities					
Depreciation accruals					
Telecommunications plant					
Nonregulated telecommunication plant					
Amortization - plant adjustment					
Amortization - customer lists					
Deferred income taxes					
Equity in (earnings) losses of investees					
Equity in earnings of subsidiaries					
Gain on sale of marketable securities					
Change in current assets and liabilities					
Change in lease receivable from affiliate					
Change in due to/due from affiliate					
Change in deferred credits					
Net Cash from (used for) Operating Activities					
Investing Activities					
Plant additions and replacements, net					
Telecommunications plant					
Nonregulated telecommunication equipment					
Contribution in aid of construction					
Change in other investments					
Contributions to equity investees					
Distributions from equity investees					
Purchases of marketable securities					
Sales of marketable securities					
Payments received on notes receivable					
Net Cash (used for) from Investing Activities					
Financing Activities					
Principal payments on long-term debt					
Donated capital credits					
Federal excise tax refund					
Retirement of capital credits					
Net Cash used for Financing Activities					
Net Change in Cash and Cash Equivalents					
Cash and Cash Equivalents					
Beginning of period					
End of period	\$				



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
Based on an Audit of Consolidated Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Directors  
Venture Communications Cooperative and Subsidiaries  
Highmore, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Venture Communications Cooperative and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014, and the related consolidated statements of operations and comprehensive income, equities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 25, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Venture Communications Cooperative and Subsidiaries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Venture Communications Cooperative and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Venture Communications Cooperative and Subsidiaries' internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

**Compliance and Other Matters**

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

We noted certain matters and required audit communications that we reported to management of Venture Communications Cooperative and Subsidiaries in a separate letter dated March 25, 2015.

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota  
March 25, 2015