



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

GRETCHEN WHITMER  
GOVERNOR

TRICIA L. FOSTER  
DIRECTOR

## Connecting Michigan Communities Grant Application

Please read through the entire Connecting Michigan Communities Grant Information and Application – 2019 package before you begin to respond to the application questions. This will help ensure you understand the full scope of the application as well as the details you will need to provide to complete the application.

**Application Deadline:** All grant applications are due by 4:00PM EST, Friday, August 30, 2019.

**Submission Guidelines:** Completed application and supporting documentation must be received by the Department of Technology, Management, and Budget (DTMB), Center for Shared Solutions by 4:00 p.m. on Friday, August 30, 2019, to be considered for funding. Applicants should email their applications and all attachments in PDF format to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov). Applicants will receive an email confirmation of their submission within 48 business hours. Please fill out the entire application and clearly label any attachments with the question/statement number from the application form. Award decisions are estimated to be made in the fourth quarter of 2019.

**Questions and Contact:** If you have questions after reviewing the application and supporting documentation, please see the Frequently Asked Questions (FAQ) document available on the grant website at: [www.michigan.gov/CMICGrant](http://www.michigan.gov/CMICGrant). The FAQ will be updated throughout the application process. Questions and comments can also be submitted via email to: [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov).

## Application Checklist

This checklist is part of your application and should be returned along with your completed application and attachments.

### Application Submission Checklist:

- Read the entire application package.
- Public application is complete and file name meets the standards.
- Non-Public application is complete and file name meets the standards.
- Confidential Treatment Form is complete.
- Attachments have been gathered and file names meet the standards.
  - Attachment 1: Map of proposed service area in PDF format (including both last mile coverage and middle mile routes)
  - Attachment 2: GIS-compatible file of the proposed service area (including both last mile coverage and middle mile routes)
  - Attachment 3: Spreadsheet of census blocks that are part of the proposed service area
  - Attachment 4: Match commitment letters or evidence
  - Attachment 5: Applicant organizational chart
  - Attachment 6: Resumes of key officers, management personnel, and proposed project management team
  - Attachment 7: Audited financial statements.
  - Attachment 8: Evidence of network scalability
  - Attachment 9: Five year, stand-alone project financial plan/forecast
  - Attachment 10: Affidavit of commitment to offer the proposed service and cost in the proposed service area for a minimum of five years after project completion
  - Attachment 11: Budgetary engineering designs, diagrams, and maps that show the proposed project
  - Attachment 12: Letters of support
  - Attachment 13: Demonstration of customer interest in the proposed project
  - Attachment 14: Statements of impact/support from CAls (if applicable)
  - Attachment 15: Evidence of application for a SPIN (if applicable)
  - Attachment 16: Statements of impact/support from businesses (if applicable)

NOTE: Attachments must be submitted following the designated naming structure. Applicants are to use the name of their organization followed by the attachment number and file type (e.g. ABCTelecom\_Attachment\_1.xlsx).

## Application

### Applicant and Project Information, Contact Information, and Summary

1. Project Name:  
Hazelton Broadband Project
2. Applicant Name:  
Lennon Telephone Company  
DBA (if applicable):  
  
Mailing Address:  
P.O. Box 329  
Lennon, MI 48449
3. Primary Grant Contact:  
Randy Fletcher  
Primary Contact Organization (if not part of the applicant's organization):  
Lennon Telephone Company  
Primary Contact Phone Number:  
(810) 621-3301  
Primary Contact Email Address:  
rfletcher@lentel.com
4. Application Author Name:  
Randy Fletcher  
Application Author Email:  
rfletcher@lentel.com
5. Eligibility Status: Please select the means by which the applicant is eligible to apply for the grant:  
 Licensed under the Michigan Telecommunications Act (1991 PA 179, MCL 484.2101 to 484.2603)  
 Franchise holder under the Uniform Video Services Local Franchise Act (2006 PA 480, MCL 484.3301 to 484.3315)  
 Broadband service provider currently providing service in Michigan
6. Are you registered with the Michigan Public Service Commission's Intrastate Telecommunications Service Providers Registry (ITSP)?  
 Yes  No  Unsure
7. Have you provided broadband coverage data to Connect Michigan in the last five years?  
 Yes  No  Unsure
8. Applicant Identification Numbers: Please provide the following identification numbers for the applicant (if available):

Federal Employer Identification Number (EIN):

[REDACTED]

Michigan Tax Identification Number:

[REDACTED]

Michigan Vendor Identification Number:

[REDACTED]

Federal Communications Commission Registration Number (FRN):

[REDACTED]

Service Provider Identification Number (SPIN):

[REDACTED]

9. Project Summary (250 words max.):

Lennon Telephone Company's (Lennon) Hazelton Broadband Project (HB Project) will expand broadband in rural unserved areas in Shiawassee County and Genesee County. Lennon will utilize grant funds to deliver broadband capable of up to 1 Gbps and video service to rural, agricultural, and forested areas in Michigan where service from the current provider is extremely unlikely to ever improve. The project will pass 198 locations, 6 businesses, and participants and beneficiaries of critical community facilities with 20 miles of distribution optical fiber and 3 miles of drop optical fiber cables, covering about 11 square miles. Customers are suffering with poor broadband, when surveyed to support this application, most want to sign up immediately—some have even been requesting service from Lennon for years. The total cost of the grant project is \$380,470 with \$338,618 requested in CMIC grant and [REDACTED] match of [REDACTED]. Lennon has been trying to serve this area but just has not had the money to deploy a network that would not support the incremental investment. The net present value (NPV) is negative without the grant and positive with the grant. Lennon will leverage its current network, experience, and staff so it will have few incremental operational costs. Historically there has not been a viable business case that makes financial and operational sense for investing in broadband in this area. Lennon is willing to serve this area with the support of this grant and ensure all who reside and work here can have access to modern services.

**Locations Passed and Proposed Service:**

*Attachment 1: Map of proposed service area in PDF format (including both last mile coverage and middle mile routes)*

Name of Attachment 1:

Lennon\_Attachment\_1\_Map of Proposed Service Area

*Attachment 2: GIS-compatible file of the proposed service area (including both last mile coverage and middle mile routes)*

Name of Attachment 2:

LennonTelephoneCompany\_Attachment\_2\_GIS-Compatible File

*Attachment 3: Spreadsheet of census blocks that are part of the proposed service area.*

Name of Attachment 3:

Lennon\_Attachment\_3\_Census Block Spreadsheet

10. Please provide a brief description of the proposed service area (250 words max.):

The HB Project will deploy broadband to unserved communities within Shiawassee and Genesee Counties, covering approximately 11 square miles in 3 non-contiguous areas. Service Area #1 is bordered by highway M-13 on the east, Henderson Road on the north, Vernon Road on the west, and Juddville Road on the south. Service Area #2 is bordered by New Lothrop Road on the east, Wilkinson Road on the north, Reed Road on the west, and Middleton Road on the south. Service Area #3 runs directly east from M-13 along Copas Road and ends at Calkins Road. The area is very rural and inhabited by homesteads, farm land and residential houses; in addition to some small forests. The geography is flat plains and there are no major bodies of water or rivers. Due to the rural nature and sparse population, many locations in the area have poor service from the incumbent provider or rely on limited cellular and satellite data capabilities to access the internet. Surveys of residents and businesses indicate a strong demand for reliable, high-speed FTTH. Lennon's proposed project has no anchor institutions inside the area, but the residents and business rely on many anchor institutions that serve the greater community, as detailed in responses below.

11. Does the project include a middle mile component:

Yes  No

12. Locations Passed: Please indicate the total number of locations by type that will be able to receive improved broadband services as a result of the proposed project:

Households:

198

Businesses:

6

Community Anchor Institutions:

0

13. Are any vacant lots included in the total number of locations passed listed above?

Yes  No

If yes, these vacant lots should be anticipated for growth in the next five years according to a local, county, or regional master plan or economic development plan. Please list the name of the relevant plan and the jurisdiction implementing the plan.

Plan Name:

Jurisdiction:

14. Please list the jurisdictions impacted by the proposed service area:

City(ies)/Village(s):

N/A

Township(s):

Hazelton, Venice, Clayton

County(ies):

Shiawassee, Genesee

State House District(s):

85, 51

State Senate District(s):

24, 32

15. Please provide a brief description of the broadband service to be provided including, but not limited to, the technology to be used, will bandwidth be dedicated or shared, etc. (250 words max.):

Lennon will use Fiber to the Home (FTTH) to deliver video, and broadband to customers within the HB Project. Lennon plans to deploy fiber technology that will provide all customers at least 1 Gbps, with potential for higher speeds. Lennon's current FTTH network utilizes [REDACTED] to provide voice, video, and data services up to 60/10 Mbps. All subscribers will be connected to the Lennon central office (CO) using a dedicated fiber optic line which terminates to Aurora mini-nodes on premises. Lennon will use the same [REDACTED] solution for the HB Project. All fiber optic cable is single mode loose tube, zero water peak and is rated for service from 1300 nm to 1625 nm. Fiber drops will be constructed once a customer orders service. The extent of the project is 20 miles of distribution optical fiber and 3 miles of drop optical fiber cables, covering about 11 square miles. In Lennon's existing service area, the FTTH signal connects to a [REDACTED] router to the two redundant, geographically diverse 1 Gbps internet backhaul connection and to a [REDACTED] for the video feed. Lennon will utilize the same network infrastructure for the HB Project, adding on to its existing facilities.

**Project Costs and Budget**

16. Total eligible project cost:  
\$380,470.00
17. Total grant request:  
\$338,618.00

*Attachment 4: Match commitment letters or evidence*

Name of Attachment 4:

Lennon\_ Attachment\_4\_Broker Statement Showing Matching Funds

18. Total matching funds: Please complete the table below summarizing the source, amount, and type of matching funds contributed to the project. Applicants should also indicate if the match is secured or not. Attach additional sheets if necessary.

Source	Amount	Type	Secured?
[REDACTED]	[REDACTED]	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Cash <input type="checkbox"/> In-Kind	<input type="checkbox"/> Yes <input type="checkbox"/> No

19. If matching funds or in-kind contributions listed above are not yet secured, please describe the process remaining to secure the funds and the anticipated timeline to do so, (250 words max.):

Lennon's matching funds are in its brokerage portfolio and meet CMIC's definition of secured, so no further process remains. The matching funds for this application are 100 percent funded by Lennon. Funds will be withdrawn from the brokerage account and the statement in Attachment 4 shows a balance that is greater than Lennon's in-kind contribution amount.

20. Project Budget: Please use the following table to provide a budget for the proposed project. Please use the recommended categories in the table where possible, creating other categories where anticipated expenses do not fall within one of the recommended categories.

Use of Funds	Match Amount	Grant Amount	Total
Buildings and Labor			
Last Mile Construction Labor			
Middle Mile Construction Labor			
Construction Material			
Customer Premise Equipment			
Customer Premise Installation			
Electronics			
Permits			
Professional Services and Engineering			
Other:			
Other:			
Other:			
Other:			
Other:			
<b>Total</b>			\$380,471.00

21. Please briefly describe why this project needs funding from the CMIC Grant program and why the project could not proceed without this funding, (250 words max.):

The CMIC program is the best opportunity this area has for broadband, and Lennon believes the timing is perfect where all the right components are in place to make this happen. Residents and businesses here have responded favorably to Lennon's canvassing efforts, and in fact have been asking Lennon to provide service here for many years. Survey respondents noted that they live in "dead areas" and "it's like we are in a different world." Another noted that they just want access to the same services as people who live in town. It is a great opportunity to seek funding to ensure that residents and businesses within this area can have all the advantages from reliable broadband. The NPV of the project is [REDACTED] and positive cash flow in all but two years. Without the grant, the HB Project has a negative NPV of [REDACTED]. The CMIC program is the best opportunity this area has for broadband, and Lennon believes the timing is perfect where all the right components are in place to make this happen. People living and working here have a strong demand for high-speed broadband, and they have been asking Lennon to deploy here for years. Given the negative NPV in the absence of grant funding or other means of financial support, Lennon was not able to meet this demand despite truly wanting to help contribute to the economic growth and quality of life of people in the HB Project area.

**Experience and Financial Wherewithal**

*Attachment 5: Applicant organizational chart*

Name of Attachment 5:

Lennon\_Attachment\_5\_Organizational Chart

*Attachment 6: Resumes of key officers, management personnel, and proposed project management team*

Name of Attachment 6:

Lennon\_Attachment\_6\_Lennon Resumes

22. Please provide a brief history of your organization including experience relevant to the proposed project, (250 words max.):

Lennon has longstanding roots in the HB Project area, as it was founded in the late 1800s by a group of farmers as the Shiawassee and Genesee Mutual Telephone Company. Lennon as it exists today is a multi-generation family-owned telecommunications provider. Lennon supports over 700 business and residential customers, as well as a population of approximately 1,500 within its single ILEC rate-of-return exchange. Lennon had several large internet deployment projects in the late 1990s and early 2000s, starting with its ILEC area where it constructed approximately 20 miles of Hybrid Fiber Coax (HFC) to deliver internet and cable TV (CATV). Lennon then built out the entire city of Durand, followed by Gaines Township. Lennon provides telecom and broadband services over copper and fiber, and video and cable modem services over a HFC network via its affiliate TVC Cable. Lennon's first FTTH project was connecting the Village of Vernon in 2013. The company deployed phone, CATV, and internet with approximately 5 miles of linear fiber. Lennon's FTTH strategy is to maintain state-of-the-art services in its ILEC area as well as gradually edge out its network outside the ILEC to serve adjacent areas that desperately need broadband. Lennon has deployed fiber adjacent to the HB Project, which would make the proposed FTTH projects more affordable and efficient to complete. Lennon will be using the same marketing outreach to generate interest in their service that has been successful in the existing areas.

*Attachment 7: Audited financial statements*

Name of Attachment 7:

Lennon\_Attachment\_7\_Reviewed Financial Statements Yr 16-18



23. Please provide a brief statement to accompany your attached audited financial statements and documentation, (250 words max.):

Lennon is in a strong financial position. Lennon's financial statements reviewed by an auditor provide a thorough and accurate depiction of the Company's financial health, and it is believed an audit would reach the same conclusion as the review. The financial statements that have been reviewed by an accountant include a balance sheet, income statement, and statement of cash flows, which per the auditors' review are in conformity with accounting principles generally accepted in the United States of America (US GAAP). Lennon does not have any long-term outstanding indebtedness and for years 2017 and 2018 its EBITDA averaged [REDACTED]. Like other ILECs, its traditional wireline telephone business has been declining, but its video and broadband revenues have been increasing, growing at a compound annual growth rate of [REDACTED] since the beginning of year 2016. Lennon has been in business for over one hundred years with a long, stable history of being financially successful. Lennon is very fiscally responsible and dedicated to the communications needs of its community as evidenced by its investment in property, plant and equipment in the attached financials. Lennon is a small business with only about fifteen employees. The company chooses to have its financial statements reviewed versus audited due to its small size compared to the high cost of obtaining a full audit.

**Long-Term Viability and Scalability**

*Attachment 8: Evidence of network scalability*

Name of Attachment 8:

Lennon\_Attachment\_8\_Lennon Network Scalability and PE cert

24. Please provide a description and evidence that the proposed infrastructure is scalable to meet the anticipated future connectivity demands of the proposed service area. Please indicate the end-user connection speed to which the proposed network is designed to scale. This information must be certified by the equipment manufacturer or a professional engineer, (250 words max.):

Lennon will provide service packages that can sustain more than 60/10 Mbps to every subscriber all the time, and the network can be expected to provide more than 100 Mbps symmetrical essentially continuously with bursting up to 1 Gbps via statistical multiplexing (when not every user is requesting maximum bandwidth all the time). Industry studies show the average usage rarely exceeds 50 Mbps per user. Our average customer usage is 12 mbps. The equipment we intend to deploy will be upgradeable to 10 Gbps without modifying any of the OSP facilities. We also intend to deploy our fiber architecture and optical equipment such that we could provide dedicated bandwidth to individual users without radical modification of the network facilities, via a certain amount of available dedicated fiber and Optical Ethernet electronics. Lennon's engineering plans and preferred equipment plans have been certified by a Professional Engineer in the corresponding attachments, and the scalability of the network to meet future demand has also been certified.

*Attachment 9: Five-year, stand-alone project financial plan/forecast*

Name of Attachment 9:

Lennon\_Attachment\_9\_Five Year Plan

Attachment 10: Affidavit of commitment to offer the proposed service and cost in the proposed service area for a minimum of five years after project completion.

Name of Attachment 10:

Lennon\_Attachment\_10\_Affidavit of Commitment

- 25. Please provide a brief narrative to accompany your attached five-year stand-alone project financial plan/forecast, (400 words max.):

The total cost of the proposed project is \$380,470 to build a FTTP network capable of providing broadband service, as well as video service, passing 198 year-round residences and 6 business in the proposed service area. Based on an internal rate of return of [REDACTED] percent, the Net Present Value (NPV) of the proposed project is expected to be [REDACTED]. Consistent with the proposed timeline discussed in Question #27, the projections assume the proposed build will be completed by the end of year 2021, and at that time, it is expected that 50 percent of the homes and business passed by the proposed network will adopt the broadband service. Additionally, it is expected that [REDACTED] percent of the premises that adopt broadband service will also adopt Lennon's video services, or stated differently, [REDACTED] percent of the premises passed will adopt video services. The pricing for both broadband and video service was based on Lennon's 2018 average revenue per user (ARPU) for both services, [REDACTED] for broadband and [REDACTED] for video, per month. Using the historical ARPU, assumes the takes rates for the different broadband speed packages and video offerings, as well as bundled packages, will remain consistent with the takes rates in Lennon's current, existing operations, for both residences and businesses. Video programming fees were estimated at [REDACTED] per month based on the average programming fees incurred by Lennon's video customers in Lennon's exiting video operations. Video programming fees were expected to increase annually at [REDACTED] based on Lennon's experience in paying carriage fees. As such, we also included a [REDACTED] annual increase in video pricing to pass-along the expected increase in programming fees. Lennon will not require the addition of personal, systems or other capacity to service the network or customers. Consequently, we have included only incremental costs associated with the proposed project. For broadband and video services, the additional costs to provide service were based on the average cost per unit (ACPU), or customer, that Lennon incurred in its current operations for similar services. Additional ch

**Readiness**

Attachment 11: Budgetary engineering designs, diagrams, and maps that show the proposed project. Design documents must clearly demonstrate the applicant's complete understanding of the project and ability to provide the proposed solution. This information must be certified by a Professional Engineer registered in Michigan.

Name of Attachment 11:

Lennon\_Attachment\_11\_Engineering Designs Diagrams Maps of Project

- 26. Please provide a brief statement to accompany your attached engineering designs, diagrams, and maps indicating your readiness to build, manage, and operate the proposed network, (250 words max.):

Lennon's existing FTTH deployments are state-of-the-art and provide more than the services anticipated to be initially offered in the HB Project area. We establish our networks to be ready and accessible for demand-driven modifications in the future. We intend to extend the same services and level of care in the proposed network areas as we do in our existing service areas, and assess demand for higher speeds and additional services, as well as customers' willingness to pay for more expensive service packages, as time goes on. We have the network backbone capacity, the electronic equipment, the personnel and skills to deploy, administer, maintain, and continuously improve the services proposed. It isn't just our plan—it is the way we have successfully conducted business for many years and plan to continue. Lennon has a proven track record in building this same [REDACTED] system in its regulated service area. There will be no surprises in the design, and the outside plant and construction personnel are experienced in projects extremely similar to the HB Project. Lennon has completed its annual construction projects on time and on budget due to attentive management. The HB Project is a typical size for the company.

27. Please use the table below to complete a project schedule outlining individual tasks and their timing by quarter and year. All projects must be complete by September 30, 2023.

Task	2020			2021				2022				2023		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Permits	X													
Order Mater	X													
Pre-Con Letter	X													
Contractors	X													
Construction (%)		20	10	10	20	20	20							
Splicing (%)			20	20	20	20	20							

28. Please indicate the anticipated date upon which service to the last location in the proposed project area will be turned on:

January 31, 2022

29. Please list any factors that would change or delay the proposed schedule:

Site weather, staff issues, construction companies used, environmental delays and equipment.

30. Have all the required local/city/county/state approvals necessary for this project to proceed been obtained?

Yes  No

If not, what remains to be done and what is required for completing the process of obtaining approvals? Include this information in the project schedule.

Obtaining permits, Under a month for Genesee. Under two months for Shiawassee.

31. Have state environmental review requirements been met, if applicable?

Yes  No

If not, what remains to be done and what is required for completing the process of obtaining approvals? Include this information in the project schedule.

Obtaining permits, Under a month for Genesee. Under two months for Shiawassee.

32. Does this project affect/is the project located in or near local, state, or federal historic or potentially historic, architectural, or archeological resources?  
 Yes  No

If not, what remains to be done and what is required for completing the process of obtaining approvals? Include this information in the project schedule.

None, N/A.

33. Please briefly describe how the proposed project will leverage existing broadband networks, where practical, or be built in conjunction with other broadband infrastructure project(s), (250 words max.):

Lennon proposes to utilize existing facilities and capabilities in coordination with the proposed network facilities to provide video and broadband services in the grant application area. Lennon will use its core network routers, internet backhaul, customer service, billing, service technicians, and video headend for these new HB Project customers. Lennon does not anticipate that additions will be required to add the additional customers to its core network. Lennon knows the area very well and has the expertise and resources to complete this proposed project and seamlessly integrate it with the existing network. Lennon receives Federal High Cost Universal Service Fund (USF) support for its ILEC territory, which it has been receiving for many years. Lennon has utilized its USF support as intended, to build and maintain reliable and quality communications networks.

### Community and Economic Development

*Attachment 12: Community letters of support*

Name of Attachment 12:

Lennon\_Attachment\_12\_Letters of Support

*Attachment 13: Demonstration of customer interest in the proposed project*

Name of Attachment 13:

Lennon\_Attachment\_13\_Demonstration of Customer Interest

34. Please provide a brief statement to accompany the demonstration of customer interest you have attached to this application. This description should include the method used for gauging customer interest and the results, (250 words max.):

Lennon has received incredible backing and encouragement from various members of the community in its canvassing of unserved locations. In effort to gauge customer interest in Lennon's proposed project, Lennon asked members of communities within Shiawassee and Genesee Counties to write and vocalize their thoughts and opinions on the proposed project. Members of the community responded very positively. The support letters and feedback that Lennon has received suggest that a lack of fast, reliable broadband has been a major factor in preventing the area from functioning at full potential and achieving their economic development goals. For example, one respondent stated that they have been waiting for an opportunity such as this for a long time, and another expressed that better broadband would enable them to stay local. Others noted that fast broadband will be important for home-school, college courses, and homework; and it "can improve the engagement of our communities with new technologies and access to education." Residents in the area overwhelmingly support Lennon's plan to expand broadband within the community and are excited for the growth and improvement that faster broadband would bring. Lennon's proposed plan will provide reliable communications infrastructure, helping to expand the economic, educational, and healthcare opportunities in an area that has been forgotten by other providers.

*Attachment 14: Statements of impact/support from CAIs (if applicable)*

Name of Attachment 14:

N/A

35. In the table below, please list the specific community anchor institutions (CAIs) to be served by the proposed project, (attach additional sheets if necessary). Please also attach statements or evidence from these CAIs regarding the benefits of the proposed connectivity solution and how it will impact the organizations.

CAI Name	Address	Type (e.g. healthcare, library, school, etc.)
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

*Attachment 15: Evidence of application for a SPIN (if applicable)*

Name of Attachment 15:

N/A

36. If the proposed project includes connections to schools or libraries, please provide your SPIN or evidence of application for a SPIN from the FCC/Universal Service Administrative Company (USAC) and demonstration of your knowledge of E-rate and working with the FCC/USAC, (250 words max.):

Lennon has a SPIN (██████████), but there are no schools or libraries in the funded area. Lennon does provide service to libraries in Lennon and Vernon, and in received E-Rate support. Lennon is familiar with the FCC and USAC rules and procedures regarding USF funding since it has been receiving high-cost support for many years. Lennon complies with all applicable FCC and State rules.

37. Please briefly summarize how the proposed service will impact the following sectors in the community:

Public safety:

Lennon provides service to Vernon Township and Hazleton Township's Fire Departments. These communities don't have police departments. Better broadband services and capabilities will enable residents and businesses to receive urgent news and public safety communications online.

Healthcare:

There are no hospitals in the project area. Improved broadband will bring upgraded, more accurate, and specialized health services, plus telehealth services to residents. These services will allow patients to improve their health through more accurate health records and accountability.

Education:

Better broadband will also improve Shiawassee and Genesee County education systems by making it easier for students to complete homework assignments, participate in E-learning days and engage at higher levels of education, all of which are critical to their ability to excel as adults.

Government entities:

Local, county, and state governments are requiring citizens to submit forms, pay fines, gather information and ask questions Online. Better broadband will allow citizens to access and use these government websites, ensuring that they remain compliant.

Libraries:

Lennon currently serves the libraries in Lennon and Vernon. The proposed grant area does not have any libraries located within the territory, but the residents use the Lennon and Vernon libraries. Having broadband at home would enable residents to participate in any online activities organized by the local libraries and have access to the electronic books provided by the libraries.

*Attachment 16: Statements of impact/support from businesses (if applicable)*

Name of Attachment 16:

N/A

38. Please provide a brief description of businesses needing improved broadband service in the proposed project area and the level of improvement needed. Please also attach statements or evidence from any impacted businesses regarding the benefits of the proposed connectivity solution and how it will impact the business, (250 words max.):

The grant area is home to roughly 198 households. Agriculture is the main economic driver of the area. The agriculture businesses, as well as the individuals who work from home full or part time, and who need access to broadband will benefit from this project. Currently, many homes and farms cannot get speeds higher than 10/1, which is insufficient to run a business or participate in the digital economy. Connecting citizens to web-based education, health, government, and public safety services, and enhancing the competitiveness and global reach of local farms and businesses benefits not just these local communities and the State of Michigan, but the nation's economy as well. One support letter respondent stated that they work from home as a software developer for a global company and they will subscribe to Lennon's service to get faster speeds and participate in the latest technologies; another work-from-home individual reported that they can hardly get online to work with their current service. Though there are not many brick-and-mortar businesses in the area, Lennon is aware that there is an ongoing increase in people working from home, for which reliable broadband is necessary.

39. If the proposed service area has a significant agricultural presence, please briefly describe how the proposed service will impact farmers and the agriculture community, (250 words max.):

Many agricultural crops are grown in Lennon's area, including: corn, soybeans, wheat, sugar beets, oats, and barley. Lennon representatives reached out to local farmers to find out what modern farmers have for broadband needs. An area farmer stated that high speed internet would allow farmers access to commodity markets to sell crops. Quality, reliable, high-speed internet would also give farmers access to news and weather information; and seed, fertilizer, fuel, machinery, and other buyers and sellers of goods and services that make running a modern farm successful. High-speed internet capability would also support field mapping services and soil testing. Essentially, running a modern farm requires access to high-speed internet, and the farmers in Lennon's proposed grant areas have struggled, missing out on important technological advances that make farming more precise and robust.

40. Is broadband included in a local, county, or regional economic development plan, master plan, or similar up-to-date planning document, or does the community in which the proposed service is to be deployed have a specific broadband/technology plan in place?

Yes  No

If yes, please list the name of the relevant plan and the jurisdiction implementing the plan.

Plan Name:

Jurisdiction:

**Affordability and Service Limitations**

41. Using the table below, please indicate the download and upload speeds of the services to be offered in the proposed service area offered over the initial five years of the project (attach additional sheets if necessary). The non-discounted/rack rate monthly pricing of unbundled internet-only service should be included for each service offered, as well as the monthly data allowance for customers (if applicable):

Download Speed (Mbps)	Upload Speed (Mbps)	Monthly Cost	Monthly Data Allowance (GB)
60	10	██████████	Unlimited
30	5	██████████	Unlimited
15	3	██████████	Unlimited
5	1	██████████	Unlimited

42. Do you participate in the federal Lifeline program?  
 Yes    No



43. Do you plan to offer a lower-cost monthly subscription plan for low-income households in the proposed service area?  
 Yes  No

If yes, please briefly describe the program including the type of service to be offered, the monthly cost for qualifying household, and how you plan to determine household eligibility for such a program, (400 words max.):

44. Does any of the proposed service area include (wholly or partially) an eligible distressed area (a list of eligible distressed areas can be found here: [https://www.michigan.gov/mshda/0,4641,7-141-48987\\_75951-181277--,00.html](https://www.michigan.gov/mshda/0,4641,7-141-48987_75951-181277--,00.html))?  
 Yes  No

If yes, please list the distressed community(ies) impacted by the proposed service area:

**Adoption Strategy**

45. Please briefly describe any proposed digital literacy training events, materials, and/or resources that will be provided to residents or businesses impacted by the proposed connectivity. This description should include commitments from any partners included in the digital literacy training and the anticipated outcomes from related activities, (400 words max.):

Lennon proposes to create at least three different trainings to improve digital literacy training within the proposed and current service area impacted by the proposed connectivity. The three-proposed digital literacy training topics will be held on Internet Literacy for Beginners, Keeping Your Information Safe (Privacy) and Rural Health Care. The Internet Literacy for Beginners training will consist of teaching subscribers and users how to effectively use their internet (conducting searches etc.), how to keep devices virus free, the meaning of different domain pages and definitions of technical terminology. This training will be available via our company website at <http://lentel.com/> and shared on our social media pages. Lennon also plans to coordinate with a local church that currently provides digital literacy classes. Keeping Your Information Safe will be a flyer released by Lennon that will provide tips and knowledge on how subscribers can keep their kids and family members safe from computer crimes. The goal is to help subscribers identify safety and security risks and help avoid them. Such safety and security risks include: keeping personal and professional information safe and limited, turning on privacy settings, safe browsing techniques, safe download tips, tips on sharing information and choosing strong passwords. The Rural Health Care material will be a mixture of materials that will be release via our website. The material will provide information about Telehealth, the importance of Telehealth, the status of Rural Healthcare, how subscribers can gain access to Telehealth, how having access to broadband can benefit Rural Health Care and information on different programs provided by the government such as the Rural Health Care Program and ways to apply. The goal and outcome of our training programs will be to provide knowledge and opportunities to our subscribers that use our services. In addition, we want to promote a safe as well as comfortable environment and experience for our subscribers that use our services for personal and business purposes.

46. Please briefly describe the materials and method(s) to be used for providing residents and businesses with information promoting the use of an internet connection for improving quality of life, access to resources, economic opportunity, etc., in the proposed service area. Partnerships with local CAIs that build awareness for enriching online opportunities for residents and businesses are highly encouraged. Examples of these opportunities include, but are not limited to, telehealth applications, access to government services, e-learning, job and career readiness programs, public safety information, cybersecurity training, etc., (400 words max.):

Lennon plans to promote its new, better broadband services in the same way that it promotes the services it offers currently. Lennon does this mainly through flyers, newspaper advertising, social media accounts such as Facebook and Twitter, and word of mouth. When entering a new area, Lennon sends notices to the customers before construction begins to inform them of the construction, assess interest and allow customers to sign up for service. Residences are provided informant several times during construction. Once mainline construction is complete, installers knock on doors near an install to give the customer an opportunity to have service installed that day. This process has resulted in customer take rates of 40 to 50% of the area constructed within the first year. With the help of this grant, Lennon hopes to achieve its goal of providing the communities within its service area with better broadband so that residents and businesses may have an improved quality of life with more access to resources and economic opportunities. Residents are excited for the growth and improvement that better broadband would bring. However, since many of the residents and businesses have gone so long with poor internet service, Lennon is also committed to ensuring that these residents and businesses are equipped with the tools and guidance necessary to maximize their use of the new and improved internet service. Therefore, Lennon has developed a plan for not only promoting the new broadband connection it plans to bring to customers but also for educating customers on how to successfully use this new, faster internet connection to better their lives and businesses.

## CONFIDENTIAL TREATMENT FORM (CT FORM)

**INSTRUCTIONS:** Complete either Section 1 or Section 2 of this CT Form and sign where indicated. This CT Form must be signed by the individual who signed the grant application. A completed CT Form must be submitted with your proposal, regardless of whether your proposal contains confidential information. Failure to submit a completed CT Form with your application is grounds for rejecting the proposal as non-responsive. See Section 4.1.5 of the CMIC Grant Overview for additional information.

---

### **Section 1. Confidential Treatment Is Not Requested**

This section must be completed, signed, and submitted with the proposal if the Applicant does not request confidential treatment of any material contained in the proposal.

By signing below, the Applicant affirms that confidential treatment of material contained in the proposal is not requested.

\_\_\_\_\_  
Project Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
[Printed Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Company]

---

### **Section 2. Confidential Treatment Is Requested**

The section must be completed, signed, and submitted with the proposal if bidder requests confidential treatment of any material contained in the proposal. Submission of a completed CT Form is required to request confidential treatment.

Provide the information in the table below. Applicant may add rows or additional pages using the same format shown in the table. Applicant must specifically identify the information to be protected as confidential and state the reasons why protection is necessary. The CT Form will not be considered fully complete unless, for each confidentiality request, the Applicant: (1) identifies whether the material is a trade secret (TS), financial information (FI), or proprietary information (PI); (2) explains the specific legal grounds that support treatment of the material as TS, FI, or PI; and (3) provides the contact information for the person at bidder's organization authorized to respond to inquiries by the State concerning the material. Applicants must not simply cite to an applicable act or case name; rather, bidders must provide a complete justification as to how the material falls within the scope of an applicable act or relevant case law.

Application page #, paragraph #, and section #	State whether the material is a trade secret (TS), financial information (FI), or proprietary information (PI)	Explain the specific grounds in State or other applicable law which supports treatment of the material as TS, FI, or PI. Do not simply cite to the applicable act. Provide a complete justification as to how the material falls within the scope of the applicable act or relevant case law.	Provide the Applicant contact information.

By signing below, the Applicant affirms that confidential treatment of material contained in its proposal is requested and has attached to this form a redacted "Public Copy" of the Applicant's proposal.

Hazelton Broadband Project  
Project Name

Randy Fletcher  
Signature

9/30/19  
Date

Randy Fletcher  
[Printed Name]

General Manager  
[Title]

Lennon Telephone Company  
[Company]

<b>Application page #, paragraph #, and section #</b>	<b>State whether the material is a trade secret (TS), financial information (FI), or proprietary information (PI)</b>	<b>Explain the specific grounds in State or other applicable law which supports treatment of the material as TS, FI, or PI. Do not simply cite the applicable act. Provide a complete justification as to how the material falls within the scope of the applicable act or relevant case law.</b>	<b>Provide the Applicant contact information</b>
Attachment 4: Match Commitment Letters or Evidence. Broker Statement showing matching funds. (Pages 2-11)	FI	The submitted information includes specific proprietary financial information such as balances and statements of income. Per Michigan's Freedom of Information Act (FOIA), MCL § 15.243(f)(iii) Lennon believes that if this information is made available to the public it will cause substantial injury to the competitive position of the subject enterprise.	Randy Fletcher- (810) 621-3301, rfletcher@lentel.com

<p>Attachment 7: Audited Financial Statements (Pages 5-10, 12-15, 18-24, 28-33, 35-38, 41-45)</p>	<p>FI</p>	<p>The submitted information includes specific proprietary financial information such as balances, statements of income, stockholders' equity and statements of cash flows. Per Michigan's Freedom of Information Act (FOIA), MCL § 15.243(f)(iii) Lennon believes that if this information is made available to the public it will cause substantial injury to the competitive position of the subject enterprise.</p>	<p>Randy Fletcher-(810) 621-3301, rfletcher@lentel.com</p>
<p>Attachment 8: Evidence of Network Scalability (Redacted in Entirety)</p>	<p>PI</p>	<p>Lennon believes the data provided will provide the company's competitors with a competitive advantage over the company in that this disaggregated data is potentially valuable information on the nature and volume of the network components, and equipment. This information meets Michigan's Freedom of Information Act (FOIA), MCL § 15.243(f)(iii) "Trade secrets or commercial or financial information voluntarily provided to an agency for use in developing governmental policy."</p>	<p>Randy Fletcher-(810) 621-3301, rfletcher@lentel.com</p>

<p>Attachment 9: Five, year stand-alone project financial plan/forecast (Redacted in Entirety)</p>	<p>FI</p>	<p>The submitted information includes specific proprietary financial information such as balances, statements of income, stockholders' equity and statements of cash flows. Per Michigan's Freedom of Information Act (FOIA), MCL § 15.243(f)(iii) Lennon believes that if this information is made available to the public it will cause substantial injury to the competitive position of the subject enterprise.</p>	<p>Randy Fletcher- (810) 621-3301, rfletcher@lentel.com</p>
<p>Attachment 11: Budgetary Engineering Designs, Diagrams, and Maps that Show the Proposed Project (Redacted in Entirety)</p>	<p>PI</p>	<p>Lennon believes the data provided will provide the company's competitors with a competitive advantage over the company in that this disaggregated data is potentially valuable information on the nature and volume of the network designs, maps and diagrams. This information meets Michigan's Freedom of Information Act (FOIA), MCL § 15.243(f)(iii) "Trade secrets or commercial or financial information voluntarily provided to an agency for use in developing governmental policy."</p>	<p>Randy Fletcher- (810) 621-3301, rfletcher@lentel.com</p>







STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

GRETCHEN WHITMER  
GOVERNOR

TRICIA L. FOSTER  
DIRECTOR

Connecting Michigan Communities Grant Application Request for Clarification

December 3, 2019

Company Name: Lennon Telephone  
Application Proposal: Hazelton Broadband Project  
Application Contact: Randy Fletcher

Dear Mr. Fletcher,

Thank you for submitting your Connecting Michigan Communities (CMIC) grant application. During the review of your application, it was found that some locations to be served in your proposed service area overlap census blocks that are designated for funding from the FCC's Connect America Fund. Public Act 618 of 2018, Sec. 806<sup>1</sup>, the legislation that created the CMIC grant, states the CMIC Grant program cannot provide funding for locations in census blocks that have been selected to receive Connect America Funds:

(8) The department shall not award a grant to an applicant if verifiable information is made available that shows any of the following: (d) The project includes an area that has been selected to receive, provisionally or otherwise, Connect America Funds from the Federal Communications Commission.

The following is an analysis of your proposed census block service areas and those included in the Connect America Fund<sup>2</sup>. The attached map shows the census blocks identified in your application that are proposed for service and the census blocks selected to receive Connect America Funds.

Total housing units in the census blocks in your proposed service area based on the 2010 Census:	484
Total locations to be served per your application (homes, businesses, and institutions):	204
Total housing units in CAF Funded Census Blocks in your proposed service area:	375
Estimated housing units in your proposed service area outside of Connect America Fund Census Blocks based on the 2010 Census:	109

Considering the CMIC grant cannot fund areas selected to receive Connect America Funds, the CMIC Steering Committee is offering the following options for applicants:

- 1) Submit revised application documents to reflect a proposed service area that does not include census blocks selected for Connect America Funds;
- 2) Validate there are no changes to your original application; or
- 3) Withdraw your application from consideration.

<sup>1</sup> <http://www.legislature.mi.gov/documents/2017-2018/billenrolled/Senate/pdf/2017-SNB-0601.pdf>

<sup>2</sup> A list of all Connect America Fund census blocks can be found here: [https://www.michigan.gov/documents/dtmb/Michigan\\_Census\\_Blocks\\_CAF\\_650783\\_7.xlsx](https://www.michigan.gov/documents/dtmb/Michigan_Census_Blocks_CAF_650783_7.xlsx).

If you choose to submit revised application documents that reflect a proposed service area which does not include census blocks selected for Connect America Funds, this completed Request for Clarification (RFC) document along with the identified attachments must be received via email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov) by Friday, December 13, 2019.

<b>Revised Application Summary</b>		
	Original Application	Revised Application
Households to be served		
Businesses to be served		
Community Anchor Institutions to be served		
Total Project Cost		
Total Grant Request		
Total Matching Funds		

<b>Revised Attachment 1</b>
<p>Applicant must provide a map of proposed service area that excludes CAF funded census blocks in PDF format (including both last mile coverage and middle mile routes). Revised applications cannot include locations to be served that were not part of your original application.</p>
<p>Response:</p>

<b>Revised Attachment 3</b>			
<p>Applicant must provide a spreadsheet of census blocks in XLS or XLSX format identifying the locations served that are part of the non-CAF proposed service area using the following heading format. Revised applications cannot include locations to be served that were not part of your original application. If you feel there is a discrepancy between the figures as reported in the 2010 Census and actual number of housing units, please explain in the response field of this section in addition to completing the required spreadsheet.</p>			
	Total Number of Households to be Served	Is Service Provided to Whole or Part of Census Block? Y/N	Is Census Block Wholly Contained Within Service Area? Y/N
Census Block ID			
<p>Response:</p>			

<b>Revised Attachment 9</b>
Applicant must provide a revised five-year, stand-alone project financial plan/forecast that includes only locations within the proposed service area and does not include census blocks selected for CAF.
Response:

<b>Revised Project Budget</b>			
Applicant must complete this table to provide a revised project budget that includes only locations within the proposed service area and does not include census blocks selected for CAF.			
Use of Funds	Match Amount	Grant Amount	Total
Buildings and Labor			
Last Mile Construction Labor			
Middle Mile Construction Labor			
Construction Material			
Customer Premise Equipment			
Customer Premise Installation			
Electronics			
Permits			
Professional Services and Engineering			
Other:			
Other:			
Other:			
Other:			
Other:			
<b>Total</b>			

**CMIC Grant RFC – Lennon**

**December 3, 2019**

**Page 4**

This completed RFC and revised attachments must be received via email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov). Do not return this document with your responses without also updating and returning the relevant attachments listed above. Any questions should be submitted via email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov).

To validate there are no changes to your original application, you must send an email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov) with the phrase, "Validate No Changes to Application" followed by your company name and name of the project in the subject line.

To withdraw your application from consideration, you must send an email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov) with the phrase, "Withdraw Application" followed by your company name and name of the project in the subject line.

**Your response, including Validation, Withdrawal, or completed RFC and amended Attachments must be received via email to [DTMB-CMICGrant@michigan.gov](mailto:DTMB-CMICGrant@michigan.gov) by Friday, December 13, 2019, at 3:00 p.m. EST. No extensions shall be granted. You will receive an email confirmation of your submission. If you have not received a confirmation receipt by December 20, 2019, you must contact the CMIC Grant Program Office at (517) 335-3727. Failure to respond to this request may affect the scoring of your application, including up to elimination of further consideration.**

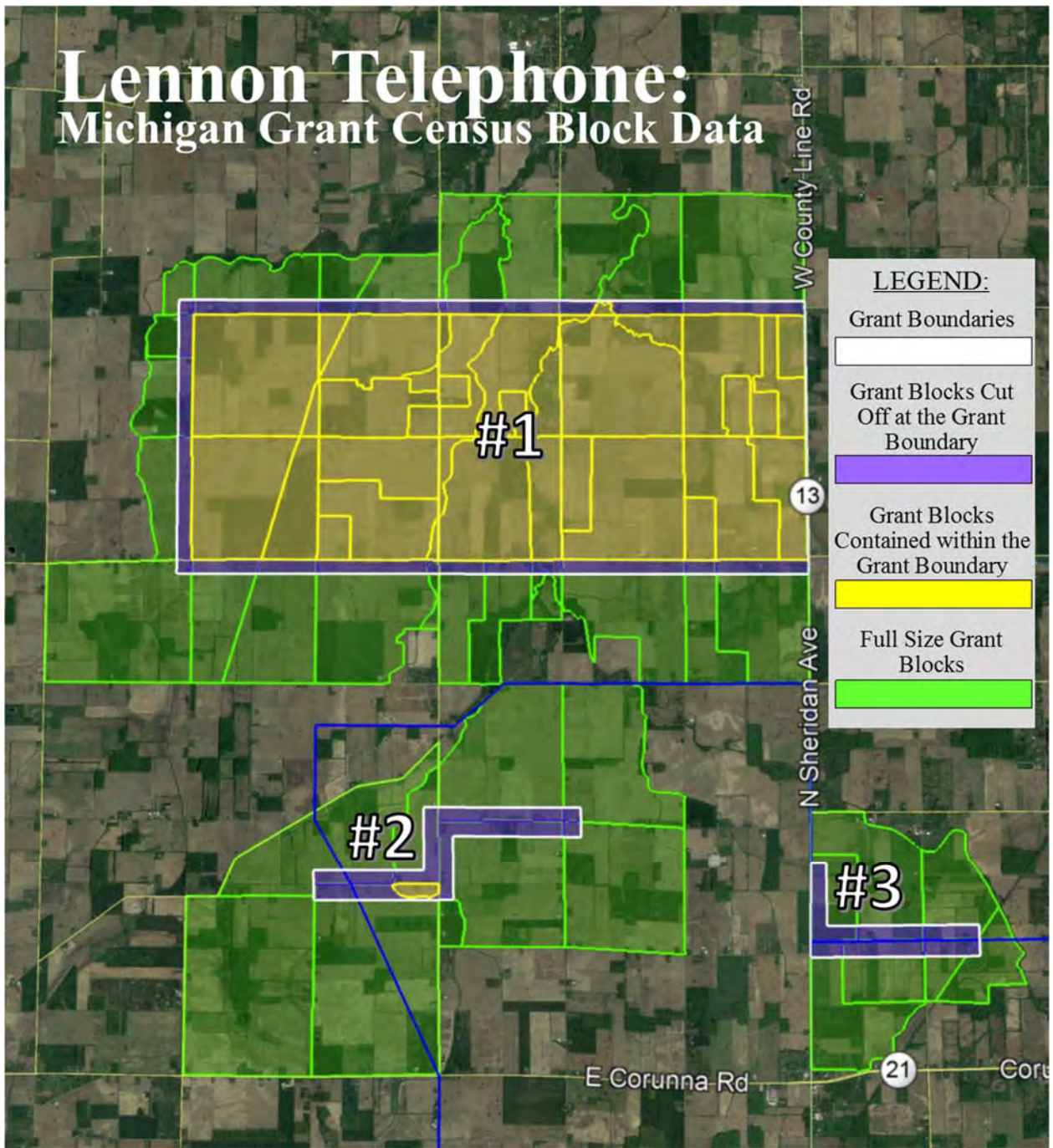


*Attachment 1: Map of proposed service area  
(including both last mile coverage and middle  
mile routes)*

Name of Attachment 1:

Lennon\_Attachment\_1\_Map of Proposed  
Service Area.pdf

# Lennon Telephone: Michigan Grant Census Block Data



*Attachment 3: Spreadsheet of census blocks that are part of the proposed service area*

Name of Attachment 3:

Lennon\_Attachment\_3\_Census Block  
Spreadsheet.pdf



# Lennon Telephone Company

## Census Block Spreadsheet

Census Block I.D. Number	Number of Households	Numer of Unserved Households	Service to Census Block (Partial or Whole)	Census Block Contained in PFSA (Wholly or Partially)
260490127031005	8	0	Partial	Partial
260490127031012	2	0	Partial	Partial
260490127031013	2	0	Partial	Partial
260490127031014	25	0	Partial	Partial
260490127031016	3	0	Partial	Partial
260490127031017	5	0	Partial	Partial
260490127031018	1	0	Partial	Partial
260490127031028	1	0	Partial	Partial
261550301002028	4	0	Partial	Partial
261550301002029	5	0	Partial	Partial
261550301002031	18	0	Partial	Partial
261550301002032	11	0	Partial	Partial
261550301002033	13	0	Partial	Partial
261550301002034	7	0	Partial	Partial
261550301002035	5	0	Whole	Whole
261550301002036	0	0	Whole	Whole
261550301002037	3	0	Whole	Whole
261550301002038	12	0	Whole	Whole
261550301002039	2	0	Whole	Whole
261550301002040	13	0	Whole	Whole
261550301002041	7	0	Whole	Whole
261550301002042	2	0	Whole	Whole
261550301002043	9	0	Whole	Whole
261550301002044	5	0	Whole	Whole
261550301002045	10	0	Whole	Whole
261550301002046	0	0	Whole	Whole
261550301002047	21	0	Whole	Whole
261550301002048	9	0	Whole	Whole
261550301002049	1	0	Whole	Whole
261550301002050	3	0	Whole	Whole
261550301002051	1	0	Whole	Whole
261550301002052	0	0	Partial	Partial
261550301002053	0	0	Whole	Whole
261550301002054	2	0	Whole	Whole
261550301002055	3	0	Whole	Whole
261550301002056	4	0	Whole	Whole
261550301002057	0	0	Whole	Whole
261550301002058	2	0	Partial	Partial
261550301002061	7	0	Partial	Partial
261550301002062	1	0	Partial	Partial
261550301002068	0	0	Whole	Whole
261550301002069	1	0	Partial	Partial
261550301002071	5	0	Whole	Whole
261550301002072	0	0	Whole	Whole
261550301002073	3	0	Whole	Whole
261550301002074	3	0	Whole	Whole

261550301002075	2	0	Partial	Partial
261550301002076	4	0	Partial	Partial
261550301002080	3	0	Whole	Whole
261550301002081	2	0	Whole	Whole
261550301002082	1	0	Whole	Whole
261550301002083	4	0	Whole	Whole
261550301002084	1	0	Whole	Whole
261550301002085	0	0	Whole	Whole
261550301002087	2	0	Whole	Whole
261550301002088	2	0	Whole	Whole
261550301002089	2	0	Whole	Whole
261550301004000	5	0	Partial	Partial
261550301004001	4	0	Partial	Partial
261550301004002	3	0	Partial	Partial
261550301004003	4	0	Partial	Partial
261550301004004	16	0	Partial	Partial
261550301004012	9	0	Partial	Partial
261550301004013	4	0	Partial	Partial
261550301004014	3	0	Whole	Whole
261550301004015	26	0	Partial	Partial
261550301004016	17	0	Partial	Partial
261550301005000	8	0	Partial	Partial
261550301005001	7	0	Partial	Partial
261550301005002	3	0	Partial	Partial
261550301005004	2	0	Partial	Partial
261550301005005	0	0	Partial	Partial
261550301005006	3	0	Partial	Partial
261550301005008	7	0	Partial	Partial
261550301005011	6	0	Partial	Partial
261550301005014	2	0	Partial	Partial
261550301005020	19	0	Partial	Partial
261550301005023	17	0	Partial	Partial
261550301005024	1	0	Partial	Partial
261550301005025	14	0	Partial	Partial

Attachment 4: *Match commitment letters or evidence*

Name of Attachment 4:

Lennon\_Attachment\_4\_Broker Statement  
Showing Matching Funds.pdf

INVESTACORP, INC.  
4400 BISCAYNE BLVD., SUITE 1100  
MIAMI, FLORIDA 33137

**INVESTACORP®**  
MEMBER • FINRA/SIPC

LENNON TELEPHONE COMPANY

STATEMENT FOR THE PERIOD JULY 1, 2019 TO JULY 31, 2019

LENNON TELEPHONE COMPANY - Corporation  
Account Number: [REDACTED]

**YOUR REGISTERED REPRESENTATIVE**

For questions about your accounts  
Local: 517-381-8362

**TOTAL VALUE OF YOUR PORTFOLIO**

**FOR YOUR INFORMATION**

Investment checks should only be made payable to National Financial or to the product sponsor company. Investment checks should never be payable to your financial advisor or his/her business entity. Further, you should not make a personal loan to, or engage in any personal transaction with, your financial advisor. For questions, contact Investacorp.

**CHANGE IN VALUE OF YOUR PORTFOLIO**  
\$ thousands

	2015	2016	2017	2018	CURRENT
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

*Change In Value Of Your Portfolio information can be found in Miscellaneous Footnotes at the end of this statement.*

Account carried with National Financial Services LLC, Member  
NYSE, SIPC

## Account Overview

### CHANGE IN ACCOUNT VALUE

BEGINNING VALUE  
 Additions and Withdrawals  
 Income  
 Taxes, Fees and Expenses  
 Change in Value

ENDING VALUE (AS OF 07/31/19)

*Refer to Miscellaneous Footnotes for more information on Change in Value.*

Year-to-Date

### ACCOUNT ALLOCATION



Bank Deposits  
 Equities  
 Fixed Income  
 TOTAL

Percent

Prior Period  
 Current Period

*Account Allocation shows the percentage that each asset class represents of your total account value. Account Allocations for equities, fixed income, and other categories may include mutual funds and may be net of short positions. NFS has made assumptions concerning how certain mutual funds are allocated. Closed-end mutual funds and Exchange Traded Products (ETPs) based on an exchange may be included in the equity allocation. The chart may not reflect your actual portfolio allocation. Consult your broker/dealer prior to making investment decisions.*



Statement for the Period July 1, 2019 to July 31, 2019  
 LENNON TELEPHONE COMPANY - Corporation  
 Account Number: [REDACTED]

**INVESTACORP®**  
 MEMBER • FINRA/SIPC

## Account Overview *continued*

	Current Period	Year-to-Date
<b>INCOME TAXABLE</b>	[REDACTED]	[REDACTED]
Taxable Dividends	[REDACTED]	[REDACTED]
Taxable Interest	[REDACTED]	[REDACTED]
Long-Term Capital Gain	[REDACTED]	[REDACTED]
<b>TOTAL TAXABLE</b>	[REDACTED]	[REDACTED]
<b>TOTAL INCOME</b>	[REDACTED]	[REDACTED]

*Taxable income is determined based on information available to NFS at the time the statement was prepared, and is subject to change. Final information on taxation of interest and dividends is available on Form 1099-Div, which is mailed in February of the subsequent year.*

	Current Period	Year-to-Date
<b>REALIZED GAIN (LOSS)</b>	[REDACTED]	[REDACTED]
Short Term Gain	[REDACTED]	[REDACTED]
Short Term Loss	[REDACTED]	[REDACTED]
Disallowed Short Term Loss	[REDACTED]	[REDACTED]
<b>TOTAL SHORT TERM GAIN (LOSS)</b>	[REDACTED]	[REDACTED]

Long Term Gain	[REDACTED]	[REDACTED]
Long Term Loss	[REDACTED]	[REDACTED]
Disallowed Long Term Loss	[REDACTED]	[REDACTED]
<b>TOTAL LONG TERM GAIN (LOSS)</b>	[REDACTED]	[REDACTED]

*NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for your tax reporting purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.*

Statement for the Period July 1, 2019 to July 31, 2019

LENNON TELEPHONE COMPANY - Corporation

Account Number: [REDACTED]

**INVESTACORP®**  
MEMBER • FINRA/SIPC

## Account Overview *continued*

### MESSAGES AND ALERTS

Please be advised that effective August 2019 there will be changes to the existing core sweep functionality. Please contact your Broker/Dealer for additional information. 889531.1.0 Beginning in May 2019, Direct Debits and Bill Payments will be reported under Activity Additions and Withdrawals Other Additions and Withdrawal section.

Statement for the Period July 1, 2019 to July 31, 2019  
 LENNON TELEPHONE COMPANY - Corporation  
 Account Number: [REDACTED]

**INVESTACORP®**  
 MEMBER • FINRA/SIPC

## Holdings

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

For additional information regarding your holdings, please refer to the footnotes at the end of the statement.

### CASH AND CASH EQUIVALENTS - [REDACTED] of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 07/31/19	Current Market Value	Estimated Annual Income	Unrealized Gain (Loss)
<b>Bank Deposits</b>						
Bank deposits are not securities and are not covered by the Securities Investor Protection Corporation (SIPC). Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance. Customers are responsible for monitoring their total deposits at each Program Bank to determine the extent of available FDIC insurance. Refer to the Bank Deposit Detail section which appears later in this statement for information on the banks holding your deposits. If your account was established on the last business day of this month, your statement will not include a Bank Deposit Detail section.						
BANK DEPOSIT SWEEP PROGRAM	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Estimated Annual Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Cash and Cash Equivalents</b>						
<b>HOLDINGS &gt; MUTUAL FUNDS - [REDACTED] of Total Account Value</b>						
Description	Symbol/Cusip Account Type	Quantity	Price on 07/31/19	Current Market Value	Estimated Annual Income	Unrealized Gain (Loss)

### Equity

<b>AMERICAN INVESTMENT CO OF AMERICA CL C</b>						
Estimated Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Gain Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Average Unit Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>INVESTCO DIVERSIFIED DIVIDEND CLASS A</b>						
Estimated Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Gain Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Average Unit Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



Statement for the Period July 1, 2019 to July 31, 2019  
 LENNON TELEPHONE COMPANY - Corporation  
 Account Number: [REDACTED]

**INVESTACORP®**  
 MEMBER • FINRA/SIPC

**HOLDINGS > MUTUAL FUNDS** *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 07/31/19	Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis	Unrealized Gain (Loss)
<b>INVESTACORP EQUALLY WEIGHTED S&amp;P 500 C</b>							
Estimated Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Gain Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Average Unit Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>SWAN DEFINED RISK FUND CLASS A</b>							
Estimated Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Gain Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Average Unit Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Equity</b>				[REDACTED]		[REDACTED]	[REDACTED]
<b>Fixed Income</b>							
<b>FRANKLIN INCOME CLASS C</b>							
Estimated Yield	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Gain Option Cash	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Average Unit Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Mutual Funds</b>				[REDACTED]		[REDACTED]	[REDACTED]
<b>Total Securities</b>				[REDACTED]		[REDACTED]	[REDACTED]
<b>TOTAL PORTFOLIO VALUE</b>							

Statement for the Period July 1, 2019 to July 31, 2019

LENNON TELEPHONE COMPANY - Corporation

Account Number: [REDACTED]

**INVESTACORP®**

MEMBER • FINRA/SIPC

# Activity

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

## CORE FUND ACTIVITY

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
07/03/19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
07/31/19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>TOTAL CORE FUND ACTIVITY</b>					

## ACTIVITY > INCOME > TAXABLE INCOME

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
<b>Taxable Dividends</b>					
07/03/19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Taxable Dividends</b>					
<b>Taxable Interest</b>					
07/31/19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Taxable Interest</b>					
<b>Total Taxable Income</b>					
<b>TOTAL INCOME</b>					

**Statement for the Period July 1, 2019 to July 31, 2019**  
**LENNON TELEPHONE COMPANY - Corporation**  
 Account Number: [REDACTED]

**INVESTACORP®**  
 MEMBER • FINRA/SIPC

**ACTIVITY > BANK DEPOSIT DETAIL**

Bank deposits are not securities and are not covered by the Securities Investor Protection Corporation (SIPC). Customers are responsible for monitoring their total deposits at each Program Bank to determine the extent of available FDIC insurance. Your Ending Balance at each Program Bank as of the end of this statement period is shown below. If you participate in a Bank Deposit Sweep Program and also hold a Bank Deposit Direct Investment, the Bank Deposit Detail section lists banks and ending balances for both programs. Funds pending settlement reflect deposits to (credit) or withdrawals from (debit) a Program Bank. Subject to the terms of the applicable bank deposit disclosure, customers are reminded that funds are deposited to a Program Bank on the business day following the date that funds are credited to your account and until swept to a Program Bank, funds are covered by SIPC.

Bank	Beginning Balance	Ending Balance
AXOS Bank	[REDACTED]	[REDACTED]
Bank of East Asia	[REDACTED]	[REDACTED]
BankUnited NA	[REDACTED]	[REDACTED]
BankUnited NA	[REDACTED]	[REDACTED]
Compass Bank	[REDACTED]	[REDACTED]
Great Western Bank	[REDACTED]	[REDACTED]
Happy State Bank	[REDACTED]	[REDACTED]
Israel Discount Bank	[REDACTED]	[REDACTED]
TriState Capital Bank	[REDACTED]	[REDACTED]
Valley National Bank	[REDACTED]	[REDACTED]
Total Bank Deposits	[REDACTED]	[REDACTED]

**Footnotes and Cost Basis Information**

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown of the total of such prior amortization amounts.

NFS is required to report certain cost basis and related information to the IRS on the Form 1099-B. Your official 1099-B forms for certain transactions will reflect which lots have been sold for tax purposes. To apply a specific identification cost basis method to 1099-B reporting, appropriate instructions must be on file with NFS or be received by NFS before the trade has settled. Absent such instructions, NFS determines cost basis at the time of sale based on its default methods of average cost for open-end mutual funds and first-in, first-out (FIFO) for all other (including ETFs) unless your broker dealer has elected to use another default method. NFS applies FIFO (or other disposal method, if applicable) based on its records, which may be different from yours. For transactions that are not subject to 1099-B cost basis reporting, you should refer to your trade confirmations and other applicable records to determine which lots were considered sold for tax purposes.

While NFS must meet IRS requirements with respect to certain information required to be reported to the IRS, NFS-provided cost basis, realized gain and loss, and holding period information may not reflect all adjustments necessary for your tax reporting purposes. NFS makes no warranties with respect to and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information.

For investments in partnerships, NFS does not make any adjustments to cost basis information as the calculation of basis in such investments requires supplemental information from the partnership on its income and distributions during the period you held your investment. Partnerships usually provide this additional information on a Form K-1 issued by April 15th of the following year.

Consult your tax advisor for further information.

Statement for the Period July 1, 2019 to July 31, 2019

LENNON TELEPHONE COMPANY - Corporation  
Account Number: [REDACTED]

**INVESTACORP®**  
MEMBER • FINRA/SIPC

## Footnotes and Cost Basis Information

*continued*

Cost basis and gain/loss information is provided as a service to corporate accounts. The information listed in the year-to-date gain/loss summary section is based on a calendar year (January - December). If your business/entity has a fiscal year end other than December 31st for tax purposes, the year-to-date information will not apply. If you have questions about your tax situation, consult your tax advisor.

## Miscellaneous Footnotes

**CHANGE IN VALUE OF YOUR PORTFOLIO** is the change in market value of your portfolio assets over the time period shown. The portfolio assets include the market value of all the securities in the account, plus insurance and annuity assets if applicable. The time frame of the graph is from account opening or September 2011, whichever is later, to the current period. Please note that large increases and/or declines in the change in the value of the portfolio can be due to additions, distribution and/or performance.

**CHANGE IN VALUE** reflects appreciation or depreciation of your holdings due to price changes plus any activity not reflected within Additions and Withdrawals, Income, Taxes, Fees and Expenses, and Other Activity sections. Change in Value does not reflect activity related to assets in which NFS is not the custodian (e.g. Insurance and Annuities, Assets Held Away and Other Assets Held Away).

**CALLABLE SECURITIES LOTTERY** - When street name or bearer securities held for you are subject to a partial call or partial redemption by the issuer, NFS may or may not receive an allocation of called/redeemed securities by the issuer, transfer agent and/or depository. If NFS is allocated a portion of the called/redeemed securities, NFS utilizes an impartial lottery allocation system, in accordance with applicable rules, that randomly selects the securities within customer accounts that will be called/redeemed. NFS' allocations are not made on a pro rata basis and it is possible for you to receive a full or partial allocation, or no allocation. You have the right to withdraw uncalled fully paid securities at any time prior to the cutoff date and time established by the issuer, transfer agent and/or depository with respect to the partial call, and also to withdraw excess margin securities provided your account is not subject to restriction under Regulation T or such withdrawal will not cause an undermargined condition.

**PRICING INFORMATION** - Prices displayed are obtained from sources that may include pricing vendors, broker/dealers who clear through NFS and/or other sources. Prices may not reflect current fair market value and/or may not be readily marketable or redeemable at the prices shown.

**FOREIGN EXCHANGE TRANSACTIONS** - Some transactions types necessitate a foreign currency exchange (FX) in order to settle. FX transactions may be effected by Fidelity Forex, Inc. on a principal basis. Fidelity Forex, Inc., an affiliate of NFS, may impose a commission or markup on the prevailing interbank market price, which may result in a higher price to you. Fidelity Forex, Inc. may share a portion of any FX commission or markup with NFS. More favorable rates may be available through third parties not affiliated with NFS. The rate applicable to any transaction involving an FX is available upon request through your broker-dealer.

**COST BASIS LEGISLATION** - New IRS Rules will require National Financial Services to report cost basis and holding period information for the sale of shares of open end Mutual Fund holdings purchased on or after January 1, 2012 on Form 1099-B. National Financial Services determines the cost basis for all shares of open end mutual funds using a default method of average cost. Alternatively, account owners or their brokers and advisors can instruct National Financial Services to determine the cost basis for shares of open end mutual funds by 1) setting up their non-retirement accounts with one of our eleven tax lot disposal methods available to investors or 2) identifying specific tax lots to sell at the time of a transaction. Contact your broker or advisor to learn more about the cost basis tracking of your holdings.

**GLOSSARY Short Account Balances**-If you have sold securities under the short sale rule, we have, in accordance with regulations, segregated the proceeds from such transactions in your Short Account. Any market increases or decreases from the original sale price will be marked to the market and will be transferred to your Margin Account on a weekly basis. **Market Value** - The Total Market Value has been calculated out to 9 decimal places, however, the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency in which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value. These estimates, particularly for **fixed income securities**, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. The prices provided are not firm bids or offers. Certain securities may reflect "N/A" or "unavailable" where the price for such security is generally not available from a pricing source. The Market Value of a security, including those priced at par value, may differ from its purchase price and may not

**CUSTOMER SERVICE:** Please review your statement and report any inaccuracy or discrepancy immediately by calling the telephone number of your broker-dealer reflected on the front of this statement. Reports of any inaccuracy or discrepancy regarding your brokerage account or the activity therein should be directed to your broker-dealer at the telephone number and address reflected on the front of this statement and National Financial Services LLC ("NFS").

NFS carries your brokerage account and acts as your custodian for funds and securities that are deposited with NFS by you or your broker-dealer. In addition to your initial contact with your broker-dealer you may reconfirm in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). When contacting either your broker-dealer or NFS, remember to include your entire brokerage account number to ensure a prompt reply.

**ADDITIONAL INFORMATION-Free credit balances ("FCB")** are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

**Credit Adjustment Program.** Accountholders receiving payments in lieu of qualified dividends may not be eligible to receive credit adjustments intended to help cover additional associated federal tax burdens. NFS reserves the right to deny the adjustment to any accountholder and to amend or terminate the credit adjustment program.

**Options Customers.** Each transaction confirmation previously delivered to you contains full information about commissions and other charges. If you require further information, please contact your broker-dealer. Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description of which is available upon request. Short positions in American-style options are liable for assignment at any time. The writer of a European-style option is subject to exercise assignment only during the exercise period. You should advise your broker-dealer promptly of any material change in your investment objectives or financial situation. **Splits, Dividends, and Interest.** Expected stock split, next dividend payable, and next interest payable information has been provided by third parties and may be subject to change. Information for certain securities may be missing if not received from third parties in time for printing. NFS is not responsible for inaccurate, incomplete, or missing information. Please consult your broker-dealer for more information about expected stock split, next dividend payable, and next interest payable for certain securities.

**Equity Dividend Reinvestment Customers.** Shares credited to your brokerage account resulted from transactions effected as agent by either: 1) Your broker-dealer for your investment account, or 2) through the Depository Trust Company (DTC) dividend reinvestment program. For broker-dealer effected transactions, the name of the transactions, the exchange upon which these transactions occurred and the name of the person from whom the security was purchased will be furnished upon written request. NFS may have acted as market maker in effecting trades in "over-the-counter" securities.

**Retirement Contributions/Distributions.** A summary of retirement contributions/distributions is displayed for you in the activity summary section of your statement. **Income Reporting.** NFS reports earnings from investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and Keoghs as tax-deferred income. Earnings from both IRAs are reported as tax-free income, since distributions may be tax-free after meeting the 5 year aging requirement and certain other conditions. A financial statement of NFS is available for your personal equipment and certain other conditions. If you have any questions regarding your account, please contact your broker-dealer at its office or a copy of it will be mailed to you upon your written request.

**Statement Mailing.** NFS will deliver statements by mail or, if applicable, notify you by e-mail of your statement's availability, if you had transactions that affected your cash balances or security positions held in your account(s) during the last monthly reporting period. At a minimum, all brokerage customers will receive quarterly statements at least four times per calendar year) as long as their accounts contain a cash or securities balance.

**Loads and Fees.** In connection with (i) access to, purchase or redemption of, and/or maintenance of positions in mutual funds and other investment products ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment affiliates, pay your introducing broker dealer and/or NFS sales loads and 12b-1 fees

closely reflect the value at which the security may be sold or purchased based on various market factors. Investment decisions should be made only after consulting your broker-dealer.

**Estimated Annual Income (EAI) & Estimated Yield (EY)** for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political, and business conditions. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.

described in the prospectus as well as additional compensation for shareholder services, start-up fees, infrastructure support and maintenance, and other programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by your introducing broker dealer and/or NFS will be furnished to you upon written request. At time of purchase fund shares may be assigned a load, transaction fee or no transaction fee status. At time of sale, any fees applicable to your transaction will be assessed based on the status assigned to the shares at time of purchase. **Margin.** If you have applied for margin privileges and been approved, you may borrow money from NFS in exchange for pledging the assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of securities in your margin account, which is identified on your statement. If you have a margin account, this is a combined statement of your margin account and special memorandum account other than your non-purpose margin accounts maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve Board. The permanent record of the separate account, as required by Regulation T, is available for your inspection upon request. **NYSE and FINRA.** All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange market and its clearing house, if any, where the transactions are executed, and of the New York Stock Exchange (NYSE) and of the Financial Industry Regulatory Authority ("FINRA"). The FINRA requires that we notify you in writing of the availability of an investor brochure that includes information describing FINRA Regulation's BrokerCheck Program ("Program"). To obtain a BrokerCheck Program Hotline at (800) 289-9999 or access the FINRA's web site at [www.finra.org](http://www.finra.org). **FINRA Rule 4811** requires that your broker-dealer and NFS allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your broker-dealer and NFS. A more complete description is available upon request. **Your broker-dealer is responsible for:** (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate orders and other instructions to NFS with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating, and supervising your brokerage account and its own activities in compliance with applicable laws and regulations including compliance with margin rules pertaining to your margin account, if applicable, and (6) maintaining required books and records for the services that it performs. **NFS shall, at the direction of your broker-dealer:** (1) execute, clear and settle transactions processed through NFS by your broker-dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account (unless your broker-dealer has undertaken to do so). Certain securities pricing and descriptive information may be provided by your broker-dealer or obtained from third parties deemed to be reliable, however, this information has not been verified by NFS, (3) act as custodian for funds and securities received by NFS on your behalf, (4) follow the instructions of your broker-dealer with respect to transactions and the receipt and delivery of funds and securities for your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your broker-dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFS margin rules, and for advising you of margin requirements. NFS shall maintain the required books and records for the services it performs. **Securities in accounts carried by NFS** are protected in accordance with the Securities Investor Protection Corporation ("SIPC") up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC, or to request a SIPC brochure, visit [www.sipc.org](http://www.sipc.org) or call 1-202-371-8300. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance. Assets Held Away, commodities, unregistered investment contracts, futures accounts, loaned securities and other investments are not covered. Precious metals are not covered by SIPC protection. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal.

**End of Statement**

*Attachment 5: Applicant organizational chart*

Name of Attachment 5:

Lennon\_Attachment\_5\_Organizational  
Chart.pdf

**Lennon Telephone Company**  
Organization Chart

**Board of Directors**  
President - Jackie Bowden

**General Manager**  
Randy Fletcher

**Plant Manager**  
Tom Bowden

**Office Manager**  
Sharon Patsey

**Technicians**

Guy Wilson  
Nick Taylor  
Jimmy Warren  
Kyley Kent

**Construction**

Axel Bowden

**CSR's**

Hannah Hitchings  
April Brewer

**Lennon Telephone Company**  
List of Subsidiaries

Lennon Telephone Company  
38-1544492  
Corporation

Total Communications Systems, Inc.  
38-2729986  
Corporation  
100% owned by Lennon Telephone Company

TVC, Incorporated  
38-2821664  
Corporation  
100% owned by Total Communications Systems, Inc.



*Attachment 6: Resumes of key officers,  
management personnel, and proposed project  
management team*

Name of Attachment 6:

Lennon\_Attachment\_6\_Resumes.pdf

BIOGRAPHICAL SKETCHES OF KEY MANAGEMENT  
PERSONNEL OF LENNON TELEPHONE COMPANY

Randy Fletcher, General Manager

Randy Fletcher is the General Manager of Lennon and its subsidiaries and has held that position for 12 years. In that capacity he has overall responsibility for the operations, financial performance and regulatory compliance activities of Lennon. He has more than 19 years of experience in the telecommunications industry including the provision of professional accounting services to telecommunications companies. He has a Bachelor of Arts Degree from Michigan State University and has received post graduate training in accounting. His job experience prior to Lennon includes 5 years as an accountant with McCartney and McIntyre, CPAs; 3 years as Controller for General Aviation, 5 years as an accountant for the Family Independence Agency of the State of Michigan, and 8 years as an Accounting Supervisor for Cardinal Tepatti, CPAs.

Tom Bowden, Plant Manager

Tom Bowden is a principal shareholder in Lennon and the Plant Manager. He has been a full time employee in various positions since 1976 and worked part time beginning in 1966. He has held his current position of Plant Manager since 1986 for which he is responsible for all aspects of the design and construction of Lennon's network facilities.

Nick Taylor, Network Manager

Nick Taylor is currently the Network Manager for Lennon Telephone Company, and its subsidiaries. He has overall responsibility for the operations, maintenance, and repairs of all network facilities. He has more than 20 years of experience in network operations of Lennon, beginning as a network installer in June of 1999. Nick has assumed positions of increasing

responsibility during his time with Lennon. Nick successfully oversaw the installation and conversion to the new softswitch of Lennon. He continues to monitor developments in telecommunication technology, and make upgrades to our broadband and cable television network.

Sharon Patsey, Customer Relations Manager

Sharon Patsey is a principal shareholder in Lennon and is currently the Customer Relations Manager for Lennon and its subsidiaries. In this position she has overall responsibility for all marketing and customer relations activities, and social media activities of Lennon. Sharon has attended Baker College and has a Bachelor of Science degree from Central Michigan University. Sharon has more than 23 years of experience with Lennon, starting as a customer service representative in 1996. Over the years she has been assigned positions of increasing responsibility and importance to Lennon. She recently oversaw the transition of our billing system to a new system.

*Attachment 7: Audited financial statements*

Name of Attachment 7:

Lennon\_Attachment\_7\_pdf

**LENNON TELEPHONE COMPANY**  
(A Michigan Corporation)

LENNON, MICHIGAN

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2017 and 2016

## CONTENTS

	<u>Page Number</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS:	
CONSOLIDATED BALANCE SHEETS	2 - 3
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-13
SUPPLEMENTAL INFORMATION:	
SCHEDULE OF TELEPHONE PLANT IN SERVICE	14
SCHEDULE OF TELEPHONE RESERVE FOR DEPRECIATION	15
CONSOLIDATING BALANCE SHEET	16 - 17
CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME	18
CONSOLIDATING STATEMENT OF CASH FLOWS	19 - 20



# LALLY GROUP, PC

Certified Public Accountants

*"Trusted Service for a Confident Tomorrow"*

## Jackson Office

110 1<sup>st</sup> Street  
JACKSON, MICHIGAN 49201  
(517) 787-0064

Website: [www.lallycpa.com](http://www.lallycpa.com)  
E-Mail: [info@lallycpa.com](mailto:info@lallycpa.com)

## Lansing Office

7335 Westshire Drive, Suite 103  
LANSING, MICHIGAN 48917  
(517) 627-4008

Board of Directors  
Lennon Telephone Company  
Lennon, Michigan

### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying consolidated balance sheets of Lennon Telephone Company (A Michigan Corporation) as of December 31, 2017 and 2016, and the related statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### Accountant's Responsibility

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

#### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the 2017 consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

#### Supplementary Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules on pages 14-20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Respectfully submitted,

*Lally Group, P.C.*

*Jackson, Michigan*

May 29, 2018



LENNON TELEPHONE COMPANY  
CONSOLIDATED  
BALANCE SHEETS  
DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$	\$
Telecommunications accounts receivable - Less allowances		
Other accounts receivable		
Materials and supplies		
Prepaid expenses		
Prepaid taxes		
Total current assets		
<b>OTHER ASSETS:</b>		
Investments available for sale		
Other investments		
Goodwill		
Total other assets		
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Telecommunication plant in service		
Other plant in service		
Less: accumulated depreciation		
Net book value		
<b>Total assets</b>	<b>\$</b>	<b>\$</b>

See accompanying notes and independent accountants' review report

LIABILITIES AND STOCKHOLDERS' EQUITY

	2017	2016
<b>CURRENT LIABILITIES:</b>		
Line of credit	\$ [REDACTED]	\$ [REDACTED]
Current maturity - long-term debt		
Accounts payable		
Franchise fees payable		
Advanced billings		
Other taxes accrued		
Accrued pension		
Total current liabilities	[REDACTED]	[REDACTED]
<b>LONG-TERM LIABILITIES:</b>		
Notes payable - Chase Bank	[REDACTED]	[REDACTED]
Less: current maturity - long-term debt	[REDACTED]	[REDACTED]
Total long-term liabilities	[REDACTED]	[REDACTED]
<b>DEFERRED TAXES</b>	[REDACTED]	[REDACTED]
<b>STOCKHOLDERS' EQUITY:</b>		
Capital stock (5,000 shares authorized, 2,047 issued and outstanding, par value \$10 per share)	[REDACTED]	[REDACTED]
Retained earnings		
Other accumulated comprehensive income		
Total stockholders' equity	[REDACTED]	[REDACTED]
Total liabilities and stockholders' equity	\$ [REDACTED]	[REDACTED]

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	
OPERATING REVENUE:		
Wireline	\$	\$
Miscellaneous revenue		
Cable revenue		
Uncollectible revenue		
Total operating revenue		
OPERATING EXPENSES:		
Plant specific		
Plant non-specific:		
Network and other		
Depreciation and amortization		
Customer operations		
Corporate operations		
Cable programming expense		
Total operating expenses		
OPERATING INCOME (LOSS)		
OPERATING TAXES:		
State and local taxes		
Federal income taxes (benefit)		
Total operating taxes		
NET OPERATING INCOME (LOSS)		
OTHER INCOME (EXPENSES):		
Interest and dividends		
Other nonregulated		
Capital gain on investments		
Other income and (expense)		
Total other income (expenses)		
FIXED CHARGES		
NET INCOME (LOSS)		
OTHER COMPREHENSIVE INCOME (LOSS)		
COMPREHENSIVE INCOME (LOSS)	\$	\$

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Common Stock	Retained Earnings	Accumulated Comprehensive Income	Total Equity
Balance at December 31, 2015	\$			
Dividends paid				
Net income (loss)				
Lennon Telephone Company				
Total Communications Systems, Inc.				
TVC, Inc.				
Balance at December 31, 2016				
Dividends paid				
Net income (loss)				
Lennon Telephone Company				
Total Communications Systems, Inc.				
TVC, Inc.				
Balance at December 31, 2017	\$			

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>OPERATING ACTIVITIES:</b>		
Comprehensive income (loss)	\$	\$
Adjustments to reconcile comprehensive income (loss) to net cash provided by operating activities		
Other comprehensive (income) loss		
Depreciation and amortization		
Deferred income tax		
(Gain) Loss on sale of investments		
(Increase) Decrease in:		
Trade accounts receivable		
Materials and supplies		
Prepaid expenses		
Increase (Decrease) in:		
Trade accounts payable		
Customer deposits		
Accrued expenses		
Accrued pension cost		
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
<b>INVESTING ACTIVITIES:</b>		
Purchases of property, plant, and equipment		
Sale (Purchase) of investments available for sale		
Change in other investments		
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES:</b>		
Funds from line of credit		
Payments on loans		
Common stock dividend		
<b>NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>		
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$</b>	<b>\$</b>
<b>SUPPLIMENTAL DISCLOSURES:</b>		
Interest paid (net \$0 capitalized)	\$	\$
Income taxes paid (refunded)	\$	\$

See accompanying notes and independent accountants' review report

## LENNON TELEPHONE COMPANY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Lennon Telephone Company (the Company) provides telecommunication services to member subscribers in the Lennon, Michigan area. The accounting policies of the Company conform to accounting principles generally accepted in the United States of America (US GAAP) and reflect practices appropriate to the telephone industry.

##### Concentrations of Credit Risk -

The Company grants credit to member subscribers, substantially all of whom are located in the Lennon, Michigan area. The Company also grants credit to connecting toll companies located throughout the United States.

##### Use of Estimates -

The process of preparing financial statements in conformity with US GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

##### Cash and Cash Equivalents -

The Company considers highly liquid investments with maturities of ninety days or less to be cash equivalents. Securities with maturities between ninety days and one year are considered temporary investments.

The Company maintains deposits in accounts covered by FDIC insurance and in accounts which are collateralized by securities issued by agencies of the United States. As of December 31, 2017 and 2016, the Company had deposits totaling \$0 and \$196,552 in excess of the FDIC insurance levels.

##### Accounts Receivable -

Accounts receivable are customer obligations due under normal trade terms for the industry. The Company generally does not require collateral or other security on trade accounts receivable. The Company maintains an allowance, when considered necessary, for estimated losses resulting from the inability of its customers to make required payments.

##### Allowance for Doubtful Accounts -

The Company's allowance for doubtful accounts is estimated based upon historical experience of write-offs, the level of past due amounts, information known about specific customers with respect to their ability to make payments, and future expectations of conditions which might impact the collectability of accounts. Actual results could differ from those estimates.

The allowance for doubtful accounts was \$5,612 and \$6,431 at December 31, 2017 and 2016, respectively.

## LENNON TELEPHONE COMPANY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

##### Materials and Supplies -

Inventories are stated at the lower of cost or current market value on the specific identification basis. A physical inventory was taken by management on December 31, 2017.

##### Fair Value Measurements -

US GAAP establishes a fair value measurement framework including a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under US GAAP are distinguished by inputs to the valuation methodology summarized as follows:

Level 1 (highest priority) - Quoted market prices for identical assets or liabilities in active markets at the measurement date.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model-driven valuations in which all significant inputs or significant value drivers are observable in active markets.

Level 3 (lowest priority) - Management's best estimate of what market participants would use in pricing the instrument at the measurement date and model-driven valuations which are unobservable and significant to the fair value measurement.

The assessed level is based on the lowest level of any input that is significant to the fair value measurement. There were no changes in the methodologies used as of December 31, 2017 and 2016.

Following is a description of the valuation methodologies used for amounts measured at fair value.

Level 1 inputs - Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common stocks, corporate bonds and U.S. government securities valued at the closing price reported on the active market on which the individual securities are traded.

Level 3 inputs - Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common and preferred stocks, which are closely held, valued at cost and affiliated investments valued at cost, fair market value, or using the equity method.

##### Telephone Plant and Depreciation -

Telephone plant in service and under construction was stated substantially at original cost. Management was of the opinion that any adjustments that might be required to record properties at original cost would not be material. The Company provides for depreciation on a straight-line basis at annual rates which will amortize the depreciable property over its estimated useful life.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

At the time the plant is retired, the retirements credited to telephone plant together with removal costs less salvage, are charged to the depreciation reserve, unless the retirement is of an extraordinary or abnormal nature. The following table details depreciation expense for the years ended December 31, 2017 and 2016:

	2017	2016
Telephone Plant	[REDACTED]	[REDACTED]

Long-Lived Assets -

Long-lived assets, identifiable intangibles, and associated goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value.

Comprehensive Income -

Comprehensive income includes net income and all other changes in equity during a period except those resulting from investments by or distributions to shareholders. Other comprehensive income for the periods presented consists of fair value changes of the investments described in Note 2.

Revenue Recognition -

Toll access services are furnished in conjunction long-distance carriers. During 2017 and 2016, the Company received monthly access revenues based upon annual average cost separation studies. Access and local service revenues are substantially recognized when such services are performed.

2. INVESTMENTS:

Fair Value of Investments -

The fair value of the Company's investments are classified as follows, according to the Company's policy described in Note 1:

	<u>Assets at Fair Value as of December 31, 2017</u>			
Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks/partnerships	[REDACTED]			
	<u>Assets at Fair Value as of December 31, 2016</u>			
Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks/partnerships	[REDACTED]			



LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. INVESTMENTS (Continued):

Change in Level 1 Value -

The following table represents the change in the Level 1 fair value hierarchy as disclosed in the above tables.

	2017	2016
Beginning Level 1 value		
Change in market value/investment		
Ending Level 1 value		

These methods may produce a fair value measurement that may not be indicative of net realizable value of future fair values. Management believes its valuation methods are appropriate, but the use of different methodologies or assumptions could result in a different fair value measurement at the measurement date.

The unrealized gains (losses) were charged to retained earnings as follows:

	2017	2016
Unrealized gains (losses)		
Deferred taxes		
Net unrealized gains (losses)		

As part of a prior loan agreement with CoBank, ACB, the Company was required to purchase stock in the organization. This amount was refunded in 2017. The total investment in CoBank was [REDACTED] for 2017 and 2016, respectively. Patronage dividends are awarded annually and are partially deferred to this investment account.

The Company invested a total of [REDACTED] in the Rural Telephone Finance Cooperative (RTFC). RTFC services are only available to shareholders. As of December 31, 2017 and 2016, the Company did not have any outstanding financing through RTFC.

The Company's insurance carrier, Federated Rural Electric Insurance Exchange (FREIE), operates as a cooperative and returns net margins to the policy holders annually. As of December 31, 2017 and 2016, the investment in FREIE was [REDACTED] respectively.

3. DUE FROM CUSTOMERS:

The amount due from customers shown on the balance sheets as of December 31, 2017 and 2016, is shown net of an allowance for uncollectible accounts of [REDACTED] respectively.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. PENSION PLANS:

The Company's profit-sharing plan provides for annual discretionary contributions up to the maximum amount allowed as a deduction by the Internal Revenue Code (IRC). The board of directors of the Company authorizes annual contributions to the plan. In addition, employees can elect through salary reduction to contribute to the plan as allowed by Section 401(k) of the IRC. During the years ended December 31, 2017 and 2016, the Company contributed [REDACTED] respectively.

5. DEBT:

The Company began a line of credit at Chase Bank in 2013. At the end of the year, the Company had an outstanding balance of [REDACTED] for 2017 and 2016, respectively.

The Company entered into a five-year loan agreement with JP Morgan Chase Bank on December 22, 2010. The balance of the loan was paid off in [REDACTED]. This loan carried an interest rate of [REDACTED] per year.

The balance of these notes at December 31, 2017 and 2016, are as follows:

	<u>2017</u>	<u>2016</u>
JP Morgan Chase Bank	[REDACTED]	[REDACTED]
Less: Current maturities	[REDACTED]	[REDACTED]

The maturities of long-term debt for each of the five years succeeding the balance sheet date are estimated to be as follows:

2018	\$ [REDACTED]
2018	\$ [REDACTED]
2019	\$ [REDACTED]
2020	\$ [REDACTED]
2021	\$ [REDACTED]

Total interest paid for the years ended December 31, 2017 and 2016, was [REDACTED] and [REDACTED], respectively.

6. INCOME TAX:

The Company accounts for income taxes under the Financial Accounting Standards Board's financial accounting standards 740 "income taxes."

The provision for federal income taxes consists of the following:

	<u>2017</u>	<u>2016</u>
Lennon Telephone – current payable	[REDACTED]	[REDACTED]
Deferred tax – depreciation	[REDACTED]	[REDACTED]
Total federal income tax expense (benefit)	[REDACTED]	[REDACTED]

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX (Continued):

A reconciliation of income tax expense at the statutory rate to income tax expense at the Company's effective rate is as follows:

	<u>2017</u>	<u>2016</u>
Taxes computed at statutory rates		
Effect of dividend exclusions		
Effect of timing differences		
Total federal income tax expense		

The detail of the net deferred tax liability (asset) is as follows:

	<u>2017</u>	<u>2016</u>
Depreciation		
Net operating loss carry forward		
Total deferred tax liability		

Cash paid for income taxes for the years ended December 31, 2017 and 2016, was \$0 for both years.

7. EARNINGS PER SHARE:

The earnings per share calculation is as follows for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Average shares outstanding		
Net loss per share		
Net comprehensive loss per share		

8. ADDITIONAL DISCLOSURES:

Increasing pressure on the Federal Communications Commission (FCC) from long distance carriers has created several changes in the way local service providers are compensated for the use of their networks.

In 2009, the Michigan legislature passed a bill to mandate that intrastate access charges mirror interstate rates that are regulated by the FCC. This bill created an "Access Restructuring Pool" to implement that revenue loss over a five-year period.

In 2010, the FCC created new rules for reforming the Universal Service Fund and Intercarrier Compensation (USF/ICC) that started in 2012. The impact of the USF/ICC rules is to reduce and ultimately eliminate the interstate pools established to help subsidize the cost of providing local telephone services.

The USF/ICC shifts the focus of compensation from voice to broadband. While the immediate impact of the USF/ICC reform on the Company revenues is minimal, eventually all voice subsidiaries will be removed and local telephone service will have to be self-funded.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. ADDITIONAL DISCLOSURES (Continued):

The USF/ICC reform does create new incentives for communication companies to create and/or expand their broadband service. The provision of broadband services has been the key to the Company's growth over the last few years and management believes that it has taken the proper steps to preserve sufficient revenues for the Company in the future.

9. FINANCIAL STATEMENT PRESENTATION:

Certain accounts for 2016 have been reclassified to conform to the current year presentation of revenues and operating expenses. The reclassifications have no effect on the net income for 2016.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events and transactions for potential recognition or disclosure through May 29, 2018, the date the financial statements were available to be issued. No significant events were identified that would require adjustment or disclosure in the financial statements.

## SUPPLEMENTAL INFORMATION

LENNON TELEPHONE COMPANY  
 SCHEDULE OF TELEPHONE PLANT IN SERVICE  
 FOR THE YEAR ENDED DECEMBER 31, 2017

TELEPHONE PLANT IN SERVICE	BALANCE 12/31/2016	ADDITIONS	RETIREMENT	RECLASSI- FICATIONS	BALANCE 12/31/2017
Land					
Land improvements					
Motor vehicles					
Other work equipment					
Buildings					
Furniture					
Office equipment					
Office equipment - phones					
General computers					
Digital elect. switch					
Circuit equipment					
Underground cable					
Buried cable					
Buried cable - drop					
Buried fiber					
Buried Coax					
Buried Coax - Gaines					
Conduit					
Non-regulated					
Total telephone plant in service					

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
 SCHEDULE OF TELEPHONE RESERVE FOR DEPRECIATION  
 FOR THE YEAR ENDED DECEMBER 31, 2017

RESERVE FOR DEPRECIATION	DEPREC. RATE	BALANCE 12/31/2016	DEPREC. ACCRUALS	ADJ. & PLANT RETIRED	SALVAGE LESS COST OF REMOVAL	BALANCE 12/31/2017
Land improvements						
Motor vehicles						
Other work equipment						
Buildings						
Furniture						
Office equipment						
Office equipment - phones						
General computers						
Digital switch						
Circuit equipment						
Underground cable						
Buried cable						
Buried drop						
Buried fiber						
Buried Coax						
Buried Coax - Gaines						
Conduit						
Non-regulated						
Total reserve for depreciation						

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2017

	<u>LENNON TELEPHONE</u>	<u>TOTAL COMMUNICATIONS</u>	<u>TVC INC.</u>	<u>ELIMINATING</u>	<u>CONSOLIDATED AMOUNTS</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents					
Telecom accounts receivable					
Other accounts receivable					
Accounts receivable - affiliates					
Materials and supplies					
Prepaid expenses					
Prepaid taxes					
Total current assets					
<b>OTHER ASSETS:</b>					
Investments available for sale					
Investment in affiliates					
Other investments					
Goodwill					
Total other assets					
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>					
Telecommunications plant in service					
Other plant in service					
Less: Accumulated depreciation					
Net book value					
Total assets					



LENNON TELEPHONE COMPANY  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2017

<u>LENNON TELEPHONE</u>	<u>TOTAL COMMUNICATIONS</u>	<u>TVC INC.</u>	<u>ELIMINATING</u>	<u>CONSOLIDATED AMOUNTS</u>
-------------------------	-----------------------------	-----------------	--------------------	-----------------------------

<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Line of credit				
Current maturities				
Accounts payable				
Accounts payable - affiliate				
Franchise fees payable				
Advanced billings				
Other taxes accrued				
Accrued pension				
Total current liabilities				
<b>LONG-TERM LIABILITIES:</b>				
Notes payable - Chase Bank				
Less: current maturities				
Total long-term debt				
<b>DEFERRED TAXES</b>				
<b>STOCKHOLDERS' EQUITY:</b>				
Capital stock				
Additional paid in capital				
Retained earnings				
Accumulated comprehensive income				
Total liabilities and stockholders' equity				

LENNON TELEPHONE COMPANY  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2017

	LENNON TELEPHONE	TOTAL COMMUNICATIONS	TVC INC.	ELIMINATING	CONSOLIDATED TOTALS
OPERATING REVENUE:					
Wireline					
Miscellaneous revenues					
Cable revenues					
Uncollectible revenues					
Total operating revenue					
OPERATING EXPENSES:					
Plant specific					
Plant non-specific:					
Network and other					
Depreciation and amort.					
Customer operations					
Corporate operations					
Cable programming expenses					
Total operating expenses					
OPERATING INCOME (LOSS)					
OPERATING TAXES:					
State and local taxes					
Federal income taxes (benefit)					
Total operating taxes					
OTHER INCOME (EXPENSE):					
Interest and dividends					
Other nonregulated					
Capital gain (loss)					
Other income and (expense)					
Total other income (expense)					
FIXED CHARGES					
NET INCOME (LOSS) BEFORE SUBSIDIARIES					
NET INCOME (LOSS) FROM SUBSIDIARIES					
NET INCOME (LOSS)					
OTHER COMPREHENSIVE INCOME					
COMPREHENSIVE INCOME (LOSS)					

LENNON TELEPHONE COMPANY  
CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	LENNON TELEPHONE	TOTAL COMMUNICATION	TVC INC.	ELIMINATED	CONSOLIDATED TOTALS
--	---------------------	------------------------	-------------	------------	------------------------

OPERATING ACTIVITIES:

Comprehensive income (loss)					\$
Adjustments to reconcile comprehensive income (loss) to net cash provided by operating activities					
Net (income) loss from subsidiary					
Other comprehensive (income) loss					
Depreciation and amortization					
Deferred income tax					
(Gain) Loss on sale of investments					
(Increase) Decrease in:					
Trade accounts receivable					
Accounts receivable - affiliate					
Materials and supplies					
Prepaid expenses					
Increase (Decrease) in:					
Trade accounts payable					
Accounts payable - affiliate					
Accrued expenses					
Accrued pension cost					
NET CASH PROVIDED BY (USED FOR)					
OPERATING ACTIVITIES					

INVESTING ACTIVITIES:

Purchases of property, plant, and equipment					
Sale (purchase) of investments available for sale - net					
Change in other investments					
NET CASH PROVIDED BY (USED FOR)					
INVESTING ACTIVITIES					\$

LENNON TELEPHONE COMPANY  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	LENNON TELEPHONE	TOTAL COMMUNICATIONS	TVC INC.	ELIMINATED	CONSOLIDATED TOTALS
--	---------------------	-------------------------	-------------	------------	------------------------

FINANCING ACTIVITIES:

- Funds from line of credit
- Payments on loans
- Common stock dividend

NET CASH PROVIDED BY (USED FOR) FINANCING  
 ACTIVITIES

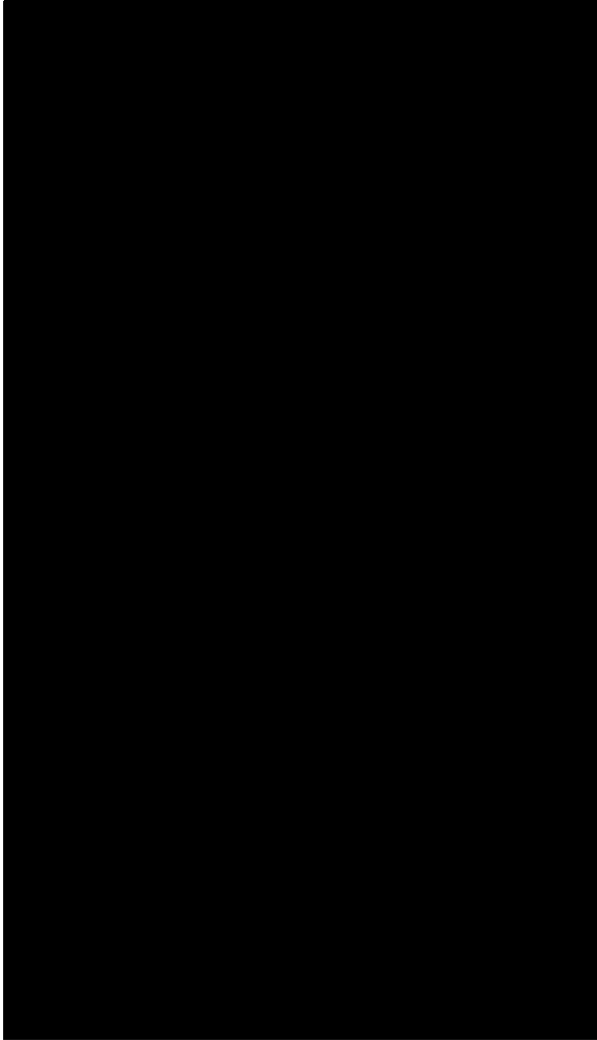
INCREASE (DECREASE) IN CASH AND CASH  
 EQUIVALENTS

CASH AND CASH EQUIVALENTS - BEGINNING

CASH AND CASH EQUIVALENTS - ENDING

SUPPLEMENTAL DISCLOSURES:

- Interest paid (net \$0 capitalized)
- Income taxes paid (refunded)



**LENNON TELEPHONE COMPANY**  
(A Michigan Corporation)

LENNON, MICHIGAN

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

DECEMBER 31, 2018 and 2017

## CONTENTS

	<u>Page Number</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS:	
CONSOLIDATED BALANCE SHEETS	2 - 3
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7 - 13
SUPPLEMENTAL INFORMATION:	
SCHEDULE OF TELEPHONE PLANT IN SERVICE	14
SCHEDULE OF TELEPHONE RESERVE FOR DEPRECIATION	15
CONSOLIDATING BALANCE SHEET	16 - 17
CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME	18
CONSOLIDATING STATEMENT OF CASH FLOWS	19 - 20



# LALLY GROUP, PC

Certified Public Accountants

*"Trusted Service for a Confident Tomorrow"*

## Jackson Office

110 1<sup>st</sup> Street  
JACKSON, MICHIGAN 49201  
(517) 787-0064

Website: [www.lallycpa.com](http://www.lallycpa.com)  
E-Mail: [info@lallycpa.com](mailto:info@lallycpa.com)

## Lansing Office

7335 Westshire Drive, Suite 103  
LANSING, MICHIGAN 48917  
(517) 627-4008

Board of Directors  
Lennon Telephone Company  
Lennon, Michigan

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying consolidated balance sheets of Lennon Telephone Company (A Michigan Corporation) as of December 31, 2018 and 2017, and the related statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

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

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the 2018 consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### Supplementary Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules on pages 14-20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Respectfully submitted,

*Lally Group, P.C.*

*Jackson, Michigan*

May 28, 2019

LENNON TELEPHONE COMPANY  
CONSOLIDATED  
BALANCE SHEETS  
DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash and cash equivalents		
Telecommunications accounts receivable -		
Less allowances		
Other accounts receivable		
Materials and supplies		
Prepaid expenses		
Prepaid taxes		
Total current assets		
OTHER ASSETS:		
Investments available for sale		
Other investments		
Goodwill		
Total other assets		
PROPERTY, PLANT, AND EQUIPMENT:		
Telecommunication plant in service		
Other plant in service		
Less: accumulated depreciation		
Net book value		
Total assets		

See accompanying notes and independent accountants' review report



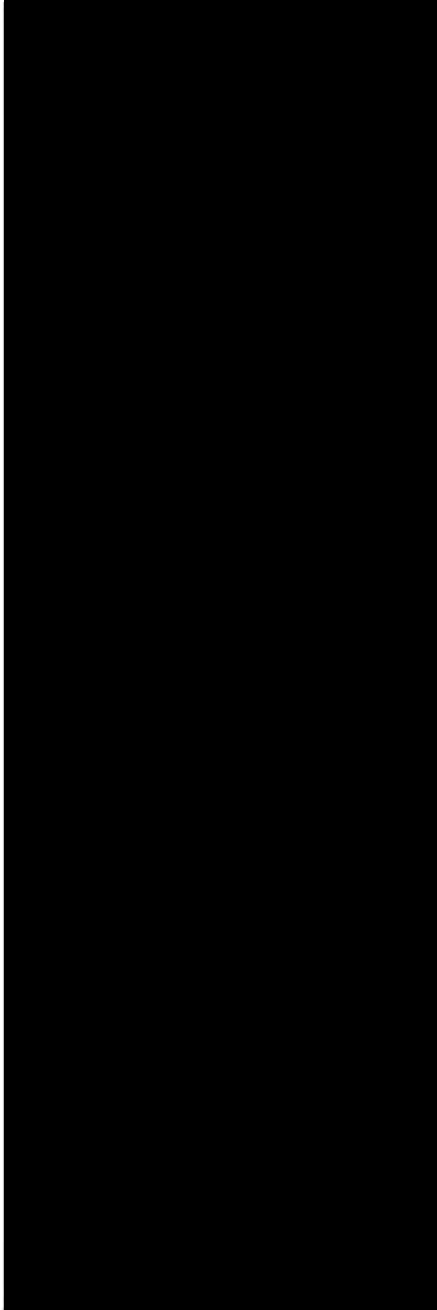
LIABILITIES AND STOCKHOLDERS' EQUITY

	2018	2017
<b>CURRENT LIABILITIES:</b>		
Line of credit	\$	
Current maturity - long-term debt		
Accounts payable		
Franchise fees payable		
Advanced billings		
Other taxes accrued		
Accrued pension		
Total current liabilities		
<b>LONG-TERM LIABILITIES:</b>		
Notes payable - Chase Bank		
Less: current maturity - long-term debt		
Total long-term liabilities		
<b>DEFERRED TAXES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Capital stock (5,000 shares authorized, 2,047 issued and outstanding, par value \$10 per share)		
Retained earnings		
Other accumulated comprehensive income		
Total stockholders' equity		
 Total liabilities and stockholders' equity		

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING REVENUE:		
Wireline		
Miscellaneous revenue		
Cable revenue		
Uncollectible revenue		
Total operating revenue		
OPERATING EXPENSES:		
Plant specific		
Plant non-specific:		
Network and other		
Depreciation and amortization		
Customer operations		
Corporate operations		
Cable programming expense		
Total operating expenses		
OPERATING INCOME (LOSS)		
OPERATING TAXES:		
State and local taxes		
Federal income taxes (benefit)		
Total operating taxes		
NET OPERATING INCOME (LOSS)		
OTHER INCOME (EXPENSES):		
Interest and dividends		
Other nonregulated		
Capital gain on investments		
Other income (expenses)		
Total other income (expenses)		
FIXED CHARGES		
NET INCOME (LOSS)		
OTHER COMPREHENSIVE INCOME (LOSS)		
COMPREHENSIVE INCOME (LOSS)		



See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Common Stock	Retained Earnings	Accumulated Comprehensive Income	Total Equity
Balance at December 31, 2016				
Dividends paid				
Net income (loss)				
Lennon Telephone Company				
Total Communications Systems, Inc.				
TVC, Inc.				
<hr/>				
Balance at December 31, 2017				
Dividends paid				
Net income (loss)				
Lennon Telephone Company				
Total Communications Systems, Inc.				
TVC, Inc.				
<hr/>				
Balance at December 31, 2018	\$			

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING ACTIVITIES:		
Comprehensive income (loss)	\$	\$
Adjustments to reconcile comprehensive income (loss) to net cash provided by operating activities		
Other comprehensive (income) loss		
Depreciation and amortization		
Deferred income tax		
(Gain) Loss on sale of investments		
(Increase) Decrease in:		
Trade accounts receivable		
Materials and supplies		
Prepaid expenses		
Increase (Decrease) in:		
Trade accounts payable		
Customer deposits		
Accrued expenses		
Accrued pension cost		
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment		
Sale (Purchase) of investments available for sale		
Change in other investments		
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
FINANCING ACTIVITIES:		
Funds from line of credit		
Payments on loans		
Common stock dividend		
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING		
CASH AND CASH EQUIVALENTS - ENDING	\$	\$
SUPPLEMENTAL DISCLOSURES:		
Interest paid (net \$0 capitalized)	\$	\$
Income taxes paid (refunded)	\$	\$

See accompanying notes and independent accountants' review report

# LENNON TELEPHONE COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Lennon Telephone Company (the Company) provides telecommunication services to member subscribers in the Lennon, Michigan area. The accounting policies of the Company conform to accounting principles generally accepted in the United States of America (US GAAP) and reflect practices appropriate to the telephone industry.

#### Concentrations of Credit Risk -

The Company grants credit to member subscribers, substantially all of whom are located in the Lennon, Michigan area. The Company also grants credit to connecting toll companies located throughout the United States.

#### Use of Estimates -

The process of preparing financial statements in conformity with US GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### Cash and Cash Equivalents -

The Company considers highly liquid investments with maturities of ninety days or less to be cash equivalents. Securities with maturities between ninety days and one year are considered temporary investments.

The Company maintains deposits in accounts covered by FDIC insurance and in accounts which are collateralized by securities issued by agencies of the United States. As of December 31, 2018 and 2017, the Company had deposits totaling [REDACTED] in excess of the FDIC insurance levels.

#### Accounts Receivable -

Accounts receivable are customer obligations due under normal trade terms for the industry. The Company generally does not require collateral or other security on trade accounts receivable. The Company maintains an allowance, when considered necessary, for estimated losses resulting from the inability of its customers to make required payments.

#### Allowance for Doubtful Accounts -

The Company's allowance for doubtful accounts is estimated based upon historical experience of write-offs, the level of past due amounts, information known about specific customers with respect to their ability to make payments, and future expectations of conditions which might impact the collectability of accounts. Actual results could differ from those estimates.

The allowance for doubtful accounts was [REDACTED] at December 31, 2018 and 2017, respectively.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Materials and Supplies -

Inventories are stated at the lower of cost or current market value on the specific identification basis. A physical inventory was taken by management on December 31, 2018.

Fair Value Measurements -

US GAAP establishes a fair value measurement framework including a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under US GAAP are distinguished by inputs to the valuation methodology summarized as follows:

Level 1 (highest priority) - Quoted market prices for identical assets or liabilities in active markets at the measurement date.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model-driven valuations in which all significant inputs or significant value drivers are observable in active markets.

Level 3 (lowest priority) - Management's best estimate of what market participants would use in pricing the instrument at the measurement date and model-driven valuations which are unobservable and significant to the fair value measurement.

The assessed level is based on the lowest level of any input that is significant to the fair value measurement. There were no changes in the methodologies used as of December 31, 2018 and 2017.

Following is a description of the valuation methodologies used for amounts measured at fair value.

Level 1 inputs - Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common stocks, corporate bonds and U.S. government securities valued at the closing price reported on the active market on which the individual securities are traded.

Level 3 inputs - Descriptions of the valuation methodologies used for assets measured at fair value are as follows: common and preferred stocks, which are closely held, valued at cost and affiliated investments valued at cost, fair market value, or using the equity method.

Telephone Plant and Depreciation -

Telephone plant in service and under construction was stated substantially at original cost. Management was of the opinion that any adjustments that might be required to record properties at original cost would not be material. The Company provides for depreciation on a straight-line basis at annual rates which will amortize the depreciable property over its estimated useful life.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

At the time the plant is retired, the retirements credited to telephone plant together with removal costs less salvage, are charged to the depreciation reserve, unless the retirement is of an extraordinary or abnormal nature. The following table details depreciation expense for the years ended December 31, 2018 and 2017:

	2018	2017
Telephone Plant		

Long-Lived Assets -

Long-lived assets, identifiable intangibles, and associated goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value.

Comprehensive Income -

Comprehensive income includes net income and all other changes in equity during a period except those resulting from investments by or distributions to shareholders. Other comprehensive income for the periods presented consists of fair value changes of the investments described in Note 2.

Revenue Recognition -

Toll access services are furnished in conjunction long-distance carriers. During 2018 and 2017, the Company received monthly access revenues based upon annual average cost separation studies. Access and local service revenues are substantially recognized when such services are performed.

2. INVESTMENTS:

Fair Value of Investments -

The fair value of the Company's investments are classified as follows, according to the Company's policy described in Note 1:

<u>Assets at Fair Value as of December 31, 2018</u>				
Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks/partnerships				
<u>Assets at Fair Value as of December 31, 2017</u>				
Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks/partnerships				

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. INVESTMENTS (Continued):

Change in Level 1 Value -

The following table represents the change in the Level 1 fair value hierarchy as disclosed in the above tables.

	2018	2017
Beginning Level 1 value		
Sale of investment		
Change in market value/investment		
Ending Level 1 value		

These methods may produce a fair value measurement that may not be indicative of net realizable value of future fair values. Management believes its valuation methods are appropriate, but the use of different methodologies or assumptions could result in a different fair value measurement at the measurement date.

The unrealized gains (losses) were charged to retained earnings as follows:

	2018	2017
Unrealized gains (losses)	\$ <span style="background-color: black; color: black;">██████████</span>	\$ <span style="background-color: black; color: black;">██████████</span>
Deferred taxes	-	-
Net unrealized gains (losses)	<u>\$ <span style="background-color: black; color: black;">██████████</span></u>	<u>\$ <span style="background-color: black; color: black;">██████████</span></u>

As part of a prior loan agreement with CoBank, ACB, the Company was required to purchase stock in the organization. This amount was refunded in 2018. The total investment in CoBank was ██████████ for 2018 and 2017, respectively. Patronage dividends are awarded annually and are partially deferred to this investment account.

The Company invested a total of \$ ██████████ in the Rural Telephone Finance Cooperative (RTFC). RTFC services are only available to shareholders. As of December 31, 2018 and 2017, the Company did not have any outstanding financing through RTFC.

The Company's insurance carrier, Federated Rural Electric Insurance Exchange (FREIE), operates as a cooperative and returns net margins to the policy holders annually. As of December 31, 2018 and 2017, the investment in FREIE was ██████████ respectively.

3. DUE FROM CUSTOMERS:

The amount due from customers shown on the balance sheets as of December 31, 2018 and 2017, is shown net of an allowance for uncollectible accounts of ██████████ respectively.



LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. PENSION PLANS:

The Company's profit-sharing plan provides for annual discretionary contributions up to the maximum amount allowed as a deduction by the Internal Revenue Code (IRC). The board of directors of the Company authorizes annual contributions to the plan. In addition, employees can elect through salary reduction to contribute to the plan as allowed by Section 401(k) of the IRC. During the years ended December 31, 2018 and 2017, the Company contributed [REDACTED] respectively.

5. DEBT:

The Company began a line of credit at Chase Bank in 2013. At the end of the year, the Company had an outstanding balance of [REDACTED] for 2018 and 2017, respectively.

The Company entered into a five-year loan agreement with JP Morgan Chase Bank on December 22, 2010. The balance of the loan was paid off in 2018. This loan carried an interest rate of [REDACTED] per year.

The balance of these notes at December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
JP Morgan Chase Bank	[REDACTED]	[REDACTED]
Less: Current maturities	[REDACTED]	[REDACTED]

The maturities of long-term debt for each of the five years succeeding the balance sheet date are estimated to be as follows:

2019	[REDACTED]
2019	[REDACTED]
2019	[REDACTED]
2020	[REDACTED]
2021	[REDACTED]

Total interest paid for the years ended December 31, 2018 and 2017, was [REDACTED] and [REDACTED] respectively.

6. INCOME TAX:

The Company accounts for income taxes under the Financial Accounting Standards Board's financial accounting standards [REDACTED]

The provision for federal income taxes consists of the following:

	<u>2018</u>	<u>2017</u>
Lennon Telephone – current payable	[REDACTED]	[REDACTED]
Deferred tax – depreciation	[REDACTED]	[REDACTED]
Total federal income tax expense (benefit)	[REDACTED]	[REDACTED]

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX (Continued):

A reconciliation of income tax expense at the statutory rate to income tax expense at the Company's effective rate is as follows:

	<u>2018</u>	<u>2017</u>
Taxes computed at statutory rates		
Effect of timing differences		
Total federal income tax expense		

The detail of the net deferred tax liability (asset) is as follows:

	<u>2018</u>	<u>2017</u>
Depreciation		
Net operating loss carry forward		
Total deferred tax liability		

Cash paid for income taxes for the years ended December 31, 2018 and 2017, was \$0 for both years.

7. EARNINGS PER SHARE:

The earnings per share calculation is as follows for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Average shares outstanding		
Net loss per share		
Net comprehensive loss per share		

8. ADDITIONAL DISCLOSURES:

Increasing pressure on the Federal Communications Commission (FCC) from long distance carriers has created several changes in the way local service providers are compensated for the use of their networks.

In 2009, the Michigan legislature passed a bill to mandate that intrastate access charges mirror interstate rates that are regulated by the FCC. This bill created an "Access Restructuring Pool" to implement that revenue loss over a five-year period.

In 2010, the FCC created new rules for reforming the Universal Service Fund and Intercarrier Compensation (USF/ICC) that started in 2012. The impact of the USF/ICC rules is to reduce and ultimately eliminate the interstate pools established to help subsidize the cost of providing local telephone services.

The USF/ICC shifts the focus of compensation from voice to broadband. While the immediate impact of the USF/ICC reform on the Company revenues is minimal, eventually all voice subsidiaries will be removed and local telephone service will have to be self-funded.

LENNON TELEPHONE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. ADDITIONAL DISCLOSURES (Continued):

The USF/ICC reform does create new incentives for communication companies to create and/or expand their broadband service. The provision of broadband services has been the key to the Company's growth over the last few years and management believes that it has taken the proper steps to preserve sufficient revenues for the Company in the future.

9. FINANCIAL STATEMENT PRESENTATION:

Certain accounts for 2017 have been reclassified to conform to the current year presentation of revenues and operating expenses. The reclassifications have no effect on the net income for 2017.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events and transactions for potential recognition or disclosure through May 28, 2019, the date the financial statements were available to be issued. No significant events were identified that would require adjustment or disclosure in the financial statements.

## SUPPLEMENTAL INFORMATION

LENNON TELEPHONE COMPANY  
 SCHEDULE OF TELEPHONE PLANT IN SERVICE  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	BALANCE 12/31/2017	ADDITIONS	RETIREMENT	RECLASSI- FICATIONS	BALANCE 12/31/2018
Land					
Land improvements					
Motor vehicles					
Other work equipment					
Buildings					
Furniture					
Office equipment					
Office equipment - phones					
General computers					
Digital elect. switch					
Circuit equipment					
Underground cable					
Buried cable					
Buried cable - drop					
Buried fiber					
Buried Coax					
Buried Coax - Gaines					
Conduit					
Non-regulated					
Total telephone plant in service					

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
 SCHEDULE OF TELEPHONE RESERVE FOR DEPRECIATION  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	DEPREC. RATE	BALANCE 12/31/2017	DEPREC. ACCRUALS	ADJ. & PLANT RETIRED	SALVAGE LESS COST OF REMOVAL	BALANCE 12/31/2018
Land improvements						
Motor vehicles						
Other work equipment						
Buildings						
Furniture						
Office equipment						
Office equipment - phones						
General computers						
Digital switch						
Circuit equipment						
Underground cable						
Buried cable						
Buried drop						
Buried fiber						
Buried Coax						
Buried Coax - Gaines						
Conduit						
Non-regulated						
Total reserve for depreciation						

See accompanying notes and independent accountants' review report

LENNON TELEPHONE COMPANY  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2018

	<u>LENNON TELEPHONE</u>	<u>TOTAL COMMUNICATIONS</u>	<u>TVC INC.</u>	<u>ELIMINATING</u>	<u>CONSOLIDATED AMOUNTS</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents					
Telecom accounts receivable					
Other accounts receivable					
Accounts receivable - affiliates					
Materials and supplies					
Prepaid expenses					
Prepaid taxes					
Total current assets					
<b>OTHER ASSETS:</b>					
Investments available for sale					
Investment in affiliates					
Other investments					
Goodwill					
Total other assets					
<b>PROPERTY, PLANT, AND EQUIPMENT</b>					
Telecommunications plant in service					
Other plant in service					
Less: Accumulated depreciation					
Net book value					
Total assets					

LENNON TELEPHONE COMPANY  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2018

	<u>LENNON TELEPHONE</u>	<u>TOTAL COMMUNICATIONS</u>	<u>TVC INC.</u>	<u>ELIMINATING</u>	<u>CONSOLIDATED AMOUNTS</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Line of credit					
Current maturities					
Accounts payable					
Accounts payable - affiliate					
Franchise fees payable					
Advanced billings					
Other taxes accrued					
Accrued pension					
Total current liabilities					
<b>LONG-TERM LIABILITIES:</b>					
Notes payable - Chase Bank					
Less: current maturities					
Total long-term debt					
<b>DEFERRED TAXES</b>					
<b>STOCKHOLDERS' EQUITY:</b>					
Capital stock					
Additional paid in capital					
Retained earnings					
Accumulated comprehensive income					
<b>Total liabilities and stockholders' equity</b>					



LENNON TELEPHONE COMPANY  
CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018

	LENNON TELEPHONE	TOTAL COMMUNICATIONS	TVC INC.	ELIMINATING	CONSOLIDATED TOTALS
OPERATING REVENUE:					
Wireline					
Miscellaneous revenues					
Cable revenues					
Uncollectible revenues					
Total operating revenue					
OPERATING EXPENSES:					
Plant specific					
Plant non-specific:					
Network and other					
Depreciation and amort.					
Customer operations					
Corporate operations					
Cable programming expenses					
Total operating expenses					
OPERATING INCOME (LOSS)					
OPERATING TAXES:					
State and local taxes					
Federal income taxes (benefit)					
Total operating taxes					
OTHER INCOME (EXPENSE):					
Interest and dividends					
Other nonregulated					
Capital gain (loss)					
Other income and (expense)					
Total other income (expense)					
FIXED CHARGES					
NET INCOME (LOSS) BEFORE SUBSIDIARIES					
NET INCOME (LOSS) FROM SUBSIDIARIES					
NET INCOME (LOSS)					
OTHER COMPREHENSIVE INCOME					
COMPREHENSIVE INCOME (LOSS)					

Attachment 8 Evidence of Network Scalability contains proprietary information and has been redacted in its entirety.

Attachment 9 Five-year, stand-alone project financial plan/forecast contains proprietary information and has been redacted in its entirety.

*Attachment 10: Affidavit of commitment to offer the proposed service and cost in the proposed service area for a minimum of five years after project completion*

Name of Attachment 10:

Lennon\_Attachment\_10\_Affidavit of  
Commitment.pdf

APPLICANT AFFIDAVIT

I, Randy Fletcher, certify that I am duly authorized by the governing body of the lead applicant to submit this application and included materials; that the applicant has the capacity to carry out the proposed project; that the proposed project is designed to meet the identified needs of the project area; that the applicant has the capacity to offer the proposed service and cost in the proposed service area for a minimum of five years after project completion; that all the information submitted as part of this application is true and correct to the best of my knowledge; and that I am an authorized agent of the applicant.

Randy Fletcher

Signature

Print Name: Randy Fletcher

Title: General Manager

Email: 

Attachment 11 Budgetary Engineering Designs, Diagrams, and Maps that Show the Proposed Project contains proprietary information and has been redacted in its entirety.

Attachment 12: *Community letters of support*

Name of Attachment 12:

Lennon\_Attachment\_12\_Letters of Support.pdf

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of VENICE Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is TVC, and the highest speed we get from that provider is DSL RES. 768 X 384 PACKAGE

At my residence, high speed internet is most needed for PERSONAL USE

Also, the community of VENICE needs better access to broadband so that ~~IT~~ THERE IS MORE EFFICIENT WIFI

If Lennon Telephone Company wins CMIC funding, <sup>probably</sup> I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration [REDACTED]



Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazelton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at Juddville. Our current internet service provider is Verizon + Hughes, and the highest speed we get from that provider is 46.

At my residence, high speed internet is most needed for Home + church.

Also, the community of Juddville needs better access to broadband so that the Juddville U.M.C. can have better service no drop calls + faster internet also for my home.

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: I am looking forward to have cable/phone/internet on the corner of Juddville / Durand Rd.

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration. [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazellton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Dish network, and the highest speed we get from that provider is 3.4mb.

At my residence, high speed internet is most needed for streaming movies and for work related tasks.

Also, the community of Hazellton Twp needs better access to broadband so that They may have access to the same quality of internet services as people that live in town.

If Lennon Telephone Company wins CMIC funding I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: We've been waiting for a long time for an opportunity such as this. Fingers crossed.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazleton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is INVISALINK, and the highest speed we get from that provider is 3 meg.

At my residence, high speed internet is most needed for TV, SURFING  
the web and communicating with family out of the COUNTRY

Also, the community of \_\_\_\_\_ needs better access to broadband so that

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

\_\_\_\_\_

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Venice Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Excede, and the highest speed we get from that provider is 10.

At my residence, high speed internet is most needed for streaming, computer, cell phones.

Also, the community of Venice township needs better access to broadband so that I can stay local.

If Lennon Telephone Company wins CMIC funding  I will /  will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: my entire family use TLC & they are great 😊

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration [REDACTED]

**Connecting Michigan Communities Grant Program**

**Proposed Funded Service Area Resident of HAZELTON Township**

**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is V2 JetPack, and the highest speed we get from that provider is \_\_\_\_\_.

At my residence, high speed internet is most needed for Social

Also, the community of Juddville needs better access to broadband so that

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

If you want to contact me, I can be reached at \_\_\_\_\_.

Thank you for your consideration, \_\_\_\_\_

**Connecting Michigan Communities Grant Program**

**Proposed Funded Service Area Resident of HAZELTON Township**

**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is CITY wide WIFI, and the highest speed we get from that provider is 76B.

At my residence, high speed internet is most needed for High School And College Students. ALSO WORK RESPONSIBILITIES.

Also, the community of HAZELTON needs better access to broadband so that WE CAN ALL PARTICIPATE IN COLLEGE AND HIGH SCHOOL ASSIGNMENTS. OUR CURRENT PROVIDER IS BETTER THAN DSL BUT STILL LACKS IN SPEED AND DEPENDABILITY.

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: WE ARE SURROUNDED BY PEOPLE WITH HIGH SPEED INTERNET BUT FOR WHATEVER REASON WE CANNOT SEEM TO GET IT.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

**Connecting Michigan Communities Grant Program**

**Proposed Funded Service Area Resident of Hazelton Township**

**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is [REDACTED], and the highest speed we get from that provider is [REDACTED].

At my residence, high speed internet is most needed for Cable TV

Also, the community of \_\_\_\_\_ needs better access to broadband so that

If Lennon Telephone Company wins CMIC funding, (I will) will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

If you want to contact me, I can be reached at N/A

Thank you for your consideration, [REDACTED]

**Connecting Michigan Communities Grant Program**  
**Proposed Funded Service Area Resident of Hazelton Township**  
**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Invisalnk, and the highest speed we get from that provider is 25m

At my residence, high speed internet is most needed for Pureflix, Netflix, Homeschooling, college courses, email.

Also, the community of Hazelton needs better access to broadband so that we have choices - currently we only have the 2 options of no internet or Invisalnk. I think we should be able to price compare between a few companies.

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) companies. subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: I do not know if I would subscribe, but I would have options. Currently we do not have options.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED].



Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of HAZELTON Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is VERIZON, and the highest speed we get from that provider is NOT SURE BUT UNLIMITED GATED SERVICE SLOWS DOWN TO 600KBS.

At my residence, high speed internet is most needed for WORK AT HOME, FINANCIALS, TV MOVIES.

Also, the community of HAZELTON/CORUNNA needs better access to broadband so that WE CAN COMPETE AND ENJOY CONNECTION TO GOOD INTERNET AND SHARE OFF THE CENTURYLINK MONOPOLY.

If Lennon Telephone Company wins CMIC funding,  I will /  will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: THE ONLY SERVICE AVAILABLE TO MY HOUSE IS SATELLITE, (UNRELIABLE), CENTURYLINK, (PAY FOR 10MEG, AVERAGE 3.5MEG. @ 7 DOWNLOAD) AND CELL PHONE (VERIZON, T-MOBILE (VERY WEAK SIGNAL AND NO MOVIES))

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program  
Proposed Funded Service Area for Residents of Clayton Township North of M21  
Letter of Support for Lennon Telephone Company

August 22, 2019

Dear Connecting Michigan Communities Grant Committee:

I am [REDACTED] living with my wife at [REDACTED] a rural location that is just north of M21 in Clayton Township. I support the Lennon Telephone Company's application for a grant from your committee conditionally on the grant including significantly enhanced Internet service to the area north of M21 that currently has only DSL service.

We were selected some years ago to be the first house to be connected to Internet through a multiplexing scheme with telephone wires (so-called DSL). That connection continues to work much of the time at a slow rate of between 0.6 Mbps and 0.9 Mbps. The rate is so slow that remote diagnostics of computer performance could not be performed and we contracted with Hughes Net to install a satellite Internet connection at considerable expense to augment DSL. All of our television viewing is effected by over-the-air viewing, and we have no interest in enhanced television coverage.

Committee members know that the need for better Internet service in rural areas has become a necessity - as was rural-electrification years ago. The Lennon Telephone Company has been a good carrier - far more responsive than what people tell me about the BIG carriers. LTC contends that it is prohibitively expensive to extend better Internet service north of M21. Obviously, they need to make a profit. A grant to install high-speed connections to areas not yet fully served by LTC is desirable and fits the purposes/goals administered by the committee.

My E-mail address is: [REDACTED]

A favorable consideration is desired. [REDACTED]

**Connecting Michigan Communities Grant Program**

**Proposed Funded Service Area Resident of Hazelton Township**

**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is AT&T Cellular, and the highest speed we get from that provider is 4MB.

At my residence, high speed internet is most needed for Work. I am a software developer for a global company and I work from home. Also, the community of Juddville needs better access to broadband so that we can participate in the latest technologies and stay current with news/information.

If Lennon Telephone Company wins CMIC funding, I will / will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

**Connecting Michigan Communities Grant Program**

**Proposed Funded Service Area Resident of Hazelton Township**

**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Verizon, and the highest speed we get from that provider is 20.

At my residence, high speed internet is most needed for \_\_\_\_\_  
\_\_\_\_\_.

Also, the community of \_\_\_\_\_ needs better access to broadband so that  
\_\_\_\_\_  
\_\_\_\_\_.

If Lennon Telephone Company wins CMIC funding, I will / will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_  
\_\_\_\_\_.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED].

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazelton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is none, and the highest speed we get from that provider is 0.

At my residence, high speed internet is most needed for Kids going to school, streaming services.

Also, the community of Hazelton needs better access to broadband so that we can stay connected to the world without having to pay hundreds of dollars for internet hot spot data and phone data.

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: Would love to have an internet option in our area. Before moving here 5 years ago I thought everywhere in America had access to high speed internet. This is crazy!

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazelton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Invisilink, and the highest speed we get from that provider is ?.

At my residence, high speed internet is most needed for college classes, streaming netflix & music, tv programs, cell phones. Also, the community of New Lothrop needs better access to broadband so that we can download, upload and work quicker.

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: I will have to see if the prices are more reasonable.

If you want to contact me, I can be reached at \_\_\_\_\_.

Thank you for your consideration, \_\_\_\_\_.

Connecting Michigan Communities Grant Program  
Proposed Funded Service Area Resident of Hazelton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Verizon Hotspot, and the highest speed we get from that provider is ?.

At my residence, high speed internet is most needed for internet w/ my computer and cable TV.

Also, the community of \_\_\_\_\_ needs better access to broadband so that \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: We have no choices out here in the country!

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program  
Proposed Funded Service Area Resident of Clayton Township  
Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is Leah Morse, and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Verizon, and the highest speed we get from that provider is ~~10-12~~ 5-12 mbps

At my residence, high speed internet is most needed for Work / School.  
I work from home and NEED high speed.

Also, the community of Clayton twp needs better access to broadband so that children can complete homework with out having to go to a relative's home or a library.

If Lennon Telephone Company wins CMIC funding, I will / will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: Please Please Please bring high speed internet to this area! We have considered moving because of lack of internet access.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]



Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Venice Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Verizon, and the highest speed we get from that provider is 16 GB.

At my residence, high speed internet is most needed for work & pleasure.

Also, the community of Venice Twp. needs better access to broadband so that we have better service and another option to price compare.

If Lennon Telephone Company wins CMIC funding, I will (circle one) not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: It will depend on service & pricing provided

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of \_\_\_\_\_ Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [redacted] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [redacted]. Our current internet service provider is Skype Web, and the highest speed we get from that provider is 20.

At my residence, high speed internet is most needed for emails  
games, Facebook.

Also, the community of \_\_\_\_\_ needs better access to broadband so that  
\_\_\_\_\_  
\_\_\_\_\_

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_  
\_\_\_\_\_

T M C

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazleton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is NO ONE, and the highest speed we get from that provider is 0.

At my residence, high speed internet is most needed for netflix, house items, netflix, etc.

Also, the community of "RILEY RD" needs better access to broadband so that

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: No other internet provider will/can service me. Very frustrating.

If you want to contact me, I can be reached at

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Venice Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is - None -, and the highest speed we get from that provider is \_\_\_\_\_.

At my residence, high speed internet is most needed for Insurance corresp.

banking, orders + shopping, computer set-up

Also, the community of Lennon needs better access to broadband so that

it Remains competitive to other areas

The limited plans offered now are slow and cost too much for such slow coverage.

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: Everything is done on-line we moved here 3 yrs ago and I miss internet connections to do so many things I could do before in Gaines.

If you want to contact me, I can be reached at \_\_\_\_\_

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of HAZELTON Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is NONE, and the highest speed we get from that provider is 0 MBPS.

At my residence, high speed internet is most needed for STREAMING, GAMING, SMART DEVICES, REMOTE BUSINESS LOCATION

Also, the community of HAZELTON needs better access to broadband so that WE CAN IMPROVE THE ENGAGEMENT OF OUR COMMUNITIES WITH NEW TECHNOLOGIES AND ACCESS TO EDUCATION.

If Lennon Telephone Company wins CMIC funding (I will) will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: PLEASE MAKE THIS PROCESS ASAP.

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Venice Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is we do not have internet service., and the highest speed we get from that provider is N/A.

At my residence, high speed internet is most needed for Computer access to internet, streaming TV shows, and movies. ~~There~~ There is no cable service offered where we live and  
Also, the community of Venice Twp. needs better access to broadband so that it is available to all and I don't have to go to the library or McDonalds when I want to look up something on the internet and only able to use unprotected connections.

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: I would also like to be able to Skype family members that live in other states. We're of the age where we need to make sure our families are in good health in case there is a concern.

**Connecting Michigan Communities Grant Program**  
**Proposed Funded Service Area Resident of Hazelton Township**  
**Letter of Support for Lennon Telephone Company**

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Invisalink, and the highest speed we get from that provider is unsure - not a lot.

At my residence, high speed internet is most needed for \_\_\_\_\_

Also, the community of \_\_\_\_\_ needs better access to broadband so that

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: \_\_\_\_\_

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]

Attachment 13: *Demonstration of customer interest in the proposed project*

Name of Attachment 13:

Lennon\_Attachment\_13\_Demonstration of Customer Interest.pdf



Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of Hazellton Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is Dish network, and the highest speed we get from that provider is 3.4mb.

At my residence, high speed internet is most needed for streaming movies and for work related tasks.

Also, the community of Hazellton Twp needs better access to broadband so that They may have access to the same quality of internet services as people that live in town.

If Lennon Telephone Company wins CMIC funding I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: We've been waiting for a long time for an opportunity such as this. Fingers crossed.

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program  
Proposed Funded Service Area Resident of Clayton Township  
Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED] and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is 2 houses none DSL, and the highest speed we get from that provider is almost none

At my residence, high speed internet is most needed for I work some from home can hardly get on line + personal use

Also, the community of Lennon needs better access to broadband so that we are in a dead area for any access to anything. Can't even get good phone ser. and bad internet ser. Its like we are in a different world.

If Lennon Telephone Company wins CMIC funding, I will/will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: the house next door to me at 11366 would also subscribe to service

If you want to contact me, I can be reached at [REDACTED].

Thank you for your consideration, [REDACTED]

Connecting Michigan Communities Grant Program

Proposed Funded Service Area Resident of HAZELTON Township

Letter of Support for Lennon Telephone Company

August 20, 2019

Dear Connecting Michigan Communities Grant Committee:

My name is [REDACTED], and I am writing this letter in support of Lennon Telephone Company, because our community desperately needs affordable access to high speed broadband services. I live in the proposed grant area at [REDACTED]. Our current internet service provider is INVIS-A-LINK, and the highest speed we get from that provider is 25Mbps.

At my residence, high speed internet is most needed for ACCESSING VIDEO STREAMING, GENERAL BROWSING, E-MAIL.

Also, the community of \_\_\_\_\_ needs better access to broadband so that

If Lennon Telephone Company wins CMIC funding, I will will not (circle one) subscribe to its services. I think Lennon will help improve the connectivity and economy of this community.

Other comments: THE CHILDREN IN THIS RURAL COMMUNITY COULD USE A FAST RELIABLE INTERNET FOR THEIR SCHOOL WORK.

If you want to contact me, I can be reached at [REDACTED]

Thank you for your consideration, [REDACTED]