

DCM-T

ANNUAL REPORT

OF

DIRECT COMMUNICATIONS ROCKLAND
NAME

150 South Main
Rockland, ID 83271

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2016

IDAHO PUBLIC
UTILITIES COMMISSION

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**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2016**

COMPANY INFORMATION

Exact name of utility: DIRECT COMMUNICATIONS ROCKLAND, INC
 Address of principal office: 150 South Main Rockland, Idaho 83271
 Telephone Number (Area Code 208) 548 - 2345
 Cities or towns served: Rockland, Arbon, Paris, Bloomington, St. Charles, & Fish Haven

Name and title of officer having custody of the general corporate books of account: _____
Tim May, General Manager

Address of office where corporate books are kept and phone number: _____
150 South Main Rockland, Idaho 83271 (208) 548 - 2345

Organized under the laws of the State of: Idaho

Date of organization:: 1973

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: _____

Names of affiliated companies. Give address and description of business: _____

Direct Communciations Cedar Valley, 150 South Main Rockland, Idaho 83271, ILEC

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.

Title	Name	Address
President/GM	Tim May	P.O. Box 269 Rockland, Idaho 83271
Vice President	Jeremy Smith	P.O. Box 269 Rockland, Idaho 83271
Secretary	Kip Wilson	P.O. Box 269 Rockland, Idaho 83271

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.)

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
Leonard May Rockland ID	May-17	1	
Marilyn May Rockland ID	May-17	3	
Garrin Bott Rockland ID	May-17	3	
Kip Wilson Rockland ID	May-17	3	
Jeremy Smith Rockland IC	May-17	3	
Scott Hendrickson Rockland ID	May-17	3	

Name of Chairman of the Board: _____ Tim May

Name of Secretary (or Clerk) of Board: _____ Kip Wilson

Number of Meetings of the Board during the year: _____ 3

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.)

Name	Title	Wages and Bonuses Paid
Tim May	General Manager	Information is Confidential
Jeremy Smith	General Manager	

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents			
1130 Cash	2,235,413	1,555,314	(680,099)
1140 Special Cash Deposits		22,070	22,070
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	-		0
1180 Telecommunications Accts. Receivable	652,763	824,390	171,627
1181 Accts. Rec. Allow. -Telecommunications	(57,000)	(15,000)	42,000
1190 Other Accounts Receivable	-	-	0
1191 Accounts Receivable Allow. - Other			0
1200 Notes Receivable	-	-	0
1201 Notes Receivable Allowance			0
1210 Interest & Dividends Receivable			0
1220 Material and Supplies	106,045	173,463	67,418
1280 Prepayments			0
1290 Prepaid Rents			0
1300 Prepaid Taxes	-	-	0
1310 Prepaid Insurance	20,329	20,785	456
1320 Prepaid Directory Expenses			0
1330 Other Prepayments		25,566	25,566
1350 Other Current Assets		851,922	851,922
Noncurrent Assets			
1401 Investment in Affiliated Companies	3,944,788	4,138,114	193,326
1402 Investment in Nonaffiliated Companies			0
1406 Nonregulated Investments		5,868,723	5,868,723
1407 Unamortized Debt Issuance Expense			0
1408 Sinking Funds			0
1410 Other Noncurrent Assets	-	12,720,162	12,720,162
1438 Deferred Maintenance & Retirements			0
1439 Deferred Charges			0
1500 Other Jurisdiction Assets - Net			0
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	27,979,104	27,900,735	(78,369)
2002 Prop. Held for Future Telecom. Use			0
2003 Telecom. Plant under Constr. - Short Term	139,131	91,476	(47,655)
2004 Telecom. Plant under Constr. - Long Term			0
2005 Telecom. Plant Adjustment			0
2006 Nonoperating Plant	4,559,578	1,176,943	(3,382,635)
2007 Goodwill			0
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	19,300,214	20,651,610	1,351,396
3200 Accum. Depre. - Held for Future Use			0
3300 Accumulated Depreciation - Nonoperating	2,354,848	2,757,419	402,571
3400 Accumulated Amortization - Tangible			0
3410 Accum. Amort. - Capitalized Leases			0
3420 Accum. Amort. - Leasehold Improvements			0
3500 Accumulated Amortization - Intangible			0
3600 Accumulated Amortization - Other			0
			0
TOTAL ASSETS	17,925,389	31,945,933	14,020,544

BALANCE SHEET
Liabilities & Stockholders' Equity

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Liabilities			
4010 Accounts Payable	131,941	660,791	528,850
4020 Notes Payable			0
4030 Advance Billings and Payments	27,604	0	(27,604)
4040 Customer Deposits			0
4050 Current Maturities - Long -Term Debt	1,567,635	1,197,946	(369,689)
4060 Current Maturities - Capital leases			0
4070 Income Taxes - Accrued	626,937	0	(626,937)
4080 Other Taxes - Accrued			0
4100 Net Current Defer. Oper. Income Taxes			0
4110 Net Current Defer. Nonoper. Income Taxes			0
4120 Other Accrued Liabilities	125,806	89,669	(36,137)
4130 Other Current Liabilities			0
Long-Term Debt			
4210 Funded Debt	2,687,046	14,517,618	11,830,572
4220 Premium on Long-Term Debt			0
4230 Discount on Long-Term Debt			0
4240 Reacquired Debt			0
4250 Obligations Under Capital Leases			0
4260 Advances from Affiliated Companies			0
4270 Other Long-Term Debt			0
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			0
4320 Unamort. Oper. Invest. Tax Credits - Net			0
4330 Unamort. Nonoper. Invest. Tax Credits - Net			0
4340 Net Noncurrent Defer. Oper. Income Taxes	1,825,885	1,864,649	38,764
4350 Net Noncur. Defer. Nonoper. Income Taxes			0
4360 Other Deferred Credits			0
4370 Other Juris. Liab. & Def. Credits - Net			0
Stockholders' Equity			
4510 Capital Stock	425,687	425,687	0
4520 Additional Paid-In Capital			0
4530 Treasury Stock	(826,132)	(826,132)	0
4540 Other Capital			0
4550 Retained Earnings	11,332,980	14,015,706	2,682,726
			0
TOTAL LIAB. & OTHER CREDITS	17,925,389	31,945,933	14,020,544

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	192,320				192,320
2112 Motor Vehicles	697,256	231,869	42,842		886,283
2113 Aircraft					
2114 Special Purpose Vehicles	127,525				127,525
2115 Garage Work Equipment	8,676				8,676
2116 Other Work Equipment	1,285,986	137,597			1,423,583
2121 Buildings	2,260,504				2,260,504
2122 Furniture	70,493				70,493
2123 Office Equipment	11,572				11,572
2124 General Purpose Computers	202,971	25,899			228,870
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,265,678				1,265,678
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	13,886				13,886
2232 Circuit Equipment	2,806,670	147,563			2,954,233
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	17,865,478	591,732			18,457,210
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles	1,170,090				1,170,090
Non-regulated Telephone Plant	6,853				6,853
TOTAL PLANT ACCOUNTS	27,985,958	1,134,660	42,842	0	29,077,776

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					
TOTAL PLANT ACCOUNTS					

SAME AS TOTAL
COMPANY

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis				
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	467,810	25.0%	142,691	42,842	567,659
2113 Aircraft					0
2114 Special Purpose Vehicles	122,300	10.0%	950		123,250
2115 Garage Work Equipment	8,677	11.0%			8,677
2116 Other Work Equipment	1,139,909	12.5%	25,531		1,165,440
2121 Buildings	1,069,185	3.0%	67,815		1,137,000
2122 Furniture	70,493	12.5%			70,493
2123 Office Equipment	11,572	12.5%			11,572
2124 General Purpose Computers	165,137	20.0%	20,189		185,326
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	812,621	12.0%	125,761		938,382
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems	13,886				13,886
2232 Circuit Equipment	1,998,541	10.0%	268,698		2,267,239
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	12,252,139	6.5%	742,604		12,994,743
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	1,167,942				1,167,942
Non-regulated Telephone Plant					
TOTAL	19,300,212		1,394,238	42,842	20,651,608

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
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Analysis of Entries in Accumulated Depreciation

- 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 Intra-building Network Cable
- 2431 Aerial Wire
- 2441 Conduit Systems

SAME AS TOTAL
COMPANY

TOTAL

*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>
RTFC & FREC	1993-94		274,066
INDEPENDENT CABLE SYSTEM	2003		111,160
CEDAR VALLEY	2004		1,260,091
SYRINGA NETWORK	2000		2,445,210
ANPI & SOLEX & OTHER	2002		27,587
NEWSTREETS, INC.	2002		20,000
Totals			4,138,114

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>
Customers		72,768
Interexcahnge Carriers & Others		277,837
Affiliates		458,784
N/R - 2M Brand		1350000
N/R - DC Cedar Valley		12222084
Totals	0	14,381,474

Vendor ID Invoice No.	Vendor Name Date	Per Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
ALLW0001	ALL WEST CALL CENTERS								
161200007101	01/01/2017	12	2016 Invoice	Paid	1,333.00				
	ALL WEST CALL CENTERS Totals:				\$1,333.00	\$0.00	\$0.00	\$0.00	\$1,333.00
ANDE120	ANDERSON'S BODY & GLASS								
12072016	12/28/2016	12	2016 Invoice	Paid	2,751.17				
	ANDERSON'S BODY & GLASS Totals:				\$2,751.17	\$0.00	\$0.00	\$0.00	\$2,751.17
BANK200	BANKCARD CENTER								
12122016	12/12/2016	12	2016 Invoice	Paid	24,184.82				
	BANKCARD CENTER Totals:				\$24,184.82	\$0.00	\$0.00	\$0.00	\$24,184.82
BING208	BINGHAM CO-OP INC								
239055	11/28/2016	12	2016 Invoice	Paid	299.75				
385007	12/29/2016	12	2016 Invoice	Paid	305.27				
	BINGHAM CO-OP INC Totals:				\$605.02	\$0.00	\$0.00	\$0.00	\$605.02
CINT320	SHRED-IT								
8121505664	12/31/2016	12	2016 Invoice	Paid	313.75				
	SHRED-IT Totals:				\$313.75	\$0.00	\$0.00	\$0.00	\$313.75
CITY225	CITY OF ABERDEEN								
12312016	12/31/2016	12	2016 Invoice	Paid	677.05				
	CITY OF ABERDEEN Totals:				\$677.05	\$0.00	\$0.00	\$0.00	\$677.05
CITY226	CITY OF MONTPELIER								
12312016	12/31/2016	12	2016 Invoice	Paid	5,159.24				
	CITY OF MONTPELIER Totals:				\$5,159.24	\$0.00	\$0.00	\$0.00	\$5,159.24

Vendor ID Invoice No.	Vendor Name	Date	Per Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
CITY227 12312016	CITY OF MCCAMMON	12/31/2016	12 2016	Invoice	Paid	72.67	\$0.00	\$0.00	\$0.00	\$72.67
			CITY OF MCCAMMON Totals:			\$72.67	\$0.00	\$0.00	\$0.00	\$72.67
CITY228 12312016	CITY OF DOWNEY	12/31/2016	12 2016	Invoice	Paid	500.00	\$0.00	\$0.00	\$0.00	\$500.00
			CITY OF DOWNEY Totals:			\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
CITY229 12312016	CITY OF BANCROFT	12/31/2016	12 2016	Invoice	Paid	500.00	\$0.00	\$0.00	\$0.00	\$500.00
			CITY OF BANCROFT Totals:			\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
CITY230 12312016	CITY OF GEORGETOWN	12/31/2016	12 2016	Invoice	Paid	100.00	\$0.00	\$0.00	\$0.00	\$100.00
			CITY OF GEORGETOWN Totals:			\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
CITY231 12302016 12312016	CITY OF PRESTON	12/31/2016 12/31/2016	12 2016 12 2016	Invoice Invoice	Paid Paid	12.00 872.48	\$0.00	\$0.00	\$0.00	\$884.48
			CITY OF PRESTON Totals:			\$884.48	\$0.00	\$0.00	\$0.00	\$884.48
CITY232 12312016	CITY OF GRACE	12/31/2016	12 2016	Invoice	Paid	345.33	\$0.00	\$0.00	\$0.00	\$345.33
			CITY OF GRACE Totals:			\$345.33	\$0.00	\$0.00	\$0.00	\$345.33
CITY323 12312016	CITY OF PARIS	12/31/2016	12 2016	Invoice	Paid	645.87	\$0.00	\$0.00	\$0.00	\$645.87
			CITY OF PARIS Totals:			\$645.87	\$0.00	\$0.00	\$0.00	\$645.87

Vendor ID Invoice No.	Vendor Name	Date	Per	Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
CITY OF ROCKLAND Totals:											
CITY325	CITY OF ROCKLAND						\$262.00	\$0.00	\$0.00	\$0.00	\$262.00
12312016A		12/31/2016	12	2016	Invoice	Paid	94.50				
12312016B		12/31/2016	12	2016	Invoice	Paid	94.50				
12312016		01/01/2017	12	2016	Invoice	Paid	73.00				
CITY OF SODA SPRINGS Totals:											
CITY326	CITY OF SODA SPRINGS						227.19				
12252016		12/25/2016	12	2016	Invoice	Paid					
CITY OF LAVA HOT SPRINGS Totals:											
CITY327	CITY OF LAVA HOT SPRINGS						759.51				
12302016		12/30/2016	12	2016	Invoice	Paid					
CITY OF LAVA HOT SPRINGS Totals:											
CITY340	CITY OF ST. CHARLES						\$759.51	\$0.00	\$0.00	\$0.00	\$759.51
18445		12/20/2016	12	2016	Invoice	Paid	44.00				
CITY OF ST. CHARLES Totals:											
CODA332	CODALE ELECTRIC SUPPLY, INC.						\$44.00	\$0.00	\$0.00	\$0.00	\$44.00
S5861832-001		12/14/2016	12	2016	Invoice	Paid	877.68				
S5869410.001		12/14/2016	12	2016	Invoice	Paid	2,554.53				
S5852747.001		12/16/2016	12	2016	Invoice	Paid	8,777.44				
CODALE ELECTRIC SUPPLY, INC. Totals:											
COMP335	COMPUTER TECHNOLOGY, INC.						\$12,209.65	\$0.00	\$0.00	\$0.00	\$12,209.65
12312016		12/31/2016	12	2016	Invoice	Paid	60.19				
COMPUTER TECHNOLOGY, INC. Totals:											
							\$60.19	\$0.00	\$0.00	\$0.00	\$60.19

Vendor ID Invoice No.	Vendor Name	Date	Per	Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
DASC400 809	DAS-CO OF IDAHO, INC.	12/12/2016	12	2016	Invoice	Paid	131,387.88				
	DAS-CO OF IDAHO, INC. Totals:										
							\$131,387.88	\$0.00	\$0.00	\$0.00	\$131,387.88
DIGL409 0055369-IN	DIGLINE, INC.	12/31/2016	12	2016	Invoice	Paid	70.11				
	DIGLINE, INC. Totals:										
							\$70.11	\$0.00	\$0.00	\$0.00	\$70.11
DIRE416 12312016	DIRECT COMMUNICATIONS ROCKLAND	12/31/2016	12	2016	Invoice	Paid	286.66				
	DIRECT COMMUNICATIONS ROCKLAND Totals:										
							\$286.66	\$0.00	\$0.00	\$0.00	\$286.66
DRY4001 2012-170 2012-171	Dry Creek Underground	12/26/2016 12/27/2016	12 12	2016 2016	Invoice Invoice	Paid Paid	23,632.00 58,850.40				
	Dry Creek Underground Totals:										
							\$82,482.40	\$0.00	\$0.00	\$0.00	\$82,482.40
EVOL5001 0000015818	EVOLUTION DIGITAL, LLC	12/31/2016	12	2016	Invoice	Paid	261.30				
	EVOLUTION DIGITAL, LLC Totals:										
							\$261.30	\$0.00	\$0.00	\$0.00	\$261.30
EXPE510 CD1709001344	EXPERIAN	12/30/2016	12	2016	Invoice	Paid	377.00				
	EXPERIAN Totals:										
							\$377.00	\$0.00	\$0.00	\$0.00	\$377.00
FRON6003 156128	Frontier Precision	12/29/2016	12	2016	Invoice	Paid	6,463.66				
	Frontier Precision Totals:										
							\$6,463.66	\$0.00	\$0.00	\$0.00	\$6,463.66

Vendor ID Invoice No.	Vendor Name	Date	Per Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
GENU6001 3897435	Genuine Cable Group	12/23/2016	12 2016	Invoice	Paid	22,896.00				
Genuine Cable Group Totals:						\$22,896.00	\$0.00	\$0.00	\$0.00	\$22,896.00
GREE7001 94343958	Greenlee Textron Inc. / Subsidiary of Te	12/21/2016	12 2016	Invoice	Paid	603.56				
Greenlee Textron Inc. / Subsidiary of Te Totals:						\$603.56	\$0.00	\$0.00	\$0.00	\$603.56
IDAH906	IDAHO POWER									
2202389249	1216	12/21/2016	12 2016	Invoice	Paid	1,040.09				
2204728964	1216	12/21/2016	12 2016	Invoice	Paid	74.63				
2200019046	1216	12/22/2016	12 2016	Invoice	Paid	307.28				
2202893570	1216	12/22/2016	12 2016	Invoice	Paid	13.07				
2204038182	1216	12/22/2016	12 2016	Invoice	Paid	358.94				
2201798630	12-16	12/23/2016	12 2016	Invoice	Paid	47.18				
2205895747	1216	12/23/2016	12 2016	Invoice	Paid	502.34				
2222291250	1216	12/28/2016	12 2016	Invoice	Paid	8.71				
2201736614	1216	01/04/2017	12 2016	Invoice	Paid	9.07				
2201769284	1216	01/04/2017	12 2016	Invoice	Paid	222.82				
2204955617	1216	01/05/2017	12 2016	Invoice	Paid	161.95				
2205912955	1216	01/05/2017	12 2016	Invoice	Paid	328.24				
IDAHO POWER Totals:						\$3,074.32	\$0.00	\$0.00	\$0.00	\$3,074.32
INTE912	INTERSTATE TRS FUND									
80640012161		12/16/2016	12 2016	Invoice	Paid	983.01				
INTERSTATE TRS FUND Totals:						\$983.01	\$0.00	\$0.00	\$0.00	\$983.01

Vendor ID Invoice No.	Vendor Name	Date	Per Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
INTE917	INTERMOUNTAIN POWER SOURCE									
7425		12/27/2016	12 2016	Invoice	Paid	286.00				
7426		12/27/2016	12 2016	Invoice	Paid	924.90				
	INTERMOUNTAIN POWER SOURCE Totals:					\$1,210.90	\$0.00	\$0.00	\$0.00	\$1,210.90
JADE1001	JADE AUTO CLINIC, INC									
17428		01/13/2017	12 2016	Invoice	Paid	556.57				
	JADE AUTO CLINIC, INC Totals:					\$556.57	\$0.00	\$0.00	\$0.00	\$556.57
KORY1104	SATELLITE SOLUTIONS									
12312016		12/31/2016	12 2016	Invoice	Paid	513.34				
	SATELLITE SOLUTIONS Totals:					\$513.34	\$0.00	\$0.00	\$0.00	\$513.34
LARO1200	BARNARD'S CLEANING, LLC									
12292016		12/29/2016	12 2016	Invoice	Paid	1,703.84				
	BARNARD'S CLEANING, LLC Totals:					\$1,703.84	\$0.00	\$0.00	\$0.00	\$1,703.84
LAWO1202	LAW OFFICE OF RICHARD A. FINNIGAN									
24537		01/03/2017	12 2016	Invoice	Paid	224.00				
	LAW OFFICE OF RICHARD A. FINNIGAN Totals:					\$224.00	\$0.00	\$0.00	\$0.00	\$224.00
LESS1204	LES SCHWAB TIRE CENTER									
12300166067		10/04/2016	10 2016	Invoice	Paid			108.78		
	LES SCHWAB TIRE CENTER Totals:					\$0.00	\$0.00	\$108.78	\$0.00	\$108.78
MIDA1305	MID AMERICA COMPUTER CORPORATION									
INV112415		12/15/2016	12 2016	Invoice	Paid	580.39				
INV112435		12/15/2016	12 2016	Invoice	Paid	6,494.29				
	MID AMERICA COMPUTER CORPORATION Totals:					\$7,074.68	\$0.00	\$0.00	\$0.00	\$7,074.68

Vendor ID Invoice No.	Vendor Name	Date	Per	Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
MOFF1801 212080	MOFFATT THOMAS	02/15/2017	12	2016	Invoice	Paid	1,265.00				
MOFFATT THOMAS Totals:							\$1,265.00	\$0.00	\$0.00	\$0.00	\$1,265.00
MOSS1301 3153733	MOSS ADAMS LLP	12/27/2016	12	2016	Invoice	Paid	4,028.00				
MOSS ADAMS LLP Totals:							\$4,028.00	\$0.00	\$0.00	\$0.00	\$4,028.00
NAT11405 473095	NATIONAL DIRECTORY ASSISTANCE	12/31/2016	12	2016	Invoice	Paid	14.95				
NATIONAL DIRECTORY ASSISTANCE Totals:							\$14.95	\$0.00	\$0.00	\$0.00	\$14.95
NEON1405 NNS10325	NEONOVA NETWORKS SERVICES	12/31/2016	12	2016	Invoice	Paid	212.50				
NEONOVA NETWORKS SERVICES Totals:							\$212.50	\$0.00	\$0.00	\$0.00	\$212.50
NEUS1405 9476 123116 TIC-0000045756	NEUSTAR, INC.	12/31/2016	12	2016	Invoice	Paid	235.28				
NEUSTAR, INC. Totals:							\$275.14	\$0.00	\$0.00	\$0.00	\$275.14
NRTC1415 41216742	NRTC	01/12/2017	12	2016	Invoice	Paid	261.12				
NRTC Totals:							\$261.12	\$0.00	\$0.00	\$0.00	\$261.12
PLAS1611 9551	PLASTIC INDUSTRIES, INC	12/12/2016	12	2016	Invoice	Paid	11,592.00				
PLASTIC INDUSTRIES, INC Totals:							\$11,592.00	\$0.00	\$0.00	\$0.00	\$11,592.00

Vendor ID Invoice No.	Vendor Name	Date	Per	Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
PPSC1600 U0014271	VALLEY WIDE COOP - BRIGHT GAS	12/27/2016	12	2016	Invoice	Paid	521.55				
VALLEY WIDE COOP - BRIGHT GAS Totals:							\$521.55	\$0.00	\$0.00	\$0.00	\$521.55
QUES1700 12212016	QUESTAR GAS	12/21/2016	12	2016	Invoice	Paid	19.97				
QUESTAR GAS Totals:							\$19.97	\$0.00	\$0.00	\$0.00	\$19.97
QWES1703 441571	CENTURYLINK	01/01/2017	12	2016	Invoice	Paid	38.49				
CENTURYLINK Totals:							\$38.49	\$0.00	\$0.00	\$0.00	\$38.49
RAFT1801 12312016	RAFT RIVER RURAL ELECTRIC	12/31/2016	12	2016	Invoice	Paid	24.13				
RAFT RIVER RURAL ELECTRIC Totals:							\$24.13	\$0.00	\$0.00	\$0.00	\$24.13
ROCK1808 50635851-002 8 12-16	ROCKY MOUNTAIN POWER	12/27/2016	12	2016	Invoice	Paid	64.10				
36373022-001 1 1216		12/30/2016	12	2016	Invoice	Paid	992.68				
99356165-001 7 1216		01/03/2017	12	2016	Invoice	Paid	1,988.54				
38986983-001 5 1216		01/04/2017	12	2016	Invoice	Paid	692.57				
99356165-002 5 1216		01/10/2017	12	2016	Invoice	Paid	26.34				
ROCKY MOUNTAIN POWER Totals:							\$3,764.23	\$0.00	\$0.00	\$0.00	\$3,764.23
SILV1912 INV-1612	SILVER STAR COMMUNICATIONS	12/14/2016	12	2016	Invoice	Paid	167.15				
SILVER STAR COMMUNICATIONS Totals:							\$167.15	\$0.00	\$0.00	\$0.00	\$167.15

Vendor ID Invoice No.	Vendor Name	Date	Per	Year	Type	Status	Current 12/2016	Period 11/2016	Period 10/2016	Period 9/2016 and Prior	Total
SING1901 38175	MOMENTUM TELCOM	01/01/2017	12	2016	Invoice	Paid	2,248.81	\$0.00	\$0.00	\$0.00	\$2,248.81
MOMENTUM TELCOM Totals:							\$2,248.81	\$0.00	\$0.00	\$0.00	\$2,248.81
SUMM19001 12212016	Summit Land Surveying	12/21/2016	12	2016	Invoice	Paid	2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Summit Land Surveying Totals:							\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
TRAC20001 12783	Track Utilities	12/27/2016	12	2016	Invoice	Paid	7,410.00	\$0.00	\$0.00	\$0.00	\$7,410.00
12786		12/29/2016	12	2016	Invoice	Paid	68,471.96	\$0.00	\$0.00	\$0.00	68,471.96
12788		12/29/2016	12	2016	Invoice	Paid	100,954.25	\$0.00	\$0.00	\$0.00	100,954.25
12787		01/17/2017	12	2016	Invoice	Paid	51,094.07	\$0.00	\$0.00	\$0.00	51,094.07
Track Utilities Totals:							\$227,930.28	\$0.00	\$0.00	\$0.00	\$227,930.28
UNIV2101 UBDI0000882894	UNIVERSAL SERVICE ADMINISTRATIVE CO	12/22/2016	12	2016	Invoice	Paid	8,521.91	\$0.00	\$0.00	\$0.00	\$8,521.91
UNIVERSAL SERVICE ADMINISTRATIVE CO Totals:							\$8,521.91	\$0.00	\$0.00	\$0.00	\$8,521.91
WIGG2309 92656	WIGGINS & CO.	12/31/2016	12	2016	Invoice	Paid	470.00	\$0.00	\$0.00	\$0.00	\$470.00
WIGGINS & CO. Totals:							\$470.00	\$0.00	\$0.00	\$0.00	\$470.00
Report Totals:							\$575,159.40	\$0.00	\$108.78	\$0.00	\$575,268.18
							99.98%	0.00%	0.02%	0.00%	

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.

<u>Class & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount Year Amortized</u>	<u>Interest for year Rate</u>	<u>Amount</u>
CoBank	2016	2023	16,000,000	15,703,700		3.04%	65,044
Ally	2014	2017	32,167	11,864			423

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	4,859,269	
Total Operating Expenses (from page 17)	3,923,233	
7100 Other Operating Income and Expense		SAME
7210 Operating Investment Tax Credits-Net		AS
7220 Operating Federal Income Taxes	965,266	TOTAL
7230 Operating State and Local Income Taxes	78,072	
7240 Operating Other Taxes	62,098	
7250 Provision for Deferred Operating Income Taxes-Net	102,865	
7200 Operating Taxes (Total)	1,208,302	
7310 Dividend Income	19,583	
7320 Interest Income	0	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property	0	
7360 Other Nonoperating Income	553	
7370 Special Charges		
7300 Nonoperating Income and Expense	20,136	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	178,358	
7430 Nonoperating State and Local Income Taxes	38,879	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	0	
7400 Nonoperating Taxes	217,237	
7510 Interest on Funded Debt	144,906	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	0	
7500 Interest and Related Items	144,906	
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	0	
7600 Extraordinary Items		
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	2,378,535	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	2,682,729	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	<u>284,975</u>	SAME AS TOTAL
5002 Optional Extended Area Revenue	_____	
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	<u>40,377</u>	
5069 Other Local Exchange Settlements	_____	
Network Access Services Revenues		
5081 End User Revenue (SLC)	<u>76,461</u>	_____
5082 Switched Access Revenue (Interstate)	<u>3,718,144</u>	_____
5083 Special Access Revenue	<u>572,666</u>	_____
5084 State Access Revenue (Intrastate)	<u>123,355</u>	_____
Long Distance Network Services Revenues	_____	_____
5100 Long Distance Message Revenue - All	_____	_____
Miscellaneous Revenues		
5230 Directory Revenue	_____	_____
5240 Rent Revenue	_____	_____
5250 Corporate Operations Revenue	_____	_____
5261 Special Billing Arrangements Revenue	_____	_____
5262 Customer Operations Revenue	_____	_____
5263 Plant Operations Revenue	_____	_____
5264 Other Incidental Regulated Revenue	<u>32,494</u>	_____
5269 Other Revenue Settlements	_____	_____
5270 Carrier Billing & Collection Revenue	<u>1,797</u>	_____
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	<u>9,000</u>	_____
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	<u>4,859,269</u>	_____

Please identify the following revenues:

NECA USF \$ __640083.00_____. To what account were they booked? 5082.22

State USF \$ __202,401.00_____. To what account were they booked? 5084.60

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	_____	_____
6112 Motor Vehicle Expense	_____	SAME AS TOTAL
6113 Aircraft Expense	_____	
6114 Special Purpose Vehicles Expense	_____	
6115 Garage Work Equipment Expense	_____	
6116 Other Work Equipment Expense	3,783	
6120 General Support Expenses	_____	_____
6121 Land and Building Expenses	31,842	_____
6122 Furniture and Artworks Expense	7,617	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	28,325	_____
6210 Central Office Switching Expenses	39,550	_____
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	2,404	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	_____	_____
6231 Radio Systems Expense	_____	_____
6232 Circuit Equipment Expense	528,042	_____
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	286,903	_____
6424 Submarine Cable Expense	_____	_____
6425 Deep Sea Cable Expense	_____	_____
6426 Intrabuilding Network Cable Expense	_____	_____
6431 Aerial Wire Expense	_____	_____
6441 Conduit Systems Expense	_____	_____
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	928,466	_____

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		SAME AS TOTAL
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	51,809	
6532 Network Administration Expense	167,963	
6533 Testing Expense	134	
6534 Plant Operations Administration Expense		
6535 Engineering Expense	105,057	
6540 Access Expense	116,543	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,394,238	
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,835,744	
Customer Operations Expense		
6610 Marketing		
6611 Product Management	121,658	
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	299	
6623 Customer Services	193,166	
Total Customer Operations Expense	315,123	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	318,984	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	276,600	
6722 External Relations		
6723 Human Resources	489	
6724 Information Management	14,035	
6725 Legal	11,154	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	222,639	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	843,900	
TOTAL OPERATING EXPENSES	3,923,233	

CENTRAL OFFICE DATA
as of December 31, 2016 (unless otherwise indicated)

Name of Central Office: ARBON
Prefix (es): 335

Central Office Switch Type: AZTEK

Check all that apply:
Stand Alone X **Check one:**
Host _____ Digital X
Remote X Analog _____
Other: _____

Access Line Capacity
Design: 300 **Access Lines in Use**
Customer Lines: 85
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 100
Public Telephone Lines 0
Company Official Lines 1
Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line Multi-Party	
Beginning of Year		79	79		4	3	86
New Connects		2	2				2
Disconnects		3	3				3
End of Year		78	78		4	3	85

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

Custom Calling:
Number of customers with at least one feature: 63
Total number of features subscribed to: 34

Directory Listings:

Number of Customers with Nonpublished or Nonlisted: 5

CENTRAL OFFICE DATA
as of December 31, 2016 (unless otherwise indicated)

Name of Central Office: ROCKLAND
Prefix (es): 548

Central Office Switch Type: Metaswitch - Host

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

Access Line Capacity
Design: 400 **Access Lines in Use**
Customer Lines: 183
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 300
Public Telephone Lines 0
Company Official Lines 6
Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total
	Multi-Line	Single Line	Subtotal	Multi-Line	Single Line	Subtotal	
	1-Party	1-Party	Residence	1-Party	1-Party	Business	Residence & Business
Beginning	159	159	159	14	10	24	183
New Connects	11	11	11	0	0	0	11
Disconnects	3	3	3	0	0	0	3
End of Year	167	167	167	14	10	24	191

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: 9

Custom Calling:

Number of customers with at least one feature: 100
Total number of features subscribed to: 34

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)			
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	Avg./ Line
1 ARBON	87			5,548	28,015	33,563	386
2 ROCKLAND	189			10,410	70,920	81,330	430
3 PARIS	690			23,919	207,447	231,366	335
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2016.

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 _____ No X

Included in directory Yes _____ No X

Date of notification Jun-16

Alternate method of notification Posted on our website and included as annual bill mess

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 4

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 4

Denial/Termination 0

Quality or Availability
of Service 0

Carrier Selection/Assignment 0

Miscellaneous 0

Rev 3/02

CERTIFICATE

State of Idaho)
County of) ss
)

WE, the undersigned _____ Tim May

and _____ R. Michael Parrish _____

of the _____ Direct Communications Rockland, 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.

(General Manager)

(Chief Financial Officer)

Subscribed and Sworn to Before Me this ___17___ day of ___April___, ___2017___.

Notary Public



My Commission expires ___6/11___, (Year) ___22___.

Rev 3/02