

Ayrshire Farmers Mutual
Telephone Company

Ayrshire Farmers Mutual Telephone Co.

1405 Silver Lake Ave • Ayrshire IA 50515
800-642-2884 • 712-426-2800
www.ayrshireia.com

June 25, 2015

REDACTED – FOR PUBLIC INSPECTION

VIA FedEx and ECFS

Marlene H. Dortch, Secretary
Federal Communication Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10- 90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, and requesting Confidential treatment for financial information pursuant to sections 0.457 and 0.459 of the Commission's rules. Before the Federal Communications Commission. Form 481 – Carrier Annual Reporting Data Collection, 2015. WC 14-58.

Dear Ms. Dortch:

Ayrshire Farmers Mutual Telephone Company ("Ayrshire Telephone"), hereby submits the attached redacted and confidential versions of its "FCC Form 481 – Carrier Annual Reporting Data Collection" information pursuant to sections 54.313 and 54.422 of the Commission's rules, as filed with the Universal Service Administrative Company. A copy is also being submitted to the Iowa Utility Board.

Ayrshire Telephone requests confidential treatment under the Protective Order adopted in this proceeding for the section 54.313(f)(2) financial information included in this report on the grounds that it is competitively sensitive information that is secure from public access and this information should not be released publicly for inspection as it could be used to disadvantage or harm Ayrshire Telephone. In addition, Ayrshire Telephone is requesting confidential treatment pursuant to sections 0.457 and 0.459 of the Commission's rules for the Five-Year Build-Out Plan Progress Report and Map that is required by section 54.313(a)(1) to be attached to this report.

In accordance with the Protective Order, two redacted copies marked "REDACTED – FOR PUBLIC INSPECTION" and one non redacted confidential version marked "CONFIDENTIAL – NOT FOR PUBLIC INSPECTION" are being filed with the Commission. A redacted copy has also been filed via the Electronic Comment Filing System.

If you have any questions, please contact me at sakridge@ncn.net or 712-776-2222

Sincerely,


Sheila Akridge

Cc: Mr. Charles Tyler, FCC Telecommunications Access Policy Division (two copies, confidential)

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

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

<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MUT
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Sheila Akridge
<035> Contact Telephone Number: Number of the person identified in data line <030>	7127762222 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	sakridge@ncn.net

ANNUAL REPORTING FOR ALL CARRIERS	54,313 Completion Required	54,422 Completion Required
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			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">3511051a510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">3511051a610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">3511051a1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet				
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MUT
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035> Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

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

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

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

351105iaFive-YearPlanProgressReport.pdf

Name of Attached Document

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

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

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

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

<010>	Study Area Code	351105
<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncr.net

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

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

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	351105
<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP www.ayrshireia.com/assistance.htm

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

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

(2000) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	SS1105
<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Shelia AKridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127702222 EXT.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shakridge@nch.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

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

Name of Attached Document(s) Listing Required Information

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

- <2012>** 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
- <2013>** 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
- <2014>** 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
- <2015>** 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}

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

- <2016>** Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

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

- <2021>** Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MDT
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035> Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sakaridge@ncn.net

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

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

351105ia3010.pdf

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

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

351105ia3012.pdf

Name of Attached Document Listing Required Information

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

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

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

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

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

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information

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

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

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

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

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

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

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

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

(3024) Underlying information subjected to an officer certification.

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

351105ia3026.pdf

Name of Attached Document Listing Required Information

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information

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

<010>	Study Area Code	351105
<015>	Study Area Name	AYRSKIRE FARMERS MUT.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	712762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@gnn.net

Financial Data Summary

(3027) Revenue

--	--

(3028) Operating Expenses

--	--

(3029) Net Income

--	--

(3030) Telephone Plant In Service(TPIS)

--	--

(3031) Total Assets

--	--

(3032) Total Debt

--	--

(3033) Total Equity

--	--

(3034) Dividends

--	--

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MUT
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035> Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	AYRSHIRE FARMERS MUT
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/25/2015
Printed name of Authorized Officer:	Donald Miller
Title or position of Authorized Officer:	Executive Vice President
Telephone number of Authorized Officer:	7127762222 ext.
Study Area Code of Reporting Carrier:	351105 Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. § 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MUT
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035> Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sakridge@acn.net

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

ITEM 112- FIVE-YEAR PLAN/PROGRESS REPORT-confidential

Ayrshire Farmers Mutual Telephone Company

This information has been removed from this copy of the report.

Certification of Compliance with Service Quality Standards and Consumer Protection Rules

Line 510

Ayrshire Farmers Mutual Telephone Company

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis and training for new hires.
- A disciplinary process for improper use of consumer information.

If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter traced and any corrective action noted. This process ensures that problems are addressed and corrections made.

The Company also has implemented procedures that are consistent with the Federal Trade Commission guidance on measures to detect/prevent identity theft (Red Flag Rules).

A copy of the Company's tariff is on file with the Iowa Utility Board and copies of our rules and regulations and schedules of rates are on file at our Business Office and are open to public inspection.

Line 610 – Description of Functionality in Emergency Situations

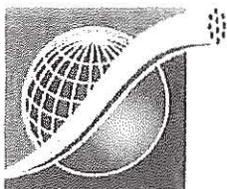
Ayrshire Farmers Mutual Telephone (Ayrshire) prides itself on updating and maintaining all its plant and equipment to prevent outages before they happen. If outages do happen, the Company has 24-hour on call staff and alarm reporting systems in place that send notifications to the 24 hour personnel monitoring these systems. The Company certifies that it follows best practices that are designed to allow them to remain functional in an emergency situation through the use of back-up power to ensure functionality in the event of a limited commercial power failure.

Ayrshire utilizes battery back-up systems and standby generators in its central office and remote huts. This enables the Company to maintain power during an outage of at least 48 hours with battery back-up and several days with propane gas.

The Company has redundant interexchange/exchange fiber routes that allow traffic to be diverted to other routes when any fiber cuts occur. Ayrshire also has the ability to remotely switch its traffic using the neighboring telco's switch, if the Company's own switch becomes inoperable.

Line 1010: Voice Service Rate Comparability

As evidenced by the data provided in line 700 of this Form 481, the Company's voice service pricing is no more than 2 standard deviations above the national average urban rate (\$47.48) as announced by the Wireline Competition Bureau on April 16, 2015 (DA 15-470).



Ayrshire Farmers Mutual
Telephone Company

Ayrshire Farmers Mutual Telephone Co.

1405 Silver Lake Ave • Ayrshire IA 50515
800-642-2884 • 712-426-2800
www.ayrshireia.com

June 2, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient
54.313 (f) (1) "Milestone Certification"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Ayrshire Farmers Mutual Telephone Company:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are any questions, I may be contacted at 712-776-2222.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald D. Miller". The signature is written in a cursive style with a large initial 'D'.

Donald D. Miller
Executive Vice President
Ayrshire Farmers Mutual Telephone Company

Line 3012: Community Anchor Institutions

No anchor institutions required or requested broadband service in 2014. Ayrshire Farmers Mutual Telephone Company continues to monitor customer demand and technological innovation, planning to size its network in anticipation of requests and demand for higher speed broadband needs.

**AYRSHIRE FARMERS MUTUAL TELEPHONE
COMPANY
AYRSHIRE, IOWA**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
Years ended December 31, 2014 and 2013**

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ayrshire Farmers Mutual Telephone Company and Subsidiary
Ayrshire, Iowa

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ayrshire Farmers Mutual Telephone Company (an Iowa corporation) and subsidiary as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment; including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ayrshire Farmers Mutual Telephone Company and subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

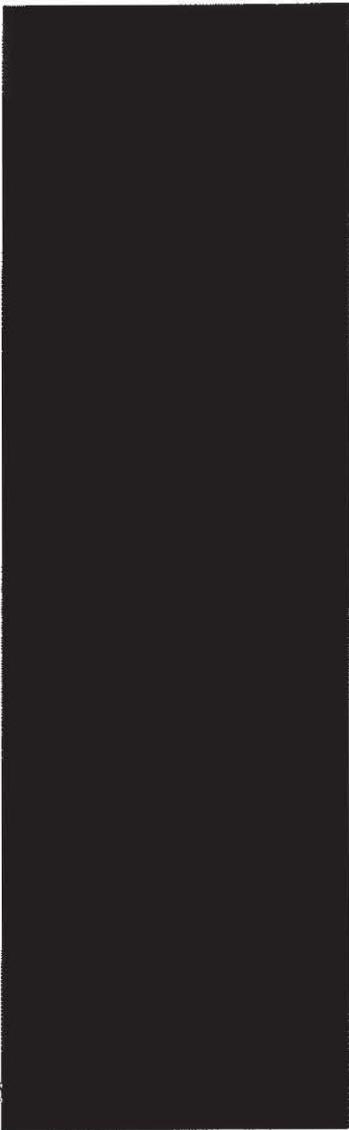
Kiesling Associates LP

Emmetsburg, Iowa
April 10, 2015

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013

	2014	2013
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents		
Special construction account		
Certificates of deposit		
Accounts receivable:		
Due from customers		
Interexchange carriers		
Other		
Refundable income taxes		
Prepaid income taxes		
Current portion of notes receivable		
Interest receivable		
Inventories		
Prepayments		
 OTHER NONCURRENT ASSETS		
Long-term investments		
Other investments		
Notes receivable, less current portion		
Cash surrender value of life insurance		
Other noncurrent receivables		
 PROPERTY, PLANT AND EQUIPMENT		
Telephone plant in service		
Video plant in service		
Less accumulated depreciation		
Plant under construction		
 TOTAL ASSETS		

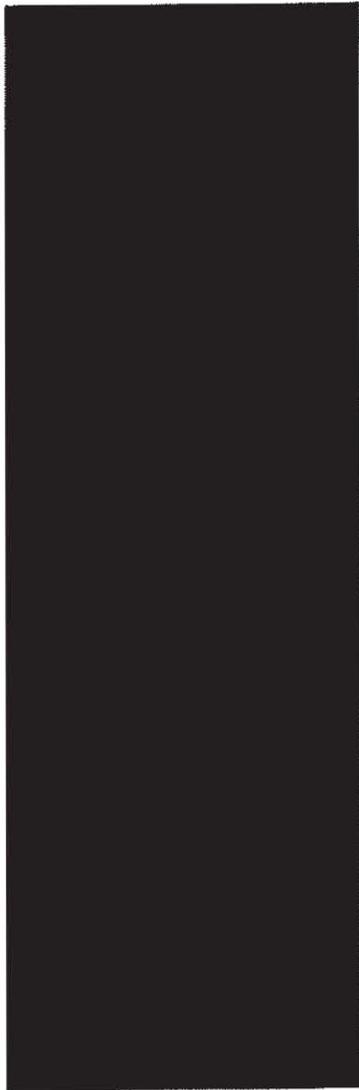


The accompanying notes are an integral part of these consolidated financial statements.

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable:		
Other		
Customer deposits		
Accrued taxes		
Other		
DEFERRED INCOME TAXES		
STOCKHOLDERS' EQUITY		
Common stock - \$20 par value, 2,500 shares authorized, 535 shares issued and 445 shares outstanding		
Treasury stock		
Accumulated other comprehensive income:		
Unrealized gains on certain investments		
Retained earnings		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		



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

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

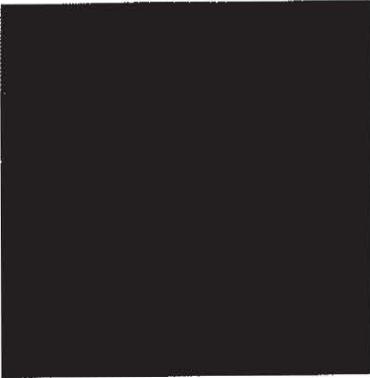
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Local network services		
Network access services		
Video services		
Internet services		
Miscellaneous		
OPERATING EXPENSES		
Plant specific operations		
Plant nonspecific operations		
Cost of video services		
Cost of internet services		
Depreciation and amortization		
Customer operations		
Corporate operations		
General taxes		
OPERATING LOSS		
OTHER INCOME (EXPENSES)		
Interest and dividend income		
Gain on sale of investment		
Equity earnings (loss) from investments		
Contract revenue, net		
Commissions from Local Long Distance, L.C.		
Other, net		
INCOME (LOSS) BEFORE INCOME TAXES		
INCOME TAX EXPENSE (BENEFIT)		
NET INCOME (LOSS)		

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

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Net Income (Loss)		
Other comprehensive income, net of tax:		
Unrealized losses on securities:		
Unrealized holding gains arising during the period		
Reclassification adjustment for gains included in net income		
COMPREHENSIVE INCOME/(LOSS)		

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

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2014 and 2013

	Common Stock		Treasury Stock	
	Shares	Amount	Shares	Amount
Balance at December 31, 2012				
Net loss				
Unrealized gains (losses) on securities:				
Unrealized holding gains arising during the period (net of \$3,873 tax)				
Less: Reclassification adjustment (net of \$638 tax)				
Dividends paid				
Balance at December 31, 2013				
Net income				
Unrealized gains (losses) on securities:				
Unrealized holding gains arising during the period (net of \$5,955 tax)				
Less: Reclassification adjustment (net of \$11,729 tax)				
Dividends paid				
Balance at December 31, 2014				

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

AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2014 and 2013

<u>Accumulated Other Comprehensive Income</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
		

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

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2014 and 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization		
Deferred income taxes		
Equity (earnings) loss from investments		
Distributions received from unconsolidated affiliates		
Decrease in cash surrender value of life insurance		
Gain on sale of investments		
Changes in assets and liabilities:		
(Increase) Decrease in:		
Receivables		
Inventories		
Prepayments		
Increase (Decrease) in:		
Payables		
Accrued taxes		
Other		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures		
Purchases of certificates of deposit		
Purchases of available-for-sale securities		
Purchases of equity investments		
Proceeds from sales/maturities of certificates of deposit		
Proceeds from sales of available-for-sale securities		
Collections of notes receivable		
Net cash provided by (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in special construction account		
Dividends paid		
Net cash used in financing activities		
Net Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year		

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

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Ayrshire Farmers Mutual Telephone Company and subsidiary (herein referred to as "the Company") are providers of telecommunications exchange and local access services, internet, video and telecommunications equipment in a service area located primarily in northwest Iowa.

The accounting policies of the Company conform to accounting principles generally accepted in the United States of America. Management uses estimates and assumptions in preparing its consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management has evaluated subsequent events through April 10, 2015, the date the consolidated financial statements were available for issue. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the telephone company are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the state regulatory authority.

Principles of Consolidation

The consolidated financial statements include the accounts of the parent company, Ayrshire Farmers Mutual Telephone Company, and its 100%-owned subsidiary, A.T.C. Cablevision, Co. All material intercompany transactions have been eliminated in consolidation.

Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash equivalents.

Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected. As a result, the Company determined an allowance for doubtful accounts was not needed for the years ended December 31, 2014 and 2013.

Inventories

Inventories include both merchandise held for resale and materials and supplies. Merchandise held for resale is recorded at the lower of cost or market with cost determined by the average cost method. Materials and supplies are recorded at average cost.

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Marketable securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Unrealized holding gains and losses on trading securities are reported in earnings. Marketable securities classified as available-for-sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholders' equity. Debt securities for which the Company has both the positive intent and ability to hold to maturity are classified as held-to-maturity and are carried at amortized cost. The Company uses the FIFO method of computing realized gains and losses.

Nonmarketable equity investments over which the Company has significant influence are reflected on the equity method. Other nonmarketable equity investments and certificates of deposit are stated at cost.

Intangibles

Intangible assets deemed to have indefinite lives are stated at the lower of cost or fair value. These assets are subject to periodic impairment tests. Intangible assets with definite lives are amortized.

Property, Plant and Equipment

Property, plant and equipment is capitalized at original cost including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates based on the estimated service lives of the various classes of depreciable property. These estimates are subject to change in the near term.

Renewals and betterments of units of telephone property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable telephone property. Repairs and renewals of minor items of telephone property are included in plant specific operations expense.

Repairs of video property, as well as renewals of minor items, are charged to plant specific operations expense. A gain or loss is recognized when video property is sold or retired.

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations

Generally accepted accounting principles require entities to record the fair value of a liability for legal obligations associated with an asset retirement in the period in which the obligations are incurred. When the liability is initially recorded, the entity capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset.

The Company has determined it does not have a material legal obligation to remove long-lived assets, and accordingly, there have been no liabilities recorded for the years ended December 31, 2014 and 2013.

Long-Lived Assets

The Company would provide for impairment losses on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Based on current conditions, management does not believe any of its long-lived assets are impaired.

Income Taxes

The Company files a consolidated tax return with its subsidiary for income tax purposes. For financial reporting purposes, income taxes are presented as if each member of the consolidated group were a separate taxpayer.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the consolidated financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from differences between the book and tax basis of plant assets and certain investments. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled.

Revenue Recognition

The Company recognizes revenues when earned regardless of the period in which they are billed. The Company is required to provide telephone service to subscribers within its defined service territory.

Local network service, video and internet revenues are recognized over the period a subscriber is connected to the network.

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Network access revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues is based on an average schedule company settlement formula administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues are billed based upon an individual company tariff access charge structure filed with the Iowa Utilities Board (IUB). The tariffs developed from this structure are used to charge the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried.

In accordance with tariffs filed with the FCC by the National Exchange Carriers Association (NECA), the Company recognizes the regulated portion of internet revenue as network access services and the non-regulated portion of internet revenue as internet services in the statement of operations. Revenue billed to customers for internet included in network access services totaled [REDACTED] respectively.

The Company recognizes taxes charged to customers on a net basis in the consolidated statements of operations.

Fair Value Measurements

The Company determines the fair value of its financial assets and liabilities based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to conform with the 2014 presentation.

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 2. LONG-TERM INVESTMENTS

The amortized cost and fair value of available-for-sale securities are as follows:

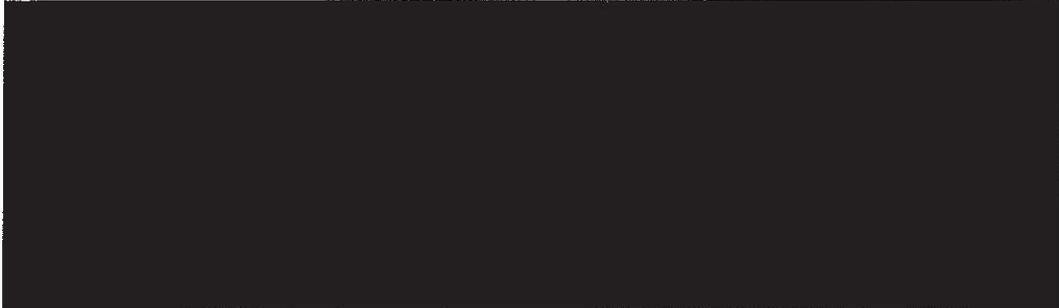
	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
<u>December 31, 2013</u>				
Available-for-sale equity securities:				
Mutual funds - domestic				
Mutual funds - international				
Total				
Amounts classified as:				
Long-term investments				

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 3. OTHER INVESTMENTS

Other investments include the following:

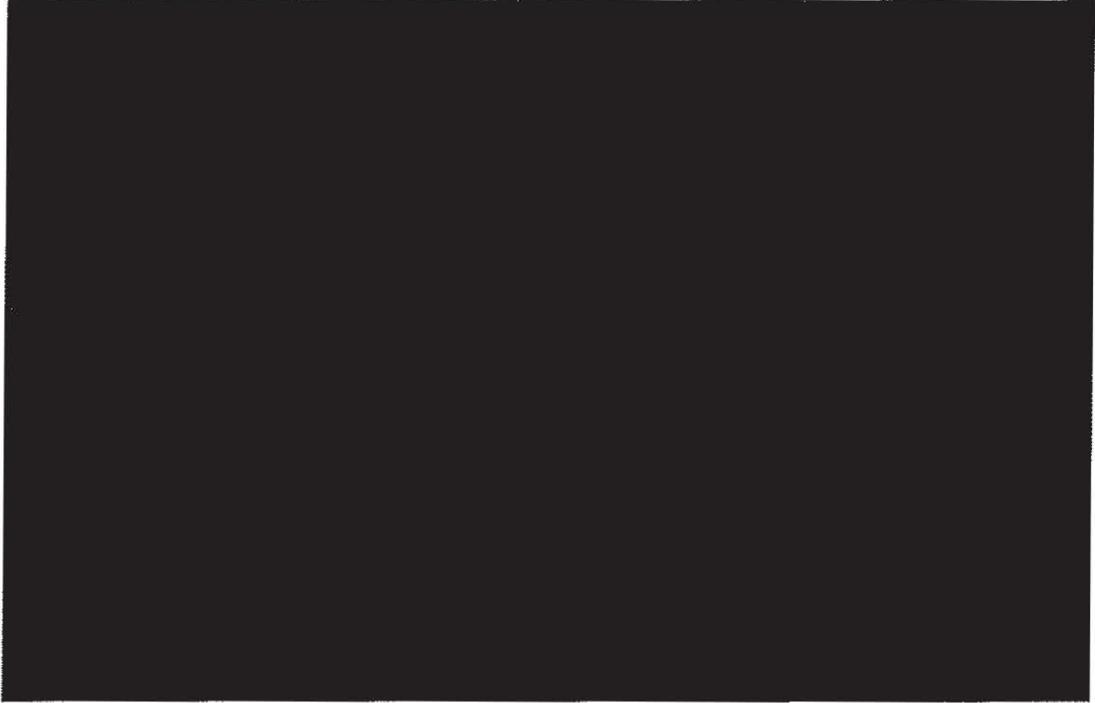
	2014	2013
		

		
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**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 3. OTHER INVESTMENTS (Continued)



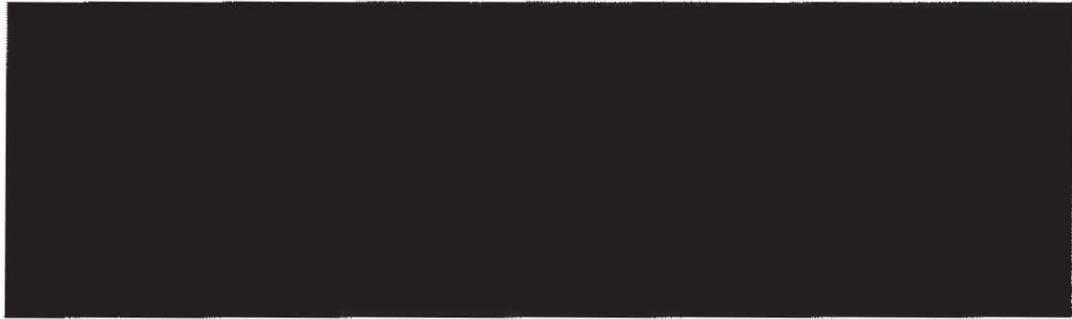
NOTE 4. NOTES RECEIVABLE



AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 5. INTANGIBLES



NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following:

	<u>2014</u>	<u>2013</u>
Telephone plant in service:		
Land		
Buildings		
Other general support assets		
Central office assets		
Cable and wire facilities		
Other plant and equipment		
Subtotal		
Video plant in service:		
Land		
Towers, antennas and head end equipment		
Cable and wire facilities		
Other plant and equipment		
Subtotal		
Total property, plant and equipment		



**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 7. INCOME TAXES

Income taxes reflected in the Consolidated Statements of Operations consist of the following:

	<u>2014</u>	<u>2013</u>
Federal income taxes:		
Current tax expense (benefit)		
Deferred tax expense (benefit)		
State income taxes:		
Current tax expense (benefit)		
Deferred tax expense (benefit)		
Total income tax expense (benefit)		

Deferred federal and state tax liabilities and assets reflected in the Consolidated Balance Sheets are summarized as follows:

The tax provision differs from the expense that would result from applying the federal statutory rates to operations before income taxes because of state income taxes being deductible in determining taxable income and the Company is permitted to exclude from taxable income a portion of dividends received during the year.

The Company has evaluated its income tax positions and has determined that there are no uncertain income tax positions that need to be recorded or reported in the financial statements at December 31, 2014.

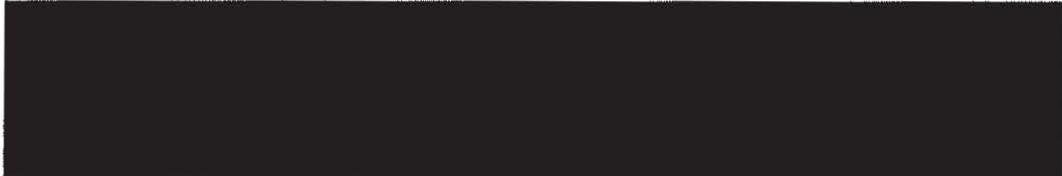
**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 7. INCOME TAXES (Continued)

The Company's federal and state income tax returns for years 2011 to present remain subject to examination.

NOTE 8. EMPLOYEE BENEFIT PLAN



NOTE 9. TREASURY STOCK

Treasury stock is shown at cost and consists of 90 shares of common stock for both 2014 and 2012. The Company is holding these shares as treasury stock until the ultimate disposition of the reacquired shares is decided.

NOTE 10. CONCENTRATIONS OF CREDIT RISK

The Company grants credit to customers, all of whom are located in the franchised service area, and telecommunications intrastate and interstate long distance carriers.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Company places its cash, cash equivalents and investments in several financial institutions which limits the amount of credit exposure in any one financial institution.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 11. REGULATORY MATTERS

The Company received 56% of its 2014 revenues from access revenues and assistance provided by the Federal Universal Service Fund. As a result of the National Broadband Plan the manner in which access revenues and Universal Service Funds are determined has been modified by the Federal Communications Commission in an order effective December 29, 2011. Among other things, this order provides for (1) a requirement to provide broadband services; (2) the establishment of a Connect America Fund (CAF) to replace current USF and high cost support mechanisms with a cap on the total fund; (3) modifications to the current rate of return support model including caps on the recovery of certain expenditures; (4) a reduction in the terminating access charges billed by the Company over a nine year period with eventual transition to a bill-and-keep framework for the exchange of traffic between carriers; (5) a new access recovery charge on monthly customer bills; and (6) a national framework for reporting and oversight.

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 11. REGULATORY MATTERS (Continued)

The order and subsequent reconsideration orders call for further guidelines to be adopted on implementation and other topics. Portions of this order applicable to the Company are being challenged. Accordingly, neither the outcome of these proceedings nor their potential impact on the Company can be predicted at this time.

NOTE 12. OPERATING AND MANAGEMENT AGREEMENT

The Company has an operating and management agreement with Northwest Telephone Cooperative Association (Northwest) to provide management services and labor forces as needed for the operations of the Company. The Company also provides labor forces to Northwest as needed and is reimbursed for these costs. This agreement is in effect until April 30, 2016, but can be terminated by either party upon the fulfillment of certain requirements.

The agreement provides that Northwest shall be responsible for the operations, maintenance and keeping in good condition the Company's plant and equipment, and that Northwest shall receive reimbursement on a monthly basis for the actual cost of construction, maintenance, and operational services rendered. The Company also entered into an agreement with Northwest for payroll services.

NOTE 13. NONCASH INVESTING ACTIVITIES



NOTE 14. RELATED PARTY TRANSACTIONS



**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 15. CONTINGENCIES

The Company is involved in certain contractual disputes in the ordinary course of business. As of December 31, 2014, the Company has received notification from an interexchange carrier disputing the billing of carrier access charges on certain telecommunications traffic. The Company has denied the interexchange carriers' claims. The Company is currently in the process to resolve the dispute with the interexchange carrier and at this time is unable to determine the potential liability, if any, in regards to this dispute.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION**

To the Board of Directors
Ayrshire Farmers Mutual Telephone Company and Subsidiary
Ayrshire, Iowa

We have audited the consolidated financial statements of Ayrshire Farmers Mutual Telephone Company and subsidiary as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon dated April 10, 2015, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Kiesling Associates LLP

Emmetsburg, Iowa
April 10, 2015

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**CONSOLIDATING BALANCE SHEET
December 31, 2014**

ASSETS

	Ayrshire Farmers Mutual Telephone Company	A.T.C. Cablevision, Co.	Intercompany Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents				
Special construction account				
Certificates of deposit				
Accounts receivable:				
Due from customers				
Interexchange carriers				
Affiliate				
Other				
Refundable income taxes				
Prepaid income taxes				
Interest receivable				
Inventories				
Prepayments				
 OTHER NONCURRENT ASSETS				
Investment in affiliate				
Other investments				
Cash surrender value of life insurance				
Other noncurrent receivables				
 PROPERTY, PLANT AND EQUIPMENT				
Telephone plant in service				
Video plant in service				
 Less accumulated depreciation				
 Plant under construction				
 TOTAL ASSETS				



See Independent Auditor's Report on Supplementary Information

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**CONSOLIDATING BALANCE SHEET
December 31, 2014**

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>Ayrshire Farmers Mutual Telephone Company</u>	<u>A.T.C. Cablevision, Co.</u>	<u>Intercompany Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Accounts payable:				
Affiliate				
Other				
Customer deposits				
Accrued taxes				
Other				
DEFERRED INCOME TAXES				
STOCKHOLDERS' EQUITY				
Common stock				
Preferred stock				
Treasury stock				
Additional paid-in capital				
Retained earnings				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY				



See Independent Auditor's Report on Supplementary Information

**AYRSHIRE FARMERS MUTUAL TELEPHONE COMPANY
AYRSHIRE, IOWA**

**CONSOLIDATING STATEMENT OF OPERATIONS
Year Ended December 31, 2014**

	Ayrshire Farmers Mutual Telephone Company	A.T.C. Cablevision, Co.	Intercompany Eliminations	Consolidated
OPERATING REVENUES				
Local network services				
Network access services				
Video services				
Internet services				
Miscellaneous				
OPERATING EXPENSES				
Plant specific operations				
Plant nonspecific operations				
Cost of video services				
Cost of internet services				
Depreciation and amortization				
Customer operations				
Corporate operations				
General taxes				
OPERATING LOSS				
OTHER INCOME (EXPENSES)				
Interest and dividend income				
Gain on sale of investment				
Equity earnings (loss) from investments				
Contract revenue, net				
Commissions from Local Long Distance, L.C.				
Other, net				
INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS OF SUBSIDIARY				
INCOME TAX EXPENSE (BENEFIT)				
INCOME BEFORE EQUITY EARNINGS OF SUBSIDIARY				
EQUITY EARNINGS OF SUBSIDIARY				
NET INCOME				



See Independent Auditor's Report on Supplementary Information