



FILER MUTUAL

Telephone Company

REDACTED- FOR PUBLIC INSPECTION

October 8, 2013

VIA OVERNIGHT DELIVERY

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

RE: **Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission**

Dear Ms. Dortch:

Filer Mutual Telephone Company ("Filer Mutual"), Study Area 472220, a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422.

As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter.

Sincerely,

Steve Cowger, General Manager/COO
For Filer Mutual Telephone Company

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division
Ms. Grace Seaman, Idaho Public Utilities Commission

<010> Study Area Code	472220
<015> Study Area Name	FILER MUTUAL TEL - ID
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Robert Kraut
<035> Contact Telephone Number: Number of the person identified in data line <030>	208-326-4331
<039> Contact Email Address: Email of the person identified in data line <030>	bkraut@filertel.net

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion	Completion
	Required	Required

			(check box when complete)	
<100>	Service Quality Improvement Reporting <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	
<200>	Outage Reporting (voice) <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	
<310>	Detail on Attempts (voice)	472220ID310	<input checked="" type="checkbox"/>	
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	
<330>	Detail on Attempts (broadband)	472220ID330	<input checked="" type="checkbox"/>	
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	1.0		
<420>	Mobile	0.0		
<430>	Number of Complaints per 1,000 customers (broadband)			
<440>	Fixed	0.0		
<450>	Mobile	0.0		
<500>	Service Quality Standards & Consumer Protection Rules Compliance <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	472220ID510 <i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	472220ID610 <i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice) <i>(complete attached worksheet)</i>			
<710>	Company Price Offerings (broadband) <i>(complete attached worksheet)</i>			
<800>	Operating Companies and Affiliates <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> <i>(if yes, complete attached worksheet)</i>		<input checked="" type="checkbox"/>	
<1000>	Voice Services Rate Comparability <i>(check to indicate certification)</i>			
<1010>	<i>(attach descriptive document)</i>			
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i>		<input checked="" type="checkbox"/>	
<1110>	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	
<1200>	Terms and Condition for Lifeline Customers <i>(complete attached worksheet)</i>			<input checked="" type="checkbox"/>

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

<2000>	<i>(check to indicate certification)</i>		<input type="checkbox"/>	
<2005>	<i>(complete attached worksheet)</i>			

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

(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	472220
<015>	Study Area Name	FILER MUTUAL TEL - ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.net

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

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

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

Name of Attached Document (.pdf)

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

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

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	472220
<015>	Study Area Name	FILER MUTUAL TEL -ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4333
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.net

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

<920> Tribal Government Engagement Obligation

 Name of Attached Document (.pdf)

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

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

Select (Yes, No, NA)

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	472220
<015>	Study Area Name	FILER MUTUAL TEL -ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.net

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

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers	FCC Form 481
Lifeline	OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Collection Form	July 2013

<010>	Study Area Code	472220
<015>	Study Area Name	FILER MUTUAL TEL - ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of attached document (.pdf)

<1220> Link to Public Website www.filertel.com

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

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,

<1222> Details on the number of minutes provided as part of the plan,

<1223> Additional charges for toll calls, and rates for each such plan.

(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	472220
<015>	Study Area Name	FILER MUTUAL TEL -ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkrauc@filertel.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="checkbox"/>
<2021>	Interim Progress Community Anchor Institutions	<input type="checkbox"/>
Name of Attached Document Listing Required Information		

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

<010>	Study Area Code	472220
<015>	Study Area Name	PTLER MUTUAL TEL - ID
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039>	Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.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.

Progress Report on 5 Year Plan

<p>(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313(f)(1)(i), 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.</p>	<p>Name of Attached Document Listing Required Information</p>	<input type="checkbox"/>
<p>(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requirements: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)</p>	<p>Name of Attached Document Listing Required Information</p>	<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
<p>(3015) PDF of Balance Sheet, Income Statement and Statement of Cash Flows If the response is yes on line 3014, attach your company's RUS annual report and all required documentation If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:</p>	<p>Name of Attached Document Listing Required Information</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (Yes/No)
<p>(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<p>(3021) Management letter 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: 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, Underlying information subjected to a review by an independent certified public accountant</p>		<input checked="" type="checkbox"/> <input type="checkbox"/>
<p>(3022) Underlying information subjected to an officer certification. PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<input checked="" type="checkbox"/> <input type="checkbox"/>
<p>(3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p>	<p>472220ID3026</p>

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	472220
<015> Study Area Name	FILER MUTUAL TEL - ID
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035> Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039> Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.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:	FILER MUTUAL TEL - ID
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/08/2013
Printed name of Authorized Officer:	Steve Cowger
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	(208) 326-4331
Study Area Code of Reporting Carrier:	472220 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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	472220
<015> Study Area Name	FILER MUTUAL TEL -ID
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Robert Kraut
<035> Contact Telephone Number - Number of person identified in data line <030>	208-326-4331
<039> Contact Email Address - Email Address of person identified in data line <030>	bkraut@filertel.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



FILER MUTUAL
Telephone Company

To: Federal Communications Commission
From: Filer Mutual Telephone Company, SAC 472220
Date: 9/20/2013
Re: Form 481, Line 310, Descriptive Document for Unfulfilled Service Requests (voice)

Filer Mutual Telephone Company had no unfulfilled service requests for this reporting period.

Respectfully Submitted,

Filer Mutual Telephone Company
Steve Cowger
General Manager/COO



FILER MUTUAL
Telephone Company

To: Federal Communications Commission
From: Filer Mutual Telephone Company, SAC 472220
Date: 9/20/2013
Re: Form 481, Line 330, Descriptive Document for Unfulfilled Service Requests
(broadband)

Filer Mutual Telephone Company had no unfulfilled service requests for this reporting period.

Respectfully Submitted,

Filer Mutual Telephone Company
Steve Cowger
General Manager/COO



FILER MUTUAL
Telephone Company

To: Federal Communications Commission
From: Filer Mutual Telephone Company, SAC 472220
Date: 9/26/2013
Re: Form 481, Line 510, Descriptive Document for Service Quality Standards & Consumer Protection Rules Compliance

Pursuant to 47 C.F.R. § 54.313(a)(5) and or 47 C.F.R. § 54.422(b)(3) Filer Mutual Telephone Company (Filer Mutual) is in compliance with appropriate FCC Service Quality Standards and Consumer Protection Rules. Filer Mutual provides CPNI training to all of its new employees and in addition trains all of its existing employees. Filer Mutual also conducts subscriber outreach regarding CPNI and mails CPNI explanation messages when there is a change to a customer's CPNI. In addition Filer Mutual trains staff on Red Flag issues. All company employees are required to acknowledge that they have completed CPNI and Red Flag training and understand obligations to adherence of applicable rules.

Filer Mutual Telephone Company understands and complies with the Idaho Public Utilities Commission's *Telephone Customer Relations Rules*, IDAPA 31.41.01, adopted under the general legal authority of the Public Utilities Law, Chapters 1 through 7, Title 61, Idaho Code, and the Telecommunications Act of 1988, Chapter 6, Title 62, Idaho Code, with regards to service. These telephone customer relations rules provide a set of fair, just, reasonable, and non-discriminatory rules regarding deposits, guarantees, billing, application for service, denial of service, termination of service, complaints to telephone companies, billing for interrupted service, and provisions of certain information about customer to authorities.

Respectfully Submitted,

Filer Mutual Telephone Company
Steve Cowger
General Manager/COO



FILER MUTUAL
Telephone Company

To: Federal Communications Commission
From: Filer Mutual Telephone Company, SAC 472220
Date: 9/23/2013
Re: Form 481, Line 610, Descriptive Document for Functionality in Emergency Situations Compliance

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R § 54.422(b)(4) as set forth in 47 C.F.R § 54.202(a)(2) Filer Mutual Telephone Company meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to Filer Mutual Telephone Company's central and remote offices by use of fixed generators and batteries that provide it with a minimum of 24 hours of emergency power service. In addition, Filer Mutual Telephone Company's field electronics have a minimum of 24 hours of back-up power by use of fixed generators and batteries. Filer Mutual Telephone Company also has SONET technology in its network that allows for self-healing network should a fiber cut occur in its core network and will automatically reroute traffic. Filer Mutual Telephone Company also has redundant paths within its network to provide for the capability to reroute traffic. Filer Mutual Telephone Company is capable of managing traffic spikes resulting from emergency situations.

Respectfully Submitted,

Filer Mutual Telephone Company
Steve Cowger
General Manager/COO

INDEPENDENT AUDITORS' REPORT

Board of Directors
Filer Mutual Telephone Company
Filer, Idaho

We have audited the accompanying financial statements of Filer Mutual Telephone Company, which comprise the balance sheet as of December 31, 2012, and 2011, and the related statements of comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Filer Mutual Telephone Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

St. Paul, Minnesota
March 4, 2013

Olsen Thiele & Co., LTD

FILER MUTUAL TELEPHONE COMPANY

**BALANCE SHEET
DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS:		
Cash		
Certificates of Deposit		
Due from Customers, Less Allowance of		
Other Accounts Receivable		
Inventories		
Prepaid Expenses		
Total Current Assets		
INVESTMENTS AND OTHER ASSETS:		
Investment Securities		
Other Investments		
Note Receivable		
Deferred Income Taxes		
Total Investments and Other Assets		
PROPERTY, PLANT AND EQUIPMENT:		
In Service		
Plant Under Construction		
Total Property, Plant and Equipment		
Less Accumulated Depreciation		
Net Property, Plant and Equipment		
TOTAL ASSETS		
	LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES:		
Line of Credit		
Current Portion of Long-Term Debt		
Accounts Payable		
Customer Deposits		
Accrued Expenses		
Total Current Liabilities		
NON-CURRENT LIABILITIES:		
Long-Term Debt		
Postretirement Benefits		
Deferred Income Taxes		
Guarantee of Related Party Loan		
Total Non-Current Liabilities		
MEMBERS' EQUITY:		
Memberships		
Patronage Capital		
Non-Patronage Capital		
Accumulated Other Comprehensive Income		
Total Members' Equity		
TOTAL LIABILITIES AND MEMBERS' EQUITY		

The accompanying notes are an integral part of the financial statements.

2
Redacted - For Public Inspection

FILER MUTUAL TELEPHONE COMPANY

**STATEMENT OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Local Network		
Network Access		
Internet Services		
Wireless Revenue		
Long Distance		
Other Services		
Lease Revenue		
Miscellaneous		
Video Revenue		
Uncollectibles, Net		
Total Operating Revenues		
OPERATING EXPENSES:		
Plant, Maintenance and Access		
Depreciation		
Customer		
Corporate		
Other Taxes		
Total Operating Expenses		
OPERATING MARGIN (LOSS)		
OTHER INCOME AND EXPENSES:		
Interest and Dividend Income		
Gain on Sale of Investment		
Income in Limited Liability Companies		
Interest Expense		
Redemption of Broadband Tax Credits		
Net Other Income and Expenses		
MARGIN BEFORE INCOME TAX BENEFIT		
INCOME TAX EXPENSE (BENEFIT)		
NET MARGIN		
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Unrealized Gain (Loss) on Available-for-Sale Securities		
Unrealized Gain (Loss) on Postretirement Benefits		
Other Comprehensive Income (Loss), Net of Tax		
COMPREHENSIVE INCOME		

The accompanying notes are an integral part of the financial statements.

Redacted - For Public Inspection

FILER MUTUAL TELEPHONE COMPANY

**STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margin		
Adjustments to Reconcile Net Margin to Net Cash Provided By Operating Activities:		
Depreciation		
Gain on Sale of Investment		
Income in LLCs		
Distributions from LLC Investment		
Redemption of Broadband Tax Credits		
Benefit for Postretirement Benefits		
Changes in Assets and Liabilities:		
Due from Customers		
Other Accounts Receivable		
Inventory for Resale		
Prepaid Expenses		
Accounts Payable		
Accrued Expenses		
Net Cash Provided By Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property, Plant and Equipment		
Cost of Removal		
Increase in Materials and Supplies		
Purchase of Certificates of Deposit		
Sale of Certificates of Deposit		
Purchase of Investment Securities		
Redemption of Broadband Tax Credits		
Sales of Other Investments		
Purchases of Other Investments		
Net Cash Used In Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in Customer Deposits		
Change in Line of Credit, Net		
Principal Payments of Long-Term Debt		
Proceeds from Issuance of Long-Term Debt		
Other		
Change in Memberships		
Net Cash Provided By Financing Activities		
NET INCREASE (DECREASE) IN CASH		
CASH at Beginning of Year		
CASH at End of Year		
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash Paid (Refunded) for:		
Interest		
Income Taxes		
Increase in Accounts Payable for Property, Plant and Equipment		
Issuance of Note Receivable from Sale of Other Investment		

The accompanying notes are an integral part of the financial statements.