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# ***ANNUAL REPORT***

OF

Cambridge Telephone Co., Inc.  
NAME

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ADDRESS

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2015

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## Independent Accountants' Compilation Report

To the Board of Directors  
Cambridge Telephone Company, Inc.  
Cambridge, Idaho 83610

Management is responsible for the accompanying financial statements of Cambridge Telephone Company, Inc. (an Idaho corporation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statement of income for the year ended December 31, 2015, included in the prescribed form. We have also compiled the supplementary information presented in Company Information, Directors, Managers, Central Office Data, Number Calls Completed and Customer Relations Rules Compliance. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these findings.

### **Supplementary Information**

The supplementary information contained on the aforementioned schedules (Company Information, Directors, Managers, Central Office Data, Number Calls Completed and Customer Relations Rules Compliance) of the accompanying prescribed form are presented for the purposes of additional analysis and are required by the Idaho Public Utility Commission. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the supplementary information is in accordance with the form prescribed by the Idaho Public Utility Commission.

### **Other Matters**

These financial statements and the supplementary information are presented in accordance with the requirements of the Idaho Public Utility Commission, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Idaho Public Utility Commission, Federal Communications Commission, and the relevant state and local regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Kiesling Associates LLP'.

Kiesling Associates LLP  
Madison, Wisconsin  
April 8, 2016

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2015**

**COMPANY INFORMATION**

Exact name of utility: Cambridge Telephone Company  
 Address of principal office: P.O. Box 69, Cambridge, ID 83610  
 Telephone Number Area Code ( 208 ) 257-3314 Email address: rwiggin@ctctele.com  
 Cities or towns served: Cambridge, Council, Indian Valley, Cuprum, Lowman

Name and title of officer having custody of the general corporate books of account:  
Richard Wiggins, General Manager/President

Address of office where corporate books are kept and phone number:  
P.O. Box 88, 130 Superior Street, Cambridge, ID 83610, (208) 257-3314

Organized under the laws of the State of: Idaho

Date of organization: 1966

Form of organization (proprietorship, association, corporation): Corporation

If a Subchapter S Corporation, please specify: N/A

Name and address of controlling company, if any: N/A

Names of affiliated companies. Give address and description of business: CTC Construction, Inc.,  
 P.O. Box 88, Cambridge, ID 83610-Construction Services; CTC Telecom, Inc., P.O. Box 69, Cambridge, ID  
 83610-Telecommunications, Internet and Wireless (CLEC); InCom Telecom LLC, 130 N. Superior,  
 Cambridge, ID 83610, Telecommunications

**OFFICERS**

Report below the title, name and office address of each general officer of the utility at the end of the year. If there were any changes during the year, show the name, title, and address of the previous officer and the date of change.

<b>Title</b>	<b>Name</b>	<b>Address</b>
President	Richard Wiggins	P.O. Box 88, Cambridge, ID 83610
Vice President	Kermit Wiggins	P.O. Box 88, Cambridge, ID 83610
Secretary	Kristie Kanady	P.O. Box 353, Cambridge, ID 83610
Treasurer	Joana Wiggins	P.O. Box 88, Cambridge, ID 83610

**DIRECTORS**

List the name of each person who was a member of the Board of Directors at any given time during the year: (Fees related to meetings only.)

<b>Name and Address</b>	<b>Term Expired or Current Term Will Expire</b>	<b>Meetings Attended This year</b>	<b>Fees Paid During Year</b>
Kermit Wiggins P.O. Box 88, Cambridge, ID 83610	Indefinite	1	20,000
Richard Wiggins P.O. Box 88, Cambridge, ID 83610	Indefinite	1	
Joana Wiggins P.O. Box 88, Cambridge, ID 83610	Indefinite	1	15,000
Karen Wiggins P.O. Box 88, Cambridge, ID 83610	Indefinite	1	
Kristie Kanady P.O. Box 88, Cambridge, ID 83610	Indefinite	1	

Name of Chairman of the Board: Kermit Wiggins  
 Name of Secretary (or Clerk) of Board: Kristie Kanady  
 Number of Meetings of the Board during the year: 1

**MANAGERS**

List the name of each person who performed management duties for the Company during the year, and the total wages and bonuses paid to those persons: (Do not include Director fees in these amounts.)

<b>Name</b>	<b>Title</b>	<b>Wages and Bonuses Paid</b>
Richard Wiggins	President	150,000
Kristie Kanady	Secretary/Treasurer	59,300
Jerry Piper	Assistant Manager	90,620



**NOTES TO THE FINANCIAL STATEMENTS**

Please provide important information such as changes in accounting or depreciation practices, extensions or additions to the system; disposal of any substantial portion of the property of the utility; reorganization, mergers, or consolidations with other companies; leases executed; other contracts or agreements entered into; changes made in articles of incorporation or amendments; the occurrence of contingency losses or gains.

1 In 1998, CTC Telecom, Inc. (CTC), a wholly-owned subsidiary of Cambridge Telephone Company, was incorporated, with an initial investment of \$100,000. CTC operates as a Competitive Local Exchange Carrier in the state of Idaho. Additional capital investments of \$1,900,000 have been made through December 31, 2015.

2 Cambridge Telephone Company (Cambridge) is a member of Syringa Networks, LLC, an Idaho Limited Liability Company. Cambridge's investment in borrower as of December 31, 2015 was \$2,658,777 (equity method investment).

3 As of December 31, 2015, the Company has long-term debt to Rural Utilities Service (RUS) of \$4,073,322. These notes will be repaid in 2019. Total advances on all RUS notes were \$13,819,304 at December 31, 2015 and no funds remain unadvanced.

4 As a result of changes in accounting standards for goodwill, Cambridge elected to amortize their remaining goodwill beginning in 2014. This resulted in amortization expense of \$169,166 in 2015. The accounting change is to be applied prospectively, resulting in no changes to prior year statements.

**BALANCE SHEET**  
**Assets and Other Debits**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Assets</b>			
1120 Cash and Equivalents			
1130 Cash	244,824	218,113	(26,711)
1140 Special Cash Deposits	2,960	2,000	(960)
1150 Working Cash Advances			-
1160 Temporary Investments			-
1180 Telecommunications Accts. Receivable	280,021	281,974	1,953
1181 Accts. Rec. Allow. -Telecommunications			-
1190 Other Accounts Receivable	667,000	576,693	(90,307)
1191 Accounts Receivable Allow. - Other			-
1200 Notes Receivable	49,637	35,577	(14,060)
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable	8,550	2,293	(6,257)
1220 Material and Supplies	72,807	87,246	14,439
1280 Prepayments			-
1290 Prepaid Rents			-
1300 Prepaid Taxes	40,049	6,837	(33,212)
1310 Prepaid Insurance	7,291	9,460	2,169
1320 Prepaid Directory Expenses			-
1330 Other Prepayments	19,629	24,311	4,682
1350 Other Current Assets			-
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies	1,278,294	1,274,099	(4,195)
1402 Investment in Nonaffiliated Companies	3,068,061	2,914,033	(154,028)
1406 Nonregulated Investments	-	-	-
1407 Unamortized Debt Issuance Expense	2,759	2,320	(439)
1408 Sinking Funds			-
1410 Other Noncurrent Assets	61,594	56,898	(4,696)
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges	1,470	1,470	-
1500 Other Jurisdiction Assets - Net			-
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	20,123,372	20,004,325	(119,047)
2002 Prop. Held for Future Telecom. Use			-
2003 Telecom. Plant under Constr. - Short Term			-
2004 Telecom. Plant under Constr. - Long Term			-
2005 Telecom. Plant Adjustment			-
2006 Nonoperating Plant			-
2007 Goodwill	1,522,491	1,353,326	(169,165)
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	14,423,775	15,005,244	581,469
3200 Accum. Depre. - Held for Future Use			-
3300 Accumulated Depreciation - Nonoperating			-
3400 Accumulated Amortization - Tangible			-
3410 Accum. Amort. - Capitalized Leases			-
3420 Accum. Amort. - Leasehold Improvements			-
3500 Accumulated Amortization - Intangible			-
3600 Accumulated Amortization - Other			-
<b>TOTAL ASSETS</b>	<b>13,027,034</b>	<b>11,845,731</b>	<b>(1,181,303)</b>

**BALANCE SHEET**  
**Liabilities & Stockholders' Equity**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	196,221	317,356	121,135
4020 Notes Payable	247,729	126,729	(121,000)
4030 Advance Billings and Payments	97,259	95,264	(1,995)
4040 Customer Deposits	3,840	5,440	1,600
4050 Current Maturities - Long -Term Debt	1,185,200	1,199,900	14,700
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued	-	281,401	281,401
4080 Other Taxes - Accrued	19,869	18,151	(1,718)
4100 Net Current Defer. Oper. Income Taxes	(65,537)	(52,225)	13,312
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities	137,909	153,285	15,376
4130 Other Current Liabilities			-
<b>Long-Term Debt</b>			
4210 Funded Debt	4,069,021	2,930,433	(1,138,588)
4220 Premium on Long-Term Debt			-
4230 Discount on Long-Term Debt			-
4240 Reacquired Debt			-
4250 Obligations Under Capital Leases			-
4260 Advances from Affiliated Companies			-
4270 Other Long-Term Debt			-
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			-
4320 Unamort. Oper. Invest. Tax Credits - Net	866,639	848,574	(18,065)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	32,982	(37,212)	(70,194)
4350 Net Noncur. Defer. Nonoper. Income Taxes	395,760	(118,688)	(514,448)
4360 Other Deferred Credits	140,069	192,299	52,230
4370 Other Juris. Liab. & Def. Credits - Net			-
<b>Stockholders' Equity</b>			
4510 Capital Stock	30,000	30,000	-
4520 Additional Paid-In Capital			-
4530 Treasury Stock	(97,511)	(97,511)	-
4540 Other Capital			-
4550 Retained Earnings	5,767,584	5,952,535	184,951
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>13,027,034</b>	<b>11,845,731</b>	<b>(1,181,303)</b>

**ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE**

**TOTAL Company Basis**

**Analysis of Telecommunications Plant in Service**

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land	102,302				102,302
2112 Motor Vehicles	372,499	48,065	(41,713)	(71,781)	307,070
2113 Aircraft	-				-
2114 Special Purpose Vehicles	-				-
2115 Garage Work Equipment	620,028	69,971	(22,232)	14,316	682,083
2116 Other Work Equipment	2,258,388	25,191			2,283,579
2121 Buildings	61,387	1,441	(540)		62,288
2122 Furniture	35,767				35,767
2123 Office Equipment	59,658	5,108			64,766
2124 General Purpose Computers	-				-
2211 Analog Electronic Switching	1,351,617	4,150	(87,406)	(168,753)	1,099,608
2212 Digital Electronic Switching	-				-
2215 Electro-Mechanical Switching	-				-
2220 Operator Systems	-				-
2231 Radio Systems	504,433				504,433
2232 Circuit Equipment	1,948,894	11,201		2,583	1,962,678
2311 Station Apparatus	-				-
2321 Customer Premises Wiring	-				-
2341 Large Private Branch Exchanges	-				-
2351 Public Telephone Terminal Equipment	-				-
2362 Other Terminal Equipment	-				-
2411 Poles	21,888				21,888
2421 Aerial Cable	-				-
2422 Underground Cable	37,662				37,662
2423 Buried Cable	12,627,630	105,668		(14,316)	12,718,982
2424 Submarine Cable	-				-
2426 Intrabuilding Network Cable	7,359				7,359
2431 Aerial Wire	-				-
2441 Conduit Systems	113,860				113,860
2681 Capital Leases	-				-
2682 Leasehold Improvements	-				-
2690 Intangibles	-				-
<b>TOTAL PLANT ACCOUNTS</b>	<b>20,123,372</b>	<b>270,795</b>	<b>(151,891)</b>	<b>(237,951)</b>	<b>20,004,325</b>

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

IDAHO Operations Only

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land					
2112 Motor Vehicles					
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings					
2122 Furniture					
2123 Office Equipment					
2124 General Purpose Computers					
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
<b>TOTAL PLANT ACCOUNTS</b>					

SAME AS TOTAL COMPANY



**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
Account 3100

	TOTAL Company Basis			Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*				
<b>Analysis of Entries in Accumulated Depreciation</b>						
2112 Motor Vehicles	308,571	25.00%	29,335	(109,494)	228,412	
2113 Aircraft	-				-	
2114 Special Purpose Vehicles	-				-	
2115 Garage Work Equipment	450,693	10.00%	60,140	(22,232)	488,601	
2116 Other Work Equipment	1,461,772	3.00%	67,967		1,529,739	
2121 Buildings	60,617	12.50%	1,524	(540)	61,601	
2122 Furniture	35,767	20.00%			35,767	
2123 Office Equipment	39,015	20.00%	7,749		46,764	
2124 General Purpose Computers	-				-	
2211 Analog Electronic Switching	1,128,580	12.00%	117,580	(230,846)	1,015,314	
2212 Digital Electronic Switching	-				-	
2215 Electro-Mechanical Switching	-				-	
2220 Operator Systems	-				-	
2231 Radio Systems	265,595	10.00%	50,443		316,038	
2232 Circuit Equipment	1,156,235	8.00%	162,295	2,583	1,321,113	
2311 Station Apparatus	-				-	
2321 Customer Premises Wiring	-				-	
2341 Large Private Branch Exchanges	-				-	
2351 Public Telephone Terminal Equipment	-				-	
2362 Other Terminal Equipment	-				-	
2411 Poles	21,888	6.50%			21,888	
2421 Aerial Cable	-				-	
2422 Underground Cable	37,662	6.50%			37,662	
2423 Buried Cable	9,339,055	6.50%	444,487		9,783,542	
2424 Submarine Cable	-				-	
2426 Intrabuilding Network Cable	4,464	6.50%	478		4,942	
2431 Aerial Wire	-				-	
2441 Conduit Systems	113,861	6.50%			113,861	
<b>TOTAL</b>	14,423,775		941,998	(360,529)	15,005,244	

\*Please list individual depreciation rate for each account.

**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
Account 3100

IDAHO Operations Only

Analysis of Entries in Accumulated Depreciation		Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
2112	Motor Vehicles					
2113	Aircraft					
2114	Special Purpose Vehicles					
2115	Garage Work Equipment					
2116	Other Work Equipment					
2121	Buildings					
2122	Furniture					
2123	Office Equipment					
2124	General Purpose Computers					
2211	Analog Electronic Switching					
2212	Digital Electronic Switching					
2215	Electro-Mechanical Switching					
2220	Operator Systems					
2231	Radio Systems					
2232	Circuit Equipment					
2311	Station Apparatus					
2321	Customer Premises Wiring					
2341	Large Private Branch Exchanges					
2351	Public Telephone Terminal Equipment					
2362	Other Terminal Equipment					
2411	Poles					
2421	Aerial Cable					
2422	Underground Cable					
2423	Buried Cable					
2424	Submarine Cable					
2426	Intrabuilding Network Cable					
2431	Aerial Wire					
2441	Conduit Systems					
<b>TOTAL</b>						

SAME AS TOTAL COMPANY

\*Please list individual depreciation rate for each account.

## INVESTMENTS

Report below the investments in Accounts 1401, 1402 and 1406. Identify each investment as to the account in which included. Minor amounts in Account 1406 may be grouped by classes.

<u>Description</u>	<u>Date Acquired</u>	<u>Book Cost of Investments Disposed of This year</u>	<u>Book Cost of Investments Held at End of Year</u>
CTC Telecom, Inc.	1998		1,274,099
Cash value life insurance			177,184
Coins			20,397
Land	Various		23,624
Syringa Networks, LLC	2000-2008		2,658,777
NRTC	2003-2011		34,051
<b>Totals</b>			<b>4,188,132</b>

## RECEIVABLES

Itemize amounts show in Accounts 1180, 1190 and 1200. For notes receivable list each note separately and include the maturity date and interest rate. Minor amounts in Account 1210 may be combined.

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Due from customers		281,974
Interexchange carriers		193,757
CTC Telecom, Inc.		361,428
Incom Telecom		264
Other		21,244
R. & B. Crocket, 8.0%, due 2018	35,577	
Interest Receivable	2,293	
<b>Totals</b>	<b>37,870</b>	<b>858,667</b>

**NOTES PAYABLE**

For Notes Payable, list each note separately and include the maturity date and interest rate.

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
Zions Bank - Line of Credit				600,000
Zions Bank - LOC Available				(473,271)
<b>Totals</b>				126,729

**ACCOUNTS PAYABLE**

Report below all Accounts Payable amounting to more than \$100.00

<u>Name of Creditor</u>	<u>Amount</u>
NECA	163,400
CTC Construction	62,486
Fed Excise	3,404
Use & Sales Tax	1,372
USF	228
Adams County 911	2,140
Cable TV Franchise Fees	955
Bankcard Center	5,529
Commercial Tire	1,202
Codale Electric Supply	1,581
Carson Kindall	209
Robert L. Williams	2,250
City of Cambridge	298
Cambridge Lumber Company	173
Carol Loux	540
Computer Technology Inc.	6,616
Farmers Supply Coop	1,709
Dan Morris	1,933
Delta Dental of Idaho Inc.	1,909
Fiber Instrument Sales	482
Franklin Electric	257
Idaho State Tax Commission	246
Idaho Department of Commerce	1,015
Idaho Power	5,324
Jerry Piper	380
Kiesling Associates	11,385
Moss Adams LLP	2,195
National Cable TV Coop	6,381
Les Schwab Tire Center	708
Sinclair TV Group	456
Seeco Paving	2,291
State Insurance Fund	6,215
Transaction Network Services	1,126
Tri Tower Telecom Corporation	1,208
Raycom Media	217
Ray Groves Excavating	203
Scripps Media Retransmission	217
Univeral Service Administration	6,905
United Tel-Supply	3,571
Washington County Tax Collector	930
Western States Equipment	2,184
NRTC	215
Newnet Services	1,037
News Reporter	290
Other Miscellaneous	3,984
<b>Totals</b>	317,356

LONG - TERM DEBT

Accounts 4210, 4240, 4250, 4260, 4270 and 4310

List the required data for each obligation included in these accounts, grouping them by account number and showing totals for each account. If any obligations mature serially or otherwise at various dates, give particulars in a note.

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year	
					Total	Year Amortized	Rate	Amount
RUS Notes	various	various	2,442,000	50,818			2.00	1,844
RUS Notes	1985	2020	818,379	268,592			5.00	14,638
RUS Notes	2004	2019	10,528,925	3,753,912			various	190,599
Kubota Credit	2015	2019	60,971	60,971			0	-
Less RUS prepayment				(3,960)				
Less current maturities				(1,199,900)				
Total				2,930,433				207,081





## INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	3,640,380	<b>Same as</b>
Total Operating Expenses (from page 17)	3,109,354	<b>total company</b>
7100 Other Operating Income and Expense	_____	_____
7210 Operating Investment Tax Credits-Net	83,417	_____
7220 Operating Federal Income Taxes	264,230	_____
7230 Operating State and Local Income Taxes	(79,121)	_____
7240 Operating Other Taxes	47,435	_____
7250 Provision for Deferred Operating Income Taxes-Net	(106,992)	_____
7200 Operating Taxes (Total)	208,969	_____
7310 Dividend Income	-	_____
7320 Interest Income	2,723	_____
7330 Income from Sinking and Other Funds	_____	_____
7340 Allowance for Funds Used During Construction	_____	_____
7350 Gains/Losses from the Disposition of Certain Property	-	_____
7360 Other Nonoperating Income	(134,692)	_____
7370 Special Charges	(19,380)	_____
7300 Nonoperating Income and Expense	(151,349)	_____
7410 Nonoperating Investment Tax Credits-Net	_____	_____
7420 Nonoperating Federal Income Taxes	391,181	_____
7430 Nonoperating State and Local Income Taxes	100,966	_____
7440 Nonoperating Other Taxes	_____	_____
7450 Provision for Deferred Nonoperating Income Taxes-Net	(514,448)	_____
7400 Nonoperating Taxes	(22,301)	_____
7510 Interest on Funded Debt	207,081	_____
7520 Interest Expense-Capital Leases	5,947	_____
7530 Amortization of Debt Issuance Expense	439	_____
7540 Other Interest Deductions	50	_____
7500 Interest and Related Items	213,517	_____
7610 Extraordinary Income Credits	_____	_____
7620 Extraordinary Income Charges	_____	_____
7630 Current Income Tax Effect of Extraordinary Items-Net	_____	_____
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	_____	_____
7600 Extraordinary Items	_____	_____
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	_____	_____
7990 Nonregulated Net Income	205,459	_____
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>184,951</b>	_____

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	535,043	<b>Same as</b>
5002 Optional Extended Area Revenue		<b>total company</b>
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue		
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	60,555	
5069 Other Local Exchange Settlements	543,064	
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	185,705	
5082 Switched Access Revenue (Interstate)	1,562,677	
5083 Special Access Revenue	413,100	
5084 State Access Revenue (Intrastate)	325,311	
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All		
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	5,982	
5240 Rent Revenue	4,200	
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue		
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	601	
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	5	
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	4,137	
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>3,640,380</b>	

Please identify the following revenues:

NECA USF \$\_\_549,086\_\_\_\_. To what account were they booked? 5069.1

State USF \$\_\_138,162\_\_\_\_. To what account were they booked? 5084.52

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		<b>Same as</b>
6112 Motor Vehicle Expense	24,334	<b>total company</b>
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense		
6120 General Support Expenses		
6121 Land and Building Expenses	85,864	
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense	366	
6124 General Purpose Computers Expense	91,360	
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense		
6212 Digital Electronic Expense	109,976	
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	27,000	
6231 Radio Systems Expense		
6232 Circuit Equipment Expense	263,663	
6310 Information Origination/Termination Expense		
6311 Station Apparatus Expense		
6341 Large Private Branch Exchange Expense		
6351 Public Telephone Terminal Equipment Expense		
6362 Other Terminal Equipment Expense		
6410 Cable and Wire Facilities Expenses		
6411 Pole Expense		
6421 Aerial Cable Expense		
6422 Underground Cable Expense		
6423 Buried Cable Expense	215,450	
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>818,013</b>	

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		<b>Same as</b>
6511 Property Held for Future Telecomm. Use Expenses		<b>total company</b>
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense		
6532 Network Administration Expense	151,891	
6533 Testing Expense	9	
6534 Plant Operations Administration Expense		
6535 Engineering Expense	860	
6540 Access Expense	83,333	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	941,998	
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible	169,166	
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,347,257	
<b>Customer Operations Expense</b>		
6610 Marketing	3,000	
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	9,325	
6623 Customer Services	203,088	
<b>Total Customer Operations Expense</b>	<b>215,413</b>	
<b>Corporate Operations Expense</b>		
6710 Executive and Planning		
6711 Executive	357,792	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	238,021	
6722 External Relations		
6723 Human Resources		
6724 Information Management	737	
6725 Legal	4,649	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	127,472	
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>728,671</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>3,109,354</b>	



**CENTRAL OFFICE DATA**  
as of December 31, 2015 (unless otherwise indicated)

Name of Central Office: Council-Cuprum  
Prefix (es): 253

Central Office Switch Type: Taqua T7000  
Analog

**Check all that apply:**  
Stand Alone \_\_\_\_\_ **Check one:** Electronic X  
Host \_\_\_\_\_ Analog \_\_\_\_\_ Electro-Mechanical \_\_\_\_\_  
Remote X \_\_\_\_\_ Other: \_\_\_\_\_

**Access Line Capacity**  
Design: 1296  
Installed/Equipped: 1296

**Access Lines in Use**  
Customer Lines: \_\_\_\_\_  
(Include Centrex, PAL, Semi-Pub.)  
Public Telephone Lines \_\_\_\_\_  
Company Official Lines 11  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Line 1-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year		675			156		831
New Connects		108			9		117
Disconnects		88			26		114
End of Year		695			139		834
		Subtotal Residence			Subtotal Business		
		675			156		
		108			9		
		88			26		
		695			139		

**Foreign Exchange:**  
Dial Tone from this C.O.: 3  
Dial Tone from another C.O.: 0

**Custom Calling:**  
Number of customers with at least one feature: 493  
Total number of features subscribed to: 14

**Directory Listings:**

Number of Customers with Nonpublished or Nonlisted: 273

**CENTRAL OFFICE DATA**  
as of December 31, 2015 (unless otherwise indicated)

Name of Central Office: Indian Valley  
Prefix (es): 256

Central Office Switch Type: DLC

**Check all that apply:**  
Stand Alone      **Check one:**  
Host      Digital X Electronic X  
Remote X Analog      Electro-Mechanical       
Other: Calix digital subscriber carrier (303 interface to Council)

**Access Line Capacity**  
Design: 1200  
**Access Lines in Use**  
Customer Lines:       
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 288  
Public Telephone Lines 0  
Company Official Lines 7  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Residence	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Business	
Beginning of Year		141	141		8	8	149
New Connects		12	12		1	1	13
Disconnects		15	15		0	0	15
End of Year		138	138		9	9	147

**Foreign Exchange:**  
Dial Tone from this C.O.: 0  
Dial Tone from another C.O.: 0  
**Directory Listings:**  
Number of Customers with Nonpublished or Nonlisted: 11

**Custom Calling:**  
Number of customers with at least one feature: 83  
Total number of features subscribed to: 12

**CENTRAL OFFICE DATA**  
as of December 31, 2015 (unless otherwise indicated)

Name of Central Office: Cambridge  
Prefix (es): 257

Central Office Switch Type: TEKELEC T7000

**Check all that apply:**  
Stand Alone \_\_\_\_\_  
Host X \_\_\_\_\_  
Remote \_\_\_\_\_  
**Check one:**  
Electronic X \_\_\_\_\_  
Electro-Mechanical \_\_\_\_\_  
Other: \_\_\_\_\_

**Access Line Capacity**  
Design: 1080 & 1536

Installed/Equipped: 810 & 768  
Public Telephone Lines \_\_\_\_\_  
Company Official Lines \_\_\_\_\_  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business		
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Single Line 1-Party	Multi-Party	Total Residence & Business
Beginning of Year		344		71		415
New Connects		37		5		42
Disconnects		38		6		44
End of Year		343		70		413

**Foreign Exchange:**  
Dial Tone from this C.O.: 5  
Dial Tone from another C.O.: 0

**Custom Calling:**  
Number of customers with at least one feature: 264  
Total number of features subscribed to: 16

**Directory Listings:**

Number of Customers with Nonpublished or Nonlisted: 134



**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2015**

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1 <u>253</u>	<u>834</u>			<u>342,506</u>	<u>715,603</u>	<u>1,058,109</u>	<u>1269</u>
2 <u>256</u>	<u>147</u>			<u>46,681</u>	<u>116,748</u>	<u>163,429</u>	<u>1112</u>
3 <u>257</u>	<u>413</u>			<u>151,305</u>	<u>353,339</u>	<u>504,644</u>	<u>1222</u>
5 <u>259</u>	<u>254</u>			<u>51,659</u>	<u>155,104</u>	<u>206,763</u>	<u>814</u>
5 _____							
6 _____							
7 _____							
8 _____							
9 _____							
10 _____							
11 _____							
12 _____							
13 _____							
14 _____							
15 _____							
16 _____							
17 _____							
18 _____							



ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES  
YEAR ENDED DECEMBER 31, 2015.

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603

Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Included in directory	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Date of notification	_____ 11/1/15 _____
Alternate method of notification	_____ N/A _____
_____	_____
_____	_____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company \_\_\_\_\_ 6 \_\_\_\_\_

Category of complaints (if known):

Deposit Disputes \_\_\_\_\_

Charges on Bill \_\_\_\_\_ 1 \_\_\_\_\_

Denial/Termination \_\_\_\_\_

Quality or Availability  
of Service \_\_\_\_\_

Carrier Selection/Assignment \_\_\_\_\_

Miscellaneous \_\_\_\_\_ 5 \_\_\_\_\_

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CERTIFICATE

State of Idaho )  
County of Washington ) ss

WE, the undersigned RICHARD WIGGINS

and \_\_\_\_\_

of the CAMBRIDGE TELEPHONE COMPANY, INC. utility,

on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered by the return in respect to each and every matter and thing therein set forth, to the best of our knowledge, information and belief.

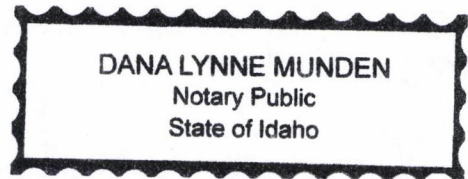
*Richard Wiggins*  
(Chief Officer)

*Richard Wiggins*  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 14 day of April, (Year) 2016.

*Dana Lynne Munden*  
Notary Public

My Commission expires 2-2, (Year) 2022



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