

RUR-T

ANNUAL REPORT

OF

Rural Telephone Company
892 W Madison Ave
Glenns Ferry, ID 83623

IDAHO PUBLIC
UTILITIES COMMISSION

2016 APR 14 AM 9:09

RECEIVED

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2015

**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: Rural Telephone Company
 Address of principal office: 892 W. Madison Ave., Glens Ferry, ID 83623-2372
 Telephone Number Area Code (208) 366-2614 E-mail address: beverly.arrington@ruraltel.org
 Cities or towns served: Shoup, Boise River, Tipanuk, Three Creek, Atlanta, Prairie

Name and title of officer having custody of the general corporate books of account: _____
James R. Martell, President

Address of office where corporate books are kept and phone number: Same as Above

Organized under the laws of the State of: Idaho

Date of organization: 7/27/1979

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: Martell Enterprises, Inc.
892 W. Madison Ave., Glens Ferry, ID 83623

Names of affiliated companies. Give address and description of business: _____
Pend Oreille Telephone Company - Same as Above
Nehalem Telecommunications, Inc. - Same as Above

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	James R. Martell	Same as Above
Vice President	Michael J. Martell	Same as Above
Sec./Treasurer	Carmela M. Martell	Same as Above

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
James R. Martell	Non-Term	12	\$18,000
Carmela M. Martell	Non-Term	12	\$12,000
Michael J. Martell	Non-Term	12	\$16,800
Angela Carpenter	Non-Term	12	\$12,000
Andrea Roberts	Non-Term	12	\$18,000
Mark R. Martell	Non-Term	12	\$12,000
Matthew Martell	Non-Term	12	\$12,000

Name of Chairman of the Board: James R. Martell
 Name of Secretary (or Clerk) of Board: Carmela M. Martell
 Number of Meetings of the Board during the year: 12

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
James R. Martell	President	\$100,000.08
Carmela M. Martell	Sec./Treasurer	\$60,000.00
Michael J. Martell	Vice President	\$82,450.08
Mark R. Martell	Administrative Manager	\$69,700.08

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	275,658.05	475,155.86	199,497.81
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances			
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	103,920.72	116,154.53	12,233.81
1181 Accts. Rec. Allow. -Telecommunications			
1190 Other Accounts Receivable	489,474.52	573,720.23	84,245.71
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	477,666.95	442,536.48	(35,130.47)
1280 Prepayments	1,365.67	7,643.05	6,277.38
1290 Prepaid Rents			
1300 Prepaid Taxes	0.00	0.00	0.00
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets	868,108.87	954,313.16	86,204.29
Noncurrent Assets			
1401 Investment in Affiliated Companies	4,112,117.32	4,531,852.80	419,735.48
1402 Investment in Nonaffiliated Companies			
1406 Nonregulated Investments	1,490,088.01	1,416,018.97	(74,069.04)
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	218,859.08	231,823.02	12,963.94
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges	0.00	875.32	875.32
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	27,379,231.02	27,593,091.80	213,860.78
2002 Prop. Held for Future Telecom. Use	4,000.00	4,000.00	0.00
2003 Telecom. Plant under Constr. - Short Term	236,563.19	0.00	(236,563.19)
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(19,383,863.44)	(20,470,659.93)	(1,086,796.49)
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			
TOTAL ASSETS	16,273,189.96	15,876,525.29	(396,664.67)

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	572,212.53	362,739.60	(209,472.93)
4020 Notes Payable			
4030 Advance Billings and Payments	43,542.05	58,604.34	15,062.29
4040 Customer Deposits	7,497.21	6,347.21	(1,150.00)
4050 Current Maturities - Long -Term Debt	668,225.00	666,893.67	(1,331.33)
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	(107,212.00)	425,328.00	532,540.00
4080 Other Taxes - Accrued	33,588.94	32,671.54	(917.40)
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	119,552.19	138,916.94	19,364.75
4130 Other Current Liabilities			
Long-Term Debt			
4210 Funded Debt	5,868,245.80	5,440,325.51	(427,920.29)
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	133,550.25	143,393.97	9,843.72
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net	14,937.00	23,415.00	8,478.00
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	1,245,412.00	1,138,859.00	(106,553.00)
4350 Net Noncur. Defer. Nonoper. Income Taxes	206,624.00	(104,288.00)	(310,912.00)
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net		14,897.00	14,897.00
Stockholders' Equity			
4510 Capital Stock	56,900.00	56,900.00	0.00
4520 Additional Paid-In Capital	10,197.00	10,197.00	0.00
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	7,399,917.99	7,461,324.51	61,406.52
TOTAL LIAB. & OTHER CREDITS	16,273,189.96	15,876,525.29	(396,664.67)

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	197,053.63				197,053.63
2112 Motor Vehicles	598,403.22	27,276.92			625,680.14
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	981,619.39		(85,044.00)		896,575.39
2121 Buildings	956,394.19	10,383.31			966,777.50
2122 Furniture	217,330.36				217,330.36
2123 Office Equipment					
2124 General Purpose Computers	476,167.74	28,058.92			504,226.66
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,841,658.12	13,758.00			2,855,416.12
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	26,954.56				26,954.56
2232 Circuit Equipment	5,681,449.63	362,670.63			6,044,120.26
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	258,489.03			(181,508.42)	76,980.61
2422 Underground Cable					
2423 Buried Cable	12,156,906.20	42,783.12			12,199,689.32
2424 Submarine Cable					
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	2,270,900.75			(10,721.81)	2,260,178.94
2681 Capital Leases					
2682 Leasehold Improvements	204,349.16				204,349.16
2690 Intangibles					
TOTAL PLANT ACCOUNTS	26,867,675.98	484,930.90	(85,044.00)	(192,230.23)	27,075,332.65

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	151,505.63				151,505.63
2112 Motor Vehicles	598,403.22	27,276.92			625,680.14
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	981,619.39		(85,044.00)		896,575.39
2121 Buildings	522,653.17				522,653.17
2122 Furniture	217,330.36				217,330.36
2123 Office Equipment					
2124 General Purpose Computers	476,167.74	28,058.92			504,226.66
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,146,541.97				1,146,541.97
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	26,954.56				26,954.56
2232 Circuit Equipment	3,820,309.71	102,933.37			3,923,243.08
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	11,578.80	1,550.70			13,129.50
2422 Underground Cable					
2423 Buried Cable	6,826,202.05	32,135.92			6,858,337.97
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	1,349,953.82	18,029.54			1,367,983.36
2681 Capital Leases					
2682 Leasehold Improvements	204,349.16				204,349.16
2690 Intangibles					
TOTAL PLANT ACCOUNTS	16,333,569.58	209,985.37	(85,044.00)	0.00	16,458,510.95

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	383,623.42	33.33%	106,547.57	(36,633.28)	453,537.71
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	766,802.21	14.30%	152,469.60	(87,800.00)	831,471.81
2121 Buildings	460,001.84	ID3.0%, NV2.8%	27,824.16		487,826.00
2122 Furniture	217,330.36	12.50%	0.00		217,330.36
2123 Office Equipment					
2124 General Purpose Computers	463,781.75	20.00%	11,310.00		475,091.75
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,701,761.38	ID12.0%, NV5.26%	99,192.87		2,800,954.25
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	26,954.56	20.00%	0.00		26,954.56
2232 Circuit Equipment	4,822,865.57	ID10.0%, NV5.26%	212,913.73		5,035,779.30
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	8,271.92	5.00%	10,687.98	(6,864.68)	12,095.22
2422 Underground Cable					
2423 Buried Cable	8,122,198.14	ID6.5%, NV4.0%	460,432.49	(1,646.10)	8,580,984.53
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	849,379.77	ID7.0%, NV4.0%	131,696.06	(1,648.83)	979,427.00
2682 Leasehold Improvements	74,821.14	3.00%	6,130.44		80,951.58
TOTAL	18,897,792.06		1,219,204.90	(134,592.89)	19,982,404.07

*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	383,623.42	33.33%	106,547.57	(36,633.28)	453,537.71
2113 Aircraft					0.00
2114 Special Purpose Vehicles					0.00
2115 Garage Work Equipment					0.00
2116 Other Work Equipment	766,802.21	14.30%	152,469.60	(87,800.00)	831,471.81
2121 Buildings	235,917.56	3.00%	15,679.56		251,597.12
2122 Furniture	217,330.36	12.50%	0.00		217,330.36
2123 Office Equipment					0.00
2124 General Purpose Computers	463,781.75	20.00%	11,310.00		475,091.75
2211 Analog Electronic Switching					0.00
2212 Digital Electronic Switching	1,011,263.34	12.00%	80,807.76		1,092,071.10
2215 Electro-Mechanical Switching					0.00
2220 Operator Systems					0.00
2231 Radio Systems	26,954.56	20.00%	0.00		26,954.56
2232 Circuit Equipment	3,617,101.90	10.00%	112,023.28		3,729,125.18
2311 Station Apparatus					0.00
2321 Customer Premises Wiring					0.00
2341 Large Private Branch Exchanges					0.00
2351 Public Telephone Terminal Equipment					0.00
2362 Other Terminal Equipment					0.00
2411 Poles					0.00
2421 Aerial Cable	8,271.92	5.00%	10,687.98	(6,864.68)	12,095.22
2422 Underground Cable					0.00
2423 Buried Cable	4,421,309.51	M6.50% - F5.00%	248,215.72		4,669,525.23
2424 Submarine Cable					0.00
2426 Intra-building Network Cable					0.00
2431 Aerial Wire					0.00
2441 Conduit Systems	661,460.30	7.00%	95,838.11		757,298.41
2682 Leasehold Improvements	74,821.14	3.00%	6,130.44		80,951.58
TOTAL	11,888,637.97		839,710.02	(131,297.96)	12,597,050.03

*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>
NRTC Patronage - 1410	2005		231,823.02
Syringa Networks, LLC - 1406	2001		1,400,518.97
Solix - 1406			10,000.00
Telespire - 1406	2006		2,500.00
Fairfield Internet - 1406	2006		3,000.00
Pend Oreille Telephone - 1401	1997		2,466,624.23
Nehalem Telecommunications - 1401	2004		2,066,103.89
Totals			6,180,570.11

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>
Customer - 1180		116,154.53
Customer - 1190		31,263.46
Advances - 1350		3,890.00
NECA - 1190		369,134.00
CABS - 1190		65,792.26
State USF - 1190		55,480.47
Miscellaneous - 1190		51,110.29
Elmore County E911 - 1190		939.75
Totals	0.00	693,764.76

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Alerus Retirement Solutions	9,262.67
Allison, MacKenzie, Russell	14,312.50
AT&T	28,583.94
Armada Administrators	4,166.00
Computer Technology, Inc.	4,581.44
Ford Credit	3,399.02
Idaho State Tax Commission	11,812.18
Little Valley Elk Ranch	24,154.26
Moss Adams LLP	4,871.00
National Cable Television Coop. Inc	5,852.93
NECA	73,500.00
National Rural	7,020.32
Nevada Bell	8,416.23
Syringa Networks, LLC	70,268.89
Telmar Network Technology	7,905.00
United Oil	3,625.97
US Bank	37,079.92
Universal Service Administrative Co	4,571.65
Other A/P	23,738.46
Totals	347,122.38

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	1982	2017	1,031,000.00	74,141.11			2.000%	1,997.82
RUS	1982-2005	2013-2018	14,230,680.00	5,348,052.84			5.000%	282,464.51
RUS - BIP (BBL-1-1)	2013	2032	89,700.12	77,095.05			2.5673%	2,044.11
RUS - BIP (BBL-1-2)	2013	2032	128,357.00	112,754.29			3.0514%	3,549.14
RUS - BIP (BBL-1-3)	2014	2033	278,430.00	257,933.73			2.7557%	7,337.32
RUS - BIP (BBL-1-4)	2015	2034	52,613.00	49,951.66			2.1686%	1,280.76
RUS - BIP (BBL-1-5)	2015	2034	132,972.00	130,940.01			2.3610%	1,010.86
RUS - BIP (BBL-1-6)	2015	2034	5,846.00	5,756.82			2.3826%	53.40
Ford Credit #6129	3/21/2014	4/5/2019	65,359.94	46,300.08			7.990%	4,213.57
Ford Credit #1671	3/21/2014	4/5/2019	34,508.22	24,590.18			8.790%	2,463.88
Ford Credit #1646	3/21/2014	4/5/2019	58,632.19	41,539.85			7.990%	3,779.84
Crysler Credit	10/28/2013	11/12/2019	30,431.61	21,094.44			6.190%	1,446.89
US Bank Auto Loan	2010	2015	50,139.00	(24.75)			4.490%	125.66
Chase (Truck Loan)	10/2/2015	10/21/2019	62,910.20	60,487.84			4.070%	422.64

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4,912,517.62	2,703,197.07
Total Operating Expenses (from page 18)	4,874,172.23	2,446,449.06
7100 Other Operating Income and Expense	(11,863.32)	(5,338.49)
7210 Operating Investment Tax Credits-Net	(8,478.00)	(8,478.00)
7220 Operating Federal Income Taxes	24,814.00	(28,554.75)
7230 Operating State and Local Income Taxes	9,761.00	9,761.00
7240 Operating Other Taxes	(135,269.12)	(96,594.23)
7250 Provision for Deferred Operating Income Taxes-Net	91,656.00	41,245.20
7200 Operating Taxes (Total)	(17,516.12)	(82,620.78)
7310 Dividend Income	19,519.92	8,783.96
7320 Interest Income	39.47	17.76
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	6,875.72	990.00
7350 Gains/Losses from the Disposition of Certain Property	100.00	45.00
7360 Other Nonoperating Income	544,483.65	245,017.64
7370 Special Charges	(14,797.86)	(6,659.04)
7300 Nonoperating Income and Expense	556,220.90	248,195.32
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	(206,622.00)	(92,979.90)
7430 Nonoperating State and Local Income Taxes	(52,889.00)	(23,800.05)
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	310,912.00	139,910.40
7400 Nonoperating Taxes	51,401.00	23,130.45
7510 Interest on Funded Debt	(299,737.92)	(134,882.06)
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	(43,009.14)	(19,354.11)
7500 Interest and Related Items	(342,747.06)	(154,236.17)
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	0.00	0.00
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(33,122.27)	(111,987.50)
AMOUNT TRANSFERRED TO RETAINED EARNINGS	240,718.52	173,890.84

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	442,928.61	216,582.42
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		
5069 Other Local Exchange Settlements	12,245.87	11,735.87
	455,174.48	228,318.29
Network Access Services Revenues		
5081 End User Revenue (SLC)	177,224.55	77,948.34
5082 Switched Access Revenue (Interstate)	3,408,561.08	1,751,515.66
5083 Special Access Revenue	25,242.00	13,543.48
5084 State Access Revenue (Intrastate)	534,548.55	346,370.50
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	133.41	
	4,145,709.59	2,189,377.98
Internet Services		
5280.10 DSL Modem Revenue Idaho	4,956.18	4,956.18
5280.20 DSL Modem Revenue Nevada	10,660.00	
	15,616.18	4,956.18
Other Non-Regulated Revenues		
5280.30 Fiber Lease Idaho	57,170.04	57,170.04
5280.31 DWNM Circuit Equipment Lease	222,393.42	222,393.42
	279,563.46	279,563.46
Miscellaneous Revenues		
5230.10 Directory Revenue Idaho	0.60	0.60
5230.20 Directory Revenue Nevada		
5220.10 Intrastate B&C Idaho	0.36	0.36
5220.20 Intrastate B&C Nevada	14,619.72	
5260.10 Misc Revenue Idaho	696.59	696.59
5260.20 Misc Revenue Nevada	726.44	
	16,043.71	697.55
Uncollectible Revenues		
5300.10 Uncollectible Revenue Idaho	283.61	283.61
5300.20 Uncollectible Revenue Nevada	126.59	0.00
	410.20	283.61
TOTAL OPERATING REVENUES	4,912,517.62	2,703,197.07

Please identify the following revenues:

NECA USF \$1,144,829.00. To what account were they booked? 5081.21 & 5081.22

State USF \$ 302,220.96. To what account were they booked? 5084.21

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	18,200.00	8,190.00
6112 Motor Vehicle Expense		
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense		
6120 General Support Expenses	21,684.08	9,757.36
6121 Land and Building Expenses	196,114.98	177,044.99
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense		
6124 General Purpose Computers Expense		
6210 Central Office Switching Expenses	177,789.11	138,807.84
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	499,160.65	232,968.58
6231 Radio Systems Expense		
6232 Circuit Equipment Expense		
6310 Information Origination/Termination Expense		
6311 Station Apparatus Expense		
6341 Large Private Branch Exchange Expense		
6351 Public Telephone Terminal Equipment Expense	970.32	132.00
6362 Other Terminal Equipment Expense		
6410 Cable and Wire Facilities Expenses	717,302.56	273,756.10
6411 Pole Expense		
6421 Aerial Cable Expense		
6422 Underground Cable Expense		
6423 Buried Cable Expense		
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	1,631,221.70	840,656.87

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	2,800.69	1,260.31
6530 Network Operations Expense		
6531 Power Expense	70,642.23	37,253.20
6532 Network Administration Expense	110,318.65	67,272.76
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	71,574.59	36,729.42
6540 Access Expense	61,439.48	27,647.77
6560 Depreciation and Amortization Expenses	1,119,166.29	737,639.22
6561 Depreciation Expense-Telecom. Plant in Service		
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	1,435,941.93	907,802.68
Customer Operations Expense		
6610 Marketing	115,074.86	51,783.44
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services		
6623 Customer Services	150,633.43	79,845.82
Total Customer Operations Expense	265,708.29	131,629.26
Corporate Operations Expense		
6710 Executive and Planning	273,289.04	122,980.07
6711 Executive		
6712 Planning		
6720 General and Administrative	836,401.78	376,380.80
6721 Accounting and Finance	264,849.38	64,851.67
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal	166,760.11	2,147.71
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative		
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	1,541,300.31	566,360.25
TOTAL OPERATING EXPENSES	3,242,950.53	1,605,792.19

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

Name of Central Office: **Shoup**
Prefix (es): **208-394**

Central Office Switch Type: **Redcom MDX**

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

Access Line Capacity
Design: **1200**
Access Lines in Use
Customer Lines: **63**
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: **6/16/2008**
Public Telephone Lines **6**
Company Official Lines **3**
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	52	0	52		7	6	65
New Connects	3	0	3		0	1	1
Disconnects	49	3	49		0	0	3
End of Year					7	7	63

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: **5**

Custom Calling:
Number of customers with at least one feature: **20**
Total number of features subscribed to: **3**

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

Name of Central Office: **Boise River**
Prefix (es): **208-653**

Central Office Switch Type: **Meta Switch**

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

Access Line Capacity
Design: **2048**
Access Lines in Use
Customer Lines: **369**
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: **6/16/2008**
Public Telephone Lines **16**
Company Official Lines **8**
Company Test Lines **2**

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	301		301	27	21	48	349
New Connects	18		18	1	1	2	20
Disconnects			0			0	0
End of Year	319		319	28	22	50	369

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

Directory Listings:

Number of Customers with Nonpublished or Nonlisted: **20**

Custom Calling:
Number of customers with at least one feature: **159**
Total number of features subscribed to: **8**

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

Name of Central Office: **Tipanuk**
Prefix (es): **208-796**

Central Office Switch Type: **Meta Switch**

Check all that apply:
Stand Alone _____
Host _____
Remote **X**

Check one:
Digital **X**
Analog _____
Other: _____

Access Line Capacity
Design: **2048**

Access Lines in Use
Customer Lines: **71**
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: **6/16/2008**

Public Telephone Lines **0**

Company Official Lines **2**

Company Test Lines **1**

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		62	62		6	2	70
New Connects				1			1
Disconnects			0				0
End of Year		62	62	7	2	9	71

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: **12**

Custom Calling:
Number of customers with at least one feature: **42**
Total number of features subscribed to: **8**

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

Name of Central Office: **Atlanta**
Prefix (es): **208-864**

Central Office Switch Type: **Redcom MDX**

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

Access Line Capacity
Design: **2048**
Access Lines in Use
Customer Lines: **44**
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: **6/16/2008**
Public Telephone Lines **4**
Company Official Lines **3**
Company Test Lines **1**

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	26		26	5	3	8	34
New Connects	10					0	0
Disconnects			0			0	0
End of Year	36		36	5	3	8	44

Foreign Exchange:
Dial Tone from this C.O.: _____
Dial Tone from another C.O.: _____
Directory Listings:
Number of Customers with Nonpublished or Nonlisted: **5**

Custom Calling:
Number of customers with at least one feature: **13**
Total number of features subscribed to: **3**

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

Name of Central Office: **Prairie**
Prefix (es): **208-868**

Central Office Switch Type: **Meta Switch**

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

Access Line Capacity
Design: **2048**
Access Lines in Use
Customer Lines: **59**
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: **6/16/2008**
Public Telephone Lines **2**
Company Official Lines **2**
Company Test Lines **2**

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	50		50	4	3	7	57
New Connects	3		0	(1)		0	0
Disconnects						(1)	(1)
End of Year	53		53	3	3	6	59

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: **4**

Custom Calling:
Number of customers with at least one feature: **34**
Total number of features subscribed to: **6**

**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 <u> X </u>	No <u> </u>
Included in directory	Yes <u> X </u>	No <u> </u>
Date of notification	<u>Monthly included on customer billing.</u>	
	<u>Annually printed in directory (copy attached).</u>	
Alternate method of notification	<u>Newspaper publications: (copies attached)</u>	
	<u>Times News - Twin Falls, ID, 3/12/2015, 10/14/2015</u>	
	<u>Record Herald - Salmon, ID, 3/19/2015, 10/15/2015</u>	
	<u>Mountain Home News - Mountain Home, ID, 3/18/2015, 10/14/2015</u>	
	<u>Idaho Statesman - Boise, ID, 3/16/2015, 10/13/2015</u>	

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 0

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 0

Denial/Termination 0

Quality or Availability
of Service 0

Carrier Selection/Assignment 0

Miscellaneous 0

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned Michael J. Martell

and Mark R. Martell

of the Rural Telephone Company 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.




(Chief Officer)



(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 11 day of April, (Year) 2016.



Notary Public

My Commission expires July 28, (Year) 2016.



Rev 3/02

THEBERTA M WILSON
Notary Public
State of Idaho

2014 FORM I INPUT MASTER

COMPANY NAME: Rural Telephone Company, Inc.

For The Year Ended: December 31, 2014

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS Special Access	MTS & WATS Switched Access	EAS	Local (other)	
SUMMARY										
Operating Revenues										
50XX Local -Billed	(1)	1.	227,877							227,877
-EAS Billed	(1)	2.	-							-
-EAS Settlement	(1)	3.	-							-
508X Access-SLC (End User)	(2)	4.	372,977	70,756						302,221
-Switched (TS+NTS)	(2)	5.	2,076,580	1,146,208			38,236			930,372
-Special	(2)	6.	79,566	79,566						-
51XX Toll -Message	(3a)	7.	-							-
-Private Line	(3b)	8.	-							-
-Settlement	(3c)	9.	-							-
52XX Misc. -Billing & Collection	(4)	10.	1			1				1
-Directory Advertising		11.	27							27
-Operating Rents		12.	-							-
-Other Misc.		13.	1,631							1,631
530X Less: Uncollectible Rev. (-)		14.	59,904							59,904
Total Revenues		15.	2,818,563	1,216,964	79,566	38,237	1,296,530	53,646	1,483,796	1,522,033
Operating Expenses										
61XX-64XX Plant Specific Oper.	(5a)	16.	978,793	340,996	104,386		445,382			533,411
65XX Plant Nonspecific Operations	(5a)	17.	205,215	79,964	15,773		95,737	270	26,248	109,478
656X Depreciation & Amortization	(5a)	18.	586,917	203,938	49,497		253,435	71	3,704	62,080
66XX Customer Operations	(5a)	19.	88,999	27,433	-		27,433	269	11,564	187,942
67XX Corporate Operations	(5a)	20.	512,411	189,735	48,220		237,955	-	-	25,589
---- Other Operating	(5a)	21.	-	-	-		-	124	12,130	142,995
Total Expenses	(5a)	22.	2,372,335	842,066	217,876	554,791	1,059,942	734	53,646	703,222
Operating Taxes:	(6)									
7240 General Taxes		23.	94,425	30,298	8,076		38,374	36	1,897	31,784
7230 State/Local Inc. Tax (Current)		24.	22,843	33,798	(16,002)		17,996	(61)	(4,158)	53,297
7220 Federal Income Tax (Current)		25.	101,240	149,794	(70,924)		78,870	(270)	(18,429)	236,216
7250 Net Deferred Income Taxes		26.	(4,054)	(5,998.27)	2,840.04		(3,158)	10.81	737.96	(9,458.91)
7210 Net Investment Tax Credits		27.	-	-	-		-	-	-	-
Total Taxes		28.	214,454	207,892	(76,010)	(209,030)	131,882	(284)	(19,952)	311,838
Net Operating Income		29.	231,774	167,006	(62,300)	(307,524)	104,706	(450)	(33,694)	468,736

SUMMARY (continued)										
Average Rate Base										
2001	Telecom. Plant in Service									
2005	Plant Acquisition Adjustment									
3100	Less: Accumulated Depr. (-)									
34xx-36xx	Accumulated Amort. (-)									
4100-4340	Accum. Deferred Tax (-)									
1220	Materials and Supplies									
-----	Equal Access Equipment									
-----	Other Rate Base									
	Total Average Rate Base									
1.		13,485,472	4,327,106	1,153,351	5,480,457	3,189,700	5,152	270,859	4,539,304	8,005,015
2.		-								
3.		9,590,843	3,148,178	921,898	4,070,076	2,236,176	2,543	226,658	3,055,390	5,520,767
4.		30,344	9,737	2,595	12,332	7,177	12	609	10,214	18,012
5.		746,763	239,615	63,867	303,482	176,631	285	14,999	251,366	443,281
6.		271,988	72,460	11,890	84,350	69,413	161	1,839	116,225	187,638
7.		-								
8.		85,326	35,893	3,835	39,728	9,129	9	906	35,554	45,598
9.		24,210,736	7,832,989	2,157,436	9,990,425	5,688,226	8,162	515,870	8,008,053	14,220,311

OPERATING EXPENSE (continued)										
66XX Customer Operations										
661X Marketing	1.	36,356	9,227	9,227	3,607	23,522	27,129			
662X Operator Services	2.	559		-		559	559			
662X Directory Publishing-Alpha	3.	(105)	(48)	(48)	(37)	(20)	(57)			
662X Directory Publishing-Classified	4.	-		-						
662X Directory Publishing-Foreign	5.	-		-						
6623 Service Order Proc.-End User	6.	11,973	4,870	4,870	7,103		7,103			
6623 Payment & Collection-End User	7.	8,980	2,770	2,770	6,210		6,210			
6623 Billing Inquiry-End User	8.	8,980	2,770	2,770	6,210		6,210			
6623 Service Order Proc.-CXR	9.	10,943	1,968	1,968	8,975		8,975			
6623 Payment & Collection-CXR	10.	9,346	3,909	3,909	3,909	1,528	5,437			
6623 Billing Inquiry-CXR	11.	-		-						
6623 Coin Administration	12.	-		-						
6623 Rev. Acctg.-Toll Ticket Proc.	13.	-		-						
6623 Rev. Acctg.-Local Mess. Proc.	14.	-		-						
6623 Rev. Acctg.-Other Bill & Coll.	15.	-		-						
6623 Rev. Acctg.-SLC Billing	16.	-		-						
6623 B & C Amts Paid to LECs	(9)	-		-						
6623 Other Customer Service	(9)	-		-						
	19.	1,967	1,967	1,967						
Total Customer Operations	(5a)	88,999	27,433	27,433	35,977	25,589	61,566			
67XX Corporate Operations:										
671X Executive & Planning	21.	124,854	43,102	55,319	30,202	36,229	69,535			
672X General & Administrative	22.	387,557	146,633	182,636	89,005	106,766	204,921			
6728 EAS Settlement Expense	23.	-		-						
Total Corporate Operations	(5a)	512,411	189,735	237,955	119,207	142,995	274,456			
Other Operating Expenses:										
Equal Access Provision	(10)	-		-						
Universal Service Fund	(11)	-		-						
Lifeline Connection Assistance	(12)	-		-						
Total Other	(5a)	-	-	-	-	-	-			
Total Operating Expenses	(5a)	2,372,335	842,066	1,059,942	554,791	703,222	1,312,393			

2014 FORM I INPUT MASTER'		For The Year Ended: December 31, 2014		Seperated Results of Idaho Operations		
COMPANY NAME: Rural Telephone Company, Inc.						
Description	Note No.	Line No.	Total Idaho Operations Subject To Separations		Operation	
			Interstate Toll	Intrastate Toll	EAS	Local (Other)
Separation Parameters						
Plant						
SLU Minutes of Use (MOU)		1.	1,851,407	1,241,457	1,483,712	1,010,110
SLU Factor		2.	0.45865	0.34986		0.19149
Base SPF - January 1		3.	0.250	0.250		0.500
Base SPF - December 31		4.	0.250	0.250		0.500
Current Composite SPF	(20)	5.	0.250	0.250		0.500
1996 Weighted DEM		6.	1.000000			0.150
1996 Unweighted DEM		7.	0.850			0.150
Current CAT 3 Dial Equipment Minutes	(21)	8.	1,851,407	1,241,457	1,483,712	
Current Composite DEM Factor		9.	0.850			0.150
Exchange Trunk - Joint Use MOU	(22)	10.				
Host/Remote MOU Kilometers	(23)	11.				
Equal Access MOU	(24)	12.				
Operator Standard Work Seconds	(25)	13.				
Tandem Switching MOU	(26)	14.				
IX Conversation MOU		15.	1,626,070	1,090,356		
IX Conversation Minute Kilometers		16.				
Other Parameters						
Access Lines		17.				
Unseparated Loop Cost @ 11.1 ROR	(27)	18.	676			
Gross Billed Revenues						
-Marketing Allocation Basis	(28a)	19.				65
-Payment & Collection-End User	(28b)	20.	25	10		
-Payment & Collection-CXR	(28c)	21.	101,068	112,911		113,700
Service Order Contacts						
-Service Order Proc.-End User	(29a)	22.				
-Service Order Proc.-CXR	(29b)	23.	1,714	351		6,134
Billing Inquiry Contacts						
-Billing Inquiry-End User	(30a)	24.				
-Billing Inquiry-CXR	(30b)	25.	101,068	112,911		113,700
SP+RC Toll Messages	(31)	26.	100	200		
EAS/Local Messages (Msg. Proc.)		27.	166,552	136,605		
'BIG 3' Expense Factor-Message	(32)	28.	29,947			
-PLS & Special Access		29.				
Operator Services Expense -- Factor		30.	0.345219	0.241898	0.024614	0.290168
Access Minutes of Use (End Office)		31.	48,461	48,525		
			96,986			