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ANNUAL REPORT

OF

CAMBRIDGE TELEPHONE COMPANY

NAME

P.O. Box 88, Cambridge, ID 83610

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31,

2001



Kiesling Associates LLP

CERTIFIED PUBLIC ACCOUNTANTS

1155 Kelly Johnson Blvd., Suite 303
Colorado Springs, CO 80920-3990
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IDAHO PUBLIC UTILITIES COMMISSION

April 30, 2002

Idaho Public Utilities Commission
Statehouse
472 West Washington Street
Boise, ID 83720

On behalf of Rick Wiggins, General Manager, we are enclosing the annual reports for **Cambridge Telephone Company, Inc.** and **CTC Telecom, Inc.** for the year ended December 31, 2001.

Very truly yours,

Richard E. Anderson

enclosures



Kiesling Associates LLP

CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

The Board of Directors
Cambridge Telephone Company, Inc.
Cambridge, Idaho 83610

We have compiled the accompanying balance sheets of Cambridge Telephone Company, Inc. as of December 31, 2001, and the related income and retained earnings statement for the year ended December 31, 2001, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information, except for pages 1, 2, 18, 19, and 20.

Our compilation was limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, the financial statements and supplementary information are not designed for those who are not informed about such differences.

The information contained on pages 1, 2, 18, 19, and 20 has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Colorado Springs, CO
April 29, 2002

Kiesling Associates LLP

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2001**

COMPANY INFORMATION

Exact name of utility: Cambridge Telephone Company, Inc.

Address of principal office: P.O. Box 88, Cambridge, ID 83610

Telephone Number (Area Code 208) 257-3314

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 Telcom, Inc. P.O. Box 69, 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.

Title	Name	Address
President	Kermit Wiggins	P.O. Box 88, Cambridge, ID 83610
Vice-President	Richard Wiggins	P.O. Box 88, Cambridge, ID 83610
Secretary/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.)

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
Kermit Wiggins P.O. Box 86 Cambridge, ID 83610	Indefinite	1	15,000
Richard Wiggins P.O. Box 86 Cambridge, ID 83610	Indefinite	1	15,000
Joana Wiggins P.O. Box 86 Cambridge, ID 83610	Indefinite	1	15,000

Name of Chairman of the Board: Kermit Wiggins
 Name of Secretary (or Clerk) of Board: Joana Wiggins
 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.)

Name	Title	Wages and Bonuses Paid
Kermit Wiggins	President	0
Richard Wiggins	Vice-President	135,000
Joana Wiggins	Secretary/Treasurer	0

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 1994, the Company entered into an agreement with U.S. West Communications, Inc. for the purchase of certain exchange property in Idaho. In 1996, the rights and obligations under the agreement were assumed by a new wholly-owned subsidiary of the Company, Council Telephone Company, Inc. The transaction was consummated effective October 17, 1996. Effective January 1, 2000, Council Telephone Company, Inc. was merged into Cambridge Telephone Company, Inc.

2. In connection with the purchase of the above property, Council Telephone Company, Inc. secured a loan from CoBank, ACB in the amount of \$4,776,000.

This loan has been assumed by Cambridge Telephone Company.

3. In 1998, CTC Telecom, Inc. (CTC), a wholly-owned subsidiary of Cambridge Telephone Company, Inc., 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 \$460,000 have been made through December 31, 2001.

4. In April, 1999, CTC secured a loan from CoBank, ACB in the amount of \$1,700,000, of which, \$750,759.50 was advanced in 1999. The loan is secured by a Leasehold Deed of Trust and Security Agreement covering all real and personal property. In addition, the loan is secured by Personal Guarantee of Payment agreements by certain shareholders of Cambridge Telephone Company, and Pledge Agreements for stock of Cambridge Telephone owned by certain shareholders.

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	4,585	99,246	94,661
1140 Special Cash Deposits	91,072		(91,072)
1150 Working Cash Advances			-
1160 Temporary Investments			-
1180 Telecommunications Accts. Receivable	225,436	206,498	(18,938)
1181 Accts. Rec. Allow. -Telecommunications			-
1190 Other Accounts Receivable	1,334,767	1,709,627	374,860
1191 Accounts Receivable Allow. - Other			-
1200 Notes Receivable	174,663	164,064	(10,599)
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable	7,562	11,945	4,383
1220 Material and Supplies	165,014	172,009	6,995
1280 Prepayments			-
1290 Prepaid Rents			-
1300 Prepaid Taxes	114,167	143,137	28,970
1310 Prepaid Insurance	3,994	3,994	-
1320 Prepaid Directory Expenses			-
1330 Other Prepayments			-
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies	272,278	8,661	(263,617)
1402 Investment in Nonaffiliated Companies	653,425	957,049	303,624
1406 Nonregulated Investments			-
1407 Unamortized Debt Issuance Expense	2,120	7,152	5,032
1408 Sinking Funds			-
1410 Other Noncurrent Assets	203,153	163,209	(39,944)
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges	1,470	1,470	-
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	12,596,223	12,827,887	231,664
2002 Prop. Held for Future Telecom. Use			-
2003 Telecom. Plant under Constr. - Short Term	156,062	10,249	(145,813)
2004 Telecom. Plant under Constr. - Long Term			-
2005 Telecom. Plant Adjustment			-
2006 Nonoperating Plant			-
2007 Goodwill	2,602,511	2,602,511	-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(8,024,679)	(8,716,341)	(691,662)
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	(737,358)	(910,854)	(173,496)
TOTAL ASSETS	9,846,465	9,461,513	(384,952)

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	627,227	725,705	98,478
4020 Notes Payable	-	-	-
4030 Advance Billings and Payments	72,254	93,107	20,853
4040 Customer Deposits	6,026	5,535	(491)
4050 Current Maturities - Long -Term Debt	487,700	505,208	17,508
4060 Current Maturities - Capital leases	-	-	-
4070 Income Taxes - Accrued	-	-	-
4080 Other Taxes - Accrued	31,853	32,524	671
4100 Net Current Defer. Oper. Income Taxes	(74,479)	(34,173)	40,306
4110 Net Current Defer. Nonoper. Income Taxes	-	-	-
4120 Other Accrued Liabilities	96,752	121,897	25,145
4130 Other Current Liabilities	-	-	-
Long-Term Debt			
4210 Funded Debt	5,563,442	5,296,079	(267,363)
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	-	-	-
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities	-	-	-
4320 Unamort. Oper. Invest. Tax Credits - Net	128,464	173,511	45,047
4330 Unamort. Nonoper. Invest. Tax Credits - Net	-	-	-
4340 Net Noncurrent Defer. Oper. Income Taxes	61,463	(123,389)	(184,852)
4350 Net Noncur. Defer. Nonoper. Income Taxes	2,424	7,611	5,187
4360 Other Deferred Credits	92,101	189,544	97,443
4370 Other Juris. Liab. & Def. Credits - Net	-	-	-
Stockholders' Equity			
4510 Capital Stock	30,000	30,000	-
4520 Additional Paid-In Capital	-	-	-
4530 Treasury Stock	(12,511)	(12,511)	-
4540 Other Capital	-	-	-
4550 Retained Earnings	2,733,749	2,450,865	(282,884)
TOTAL LIAB. & OTHER CREDITS	9,846,465	9,461,513	(384,952)

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE

TOTAL Company Basis

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
Analysis of Telecommunications Plant in Service					
2111 Land	61,715				61,715
2112 Motor Vehicles	240,490	26,051			266,541
2113 Aircraft					-
2114 Special Purpose Vehicles					-
2115 Garage Work Equipment	221,014	86,840	(13,968)		293,886
2116 Other Work Equipment	1,540,248	8,190			1,548,438
2121 Buildings	4,395				4,395
2122 Furniture	37,497	230	(9,425)		28,302
2123 Office Equipment	102,835	5,424	(9,369)		98,890
2124 General Purpose Computers					-
2211 Analog Electronic Switching	1,323,182	2,582			1,325,764
2212 Digital Electronic Switching					-
2215 Electro-Mechanical Switching					-
2220 Operator Systems					-
2231 Radio Systems	2,187,253	3,590	(197,916)		1,992,927
2232 Circuit Equipment	1,431,727	21,799			1,453,526
2311 Station Apparatus					-
2321 Customer Premises Wiring					-
2341 Large Private Branch Exchanges					-
2351 Public Telephone Terminal Equipment	11,681				11,681
2362 Other Terminal Equipment	2,041				2,041
2411 Poles	21,888				21,888
2421 Aerial Cable	18,681				18,681
2422 Underground Cable	39,699				39,699
2423 Buried Cable	5,226,623	307,636			5,534,259
2424 Submarine Cable					-
2426 IntraBuilding Network Cable					-
2431 Aerial Wire	11,394				11,394
2441 Conduit Systems	113,860				113,860
2681 Capital Leases					-
2682 Leasehold Improvements					-
2690 Intangibles					-
TOTAL PLANT ACCOUNTS	12,596,223	462,342	(230,678)	-	12,827,887

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
Analysis of Telecommunications Plant in Service					
2111 Land		SAME AS TOTAL COMPANY			
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					

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*			
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	122,493	20.00%	28,428		150,921
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	168,043	12.50%	9,202	13,968	163,277
2121 Buildings	630,402	3.00%	46,311		676,713
2122 Furniture	4,395				4,395
2123 Office Equipment	37,497	20.00%	230	9,425	28,302
2124 General Purpose Computers	61,072	20.00%	18,919	9,369	70,622
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching	541,158	12.00%	157,442		698,600
2220 Operator Systems					
2231 Radio Systems	1,979,163	20.00%	211,679	197,916	1,992,926
2232 Circuit Equipment	1,279,567	10.00%	104,911		1,384,478
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	11,681	25.00%			11,681
2362 Other Terminal Equipment	2,041				2,041
2411 Poles	15,060	6.50%	1,423		16,483
2421 Aerial Cable	3,874	6.50%	1,215	1,970	3,119
2422 Underground Cable	23,267	6.50%	2,580		25,847
2423 Buried Cable	3,103,061	6.50%	334,398	(17,724)	3,455,183
2424 Submarine Cable					
2426 Intra-building Network Cable	9,951	6.50%	741		10,692
2431 Aerial Wire	31,954	6.00%	6,831	17,724	21,061
2441 Conduit Systems					
TOTAL	8,024,679		924,310	232,648	8,716,341

*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
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	_____	<u>SAME AS TOTAL</u>	<u>COMPANY</u>	_____	_____
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	_____	_____	_____	_____	_____
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>
CTC Telecom, Inc.	1998		
Cash value life insurance			192,184
Coins			34,497
Land			333,815
Systems Seven, Inc.		26,616	
Syringa Networks, LLC	2000,2001		273,060
CoBank equity	1999-2001		123,493
Totals		26,616	957,049

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		206,498
Interexchange carriers		478,010
CTC Telecom, Inc.		331,606
CTC Construction		798,397
Interest & other		82,444
Income tax refunds		31,115
R. & K. Noah, 8.5% due 2013	62,143	
R.& B. Crocket, 8.0%, due 2018	101,921	
Totals	164,064	1,928,070

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>
None				
Totals				

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
NECA	525,401
Interexchange carriers	32,232
CTC Telecom, Inc.	31,751
Wiggins Trust	47,401
Syringa Networks, LLC	45,010
ID State Tax Commission	9,525
Kiesling Associates, LLP	9,020
Various other vendors	14,695
Taxes, 911 billings	10,670
Totals	725,705

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	2,806,352	Same as
Total Operating Expenses (from page 18)	2,114,307	Total Company
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	(12,479)	
7220 Operating Federal Income Taxes	135,381	
7230 Operating State and Local Income Taxes	36,139	
7240 Operating Other Taxes	65,036	
7250 Provision for Deferred Operating Income Taxes-Net	(57,405)	
7200 Operating Taxes (Total)	166,672	
7310 Dividend Income	30,056	
7320 Interest Income	14,660	
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	(512,395)	
7370 Special Charges	(9,635)	
7300 Nonoperating Income and Expense	(477,314)	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	(40,888)	
7430 Nonoperating State and Local Income Taxes	(10,017)	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	4,715	
7400 Nonoperating Taxes	(46,190)	
7510 Interest on Funded Debt	338,351	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense	151	
7540 Other Interest Deductions	477	
7500 Interest and Related Items	338,979	
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	(38,154)	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	(282,884)	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	678,277	Same as
5002 Optional Extended Area Revenue		Total Company
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	68,983	
5069 Other Local Exchange Settlements	314,715	
Network Access Services Revenues		
5081 End User Revenue (SLC)	99,022	
5082 Switched Access Revenue (Interstate)	1,018,493	
5083 Special Access Revenue	110,539	
5084 State Access Revenue (Intrastate)	477,061	
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	575	
Miscellaneous Revenues		
5230 Directory Revenue	6,842	
5240 Rent Revenue	3,600	
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue		
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	8,837	
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	21,731	
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	2,323	
5302 Uncollectible Revenue - Other		
TOTAL OPERATING REVENUES	2,806,352	

Please identify the following revenues:

NECA USF \$ 306,756. To what account were they booked? 5069.1

State USF \$ 167,380. To what account were they booked? 5084.52

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses		Same as
6112 Motor Vehicle Expense	4,508	Total Company
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense	126	
6120 General Support Expenses		
6121 Land and Building Expenses	21,649	
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense		
6124 General Purpose Computers Expense	42,099	
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense		
6212 Digital Electronic Expense	152,102	
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses		
6231 Radio Systems Expense	1,808	
6232 Circuit Equipment Expense	56,524	
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	198,100	
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	476,916	

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		Same as
6511 Property Held for Future Telecomm. Use Expenses		Total Company
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	13,414	
6532 Network Administration Expense	222	
6533 Testing Expense	3,478	
6534 Plant Operations Administration Expense		
6535 Engineering Expense	170	
6540 Access Expense	11,652	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	924,310	
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	953,246	
Customer Operations Expense		
6610 Marketing	6,216	
6611 Product Management		
6612 Sales		
6613 Product Advertising	216	
6620 Services		
6621 Call Completion Services	1,105	
6622 Number Services	2,239	
6623 Customer Services	172,021	
Total Customer Operations Expense	181,797	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	228,384	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	196,561	
6722 External Relations	20	
6723 Human Resources		
6724 Information Management	290	
6725 Legal	22,580	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	54,513	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	502,348	
TOTAL OPERATING EXPENSES	2,114,307	

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Council
 Prefix (es): 208-253

Central Office Switch _____ Type: DCO-RLS

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

Access Line Capacity
 Design: 1890
 Installed/Equipped: 1710

Access Lines in Use
 Customer Lines: 1040
 (Include Centrex, PAL, Semi-Pub.)
 Public Telephone Lines 6
 Company Official Lines 10
 Company Test Lines _____

Classification of Customer Access

	Residence		Subtotal Residence	Centrex N.A.R.	Business		Subtotal Business	Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party			Multi-Party	Multi-Line 1-Party		
Beginning of Year		877	877			218	218	1095
New Connects		98	98			17	17	115
Disconnects		145	145			25	25	170
End of Year		830	830			210	210	1040

Foreign Exchange:
 Dial Tone from this C.O.: 4
 Dial Tone from another C.O.: 0

Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 43

Custom Calling:
 Number of customers with at least one feature: 258
 Total number of features subscribed to: 13

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

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

Central Office Switch _____ Type: DCO-RLS

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

Access Line Capacity
Design: 720
Access Lines in Use
Customer Lines: 168
(Include Centrex, PAL, Semi-Pub.)
Installed/Equipped: 360
Public Telephone Lines _____
Company Official Lines 7
Company Test Lines _____

Classification of Customer Access

	Residence		Business				Total Residence & Business
	Multi-Line	Single Line	Multi-Party	Single Line	Multi-Party	Subtotal	
Beginning of Year	_____	_____	_____	_____	_____	_____	_____
New Connects	_____	_____	_____	_____	_____	_____	_____
Disconnects	_____	_____	_____	_____	_____	_____	_____
End of Year	_____	_____	_____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____	_____	_____	_____

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 8

Custom Calling:
Number of customers with at least one feature: 37
Total number of features subscribed to: 8

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

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

Central Office Switch Type: DCO-SE

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

Access Line Capacity
Design: 1080
Access Lines in Use
Customer Lines: 541
(Include Centrex, PAL, Semi-Pub.)
Installed/Equipped: 810
Public Telephone Lines 9
Company Official Lines 34
Company Test Lines _____

Classification of Customer Access

	Residence		Subtotal	Business		Subtotal	Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party		Multi-Line 1-Party	Single Line Multi-Party		
Beginning of Year		450	450		134	134	584
New Connects		55	55		8	8	63
Disconnects		81	81		25	25	106
End of Year		424	424		117	117	541

Foreign Exchange:
Dial Tone from this C.O.: 5
Dial Tone from another C.O.: 0
Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 37

Custom Calling:
Number of customers with at least one feature: 95
Total number of features subscribed to: 11

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Cuprum
Prefix (es): 258
Central Office Switch _____ Type: DCO-RLG

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

Access Line Capacity
Design: 96
Installed/Equipped: 90
Access Lines in Use
Customer Lines: 48
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines _____
Company Official Lines 1
Company Test Lines _____

Classification of Customer Access

	Residence		Subtotal	Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party		Multi-Party	Multi-Line 1-Party	Single Line 1-Party	
Beginning of Year		43	43		4		47
New Connects		4	4		1		5
Disconnects		1	1		3		4
End of Year		46	46		2		48

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

Custom Calling:
Number of customers with at least one feature: 9
Total number of features subscribed to: 3

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Lowman
Prefix (es): 259

Central Office Switch _____ Type: DCO-RLS

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

Access Line Capacity
Design: 1080
Access Lines in Use
Customer Lines: 233
(Include Centrex, PAL, Semi-Pub.)
Installed/Equipped: 450
Public Telephone Lines 4
Company Official Lines 10
Company Test Lines _____

Classification of Customer Access

	Residence		Subtotal	Centrex N.A.R.	Business		Subtotal	Total Residence & Business
	Multi- Line 1-Party	Single Line 1-Party			Multi- Party	Multi- Line 1-Party		
Beginning of Year		204	204			36	36	240
New Connects		24	24			11	11	35
Disconnects		36	36			6	6	42
End of Year		192	192			41	41	233

Foreign Exchange:
Dial Tone from this C.O.: 2
Dial Tone from another C.O.: 0

Custom Calling:
Number of customers with at least one feature: 44
Total number of features subscribed to: 11

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year)2001.

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	
1 253	1040	N/A		359,338	540,476	899,814	865
2 256	168			44,199	69,128	113,327	675
3 257	541			179,852	294,175	474,027	876
4 258	48			8,666	14,755	23,421	488
5 259	233			33,080	84,442	117,522	504
6							
7 TOTAL	2030			625,135	1,002,976	1,628,111	802
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

Last Update 8/99

CERTIFICATE

State of Idaho)
) ss
County of Washington)

WE, the undersigned Richard Wiggins

and _____

of the Cambridge 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.

Richard Wiggins
(Chief Officer)

Richard Wiggins
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 29th day of April, (Year) 2002.

Patricia Ann Grisbaum
Notary Public

My Commission expires November 7, (Year) 2005.



My Commission Expires
NOVEMBER 7, 2005