

Annual Report

OF

COLT

Columbine Telephone Company, Inc.

NAME

PO Box 226, 104101 Hwy 89, Freedom, WY 83120

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

December 31, 2003

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UTILITIES COMMISSION

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2006**

COMPANY INFORMATION

Exact name of utility: Columbine Telephone Company, Inc.
 Address of principal office: PO Box 226 104101 Hwy 89 Freedom, WY 83120
 Telephone Number Area Code (307) 883-2411 E-mail address: _____
 Cities or towns served: Idaho: Driggs, Victor, Tetonia; Wyoming: Alta, Leigh Canyon

Name and title of officer having custody of the general corporate books of account: _____
Allen R. Hoopes

Address of office where corporate books are kept and phone number: _____
PO Box 226 104101 Hwy 89 Freedom, WY 83120

Organized under the laws of the State of: Wyoming

Date of organization: Domesticated 12/23/04

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: Telecommunication Services
Silver Star Telephone Company, Inc.
PO Box 226 104101 Hwy 89 Freedom, WY 83120

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	Allen R. Hoopes	P.O. Box 226, Freedom, WY 83120
VP Operations	Ron B. McCue	P.O. Box 226, Freedom, WY 83120
VP Finance	Chad Turner	P.O. Box 226, Freedom, WY 83120

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
Melvin R. Hoopes	Indefinite	10	\$ 1,750
Allen R. Hoopes	Indefinite	10	\$ 1,750
Bonnie E. Hoopes	Indefinite	10	\$ 1,750
Jack Bentley	Indefinite	0	\$ -
Bradford E. Hoopes	Indefinite	5	\$ 875
Bob Foster	Indefinite	0	
Rod R. Jensen	Indefinite	9	\$ 1,625
W. Tom Davis	Indefinite	9	\$ 1,650
			\$ -

Name of Chairman of the Board: Melvin R. Hoopes

Name of Secretary (or Clerk) of Board: Bonnie E. Hoopes

Number of Meetings of the Board during the year: 10

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
Allen R. Hoopes	General Manager	\$ confidential
Ron B. McCue	VP Operations	\$ confidential
Sharon Urbanik	Customer Service Manager	\$ confidential
Chad H. Turner	VP Finance	\$ confidential
Robert S. Tanguay	Network Manager	\$ confidential
Aaron Jenkins	Engineering/Plant Manager	\$ confidential
Drew Izatt	Marketing Manager	\$ confidential

Note: These wages include all dollars paid to managers performing work for Silver Star Telephone as well as those dollars allocated to Columbine Telephone Company, dba Teton Telecom.

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.

NONE

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	714,705	322,699	(392,006)
1140 Special Cash Deposits			-
1150 Working Cash Advances	200	400	200
1160 Temporary Investments	213,132	257,639	44,507
1180 Telecommunications Accts. Receivable	113,837	151,558	37,720
1181 Accts. Rec. Allow. -Telecommunications			-
1190 Other Accounts Receivable	786,155	1,880,441	1,094,286
1191 Accounts Receivable Allow. - Other	14,000	14,000	-
1200 Notes Receivable	2,740,770	-	(2,740,770)
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable			-
1220 Material and Supplies	272,275	175,748	(96,527)
1280 Prepayments			-
1290 Prepaid Rents	3,350	3,350	-
1300 Prepaid Taxes			-
1310 Prepaid Insurance	16,755	16,934	179
1320 Prepaid Directory Expenses			-
1330 Other Prepayments			-
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies			-
1402 Investment in Nonaffiliated Companies	2,613,152	944,198	(1,668,954)
1406 Nonregulated Investments	4,122,776	5,182,561	1,059,785
1407 Unamortized Debt Issuance Expense			-
1408 Sinking Funds			-
1410 Other Noncurrent Assets	65,794	75,144	9,350
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges			-
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	23,425,926	28,408,699	4,982,773
2002 Prop. Held for Future Telecom. Use	30,000	30,000	-
2003 Telecom. Plant under Constr. - Short Term	1,728,081	645,203	(1,082,879)
2004 Telecom. Plant under Constr. - Long Term			-
2005 Telecom. Plant Adjustment	2,637,771	2,637,771	-
2006 Nonoperating Plant			-
2007 Goodwill			-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(13,545,338)	(15,319,915)	(1,774,577)
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	(1,516,689)	(1,692,537)	(175,848)
3600 Accumulated Amortization - Other	(42,025)	(61,698)	(19,673)
TOTAL ASSETS	24,394,628	23,672,193	(722,435)

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	671,860	1,005,043	333,182
4020 Notes Payable	-	1,263,129	1,263,129
4030 Advance Billings and Payments	-	-	-
4040 Customer Deposits	11,434	18,095	6,661
4050 Current Maturities - Long -Term Debt	403,058	849,192	446,134
4060 Current Maturities - Capital leases	-	-	-
4070 Income Taxes - Accrued	64,339	-	(64,339)
4080 Other Taxes - Accrued	7,801	5,121	(2,680)
4100 Net Current Defer. Oper. Income Taxes	(82,870)	(20,717)	62,153
4110 Net Current Defer. Nonoper. Income Taxes	-	-	-
4120 Other Accrued Liabilities	312,976	243,254	(69,722)
4130 Other Current Liabilities	-	-	-
Long-Term Debt			
4210 Funded Debt	12,174,207	8,277,963	(3,896,244)
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	883,095	-	(883,095)
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities	-	-	-
4320 Unamort. Oper. Invest. Tax Credits - Net	186,923	156,295	(30,628)
4330 Unamort. Nonoper. Invest. Tax Credits - Net	-	-	-
4340 Net Noncurrent Defer. Oper. Income Taxes	725,943	664,136	(61,807)
4350 Net Noncur. Defer. Nonoper. Income Taxes	155,663	214,226	58,563
4360 Other Deferred Credits	833,835	1,400,602	566,766
4370 Other Juris. Liab. & Def. Credits - Net	-	-	-
Stockholders' Equity			
4510 Capital Stock	11,483	11,483	-
4520 Additional Paid-In Capital	872,960	2,168,050	1,295,090
4530 Treasury Stock	-	-	-
4540 Other Capital	302,164	415,845	113,681
4550 Retained Earnings	6,859,755	7,000,476	140,721
	-	-	-
TOTAL LIAB. & OTHER CREDITS	24,394,628	23,672,193	(722,435)

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					
1410 Internet Equipment	65,794	9,350	-		75,144
2111 Land	408,020	-	-		408,020
2112 Motor Vehicles	462,650	113,056	-		575,705
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	493,665	13,161	-		506,826
2121 Buildings	676,888	3,494,029	-		4,170,917
2122 Furniture	29,177	217,301	-		246,478
2123 Office Equipment	30,997	63,767	-		94,764
2124 General Purpose Computers	204,876	9,609	-		214,485
2211 Analog Electronic Switching	938,845	-	(4,905)		933,941
2212 Digital Electronic Switching		-			
2215 Electro-Mechanical Switching		-			
2220 Operator Systems		-			
2231 Radio Systems	594,791	-	(1,395)	969	594,365
2232 Circuit Equipment	4,235,373	276,399	(111,120)	(21,042)	4,379,611
2311 Station Apparatus		-			
2321 Customer Premises Wiring		-			
2341 Large Private Branch Exchanges		-			
2351 Public Telephone Terminal Equipment		-			
2362 Other Terminal Equipment		-			
2411 Poles	103,273	-			103,273
2421 Aerial Cable	125,469	-			125,469
2422 Underground Cable	196,868	-			196,868
2423 Buried Cable	14,455,208	938,100	(5,157)		15,388,151
2424 Submarine Cable		-			
2426 Intrabuilding Network Cable	11,044	-			11,044
2431 Aerial Wire	20,991	-			20,991
2441 Conduit Systems	416,150	-			416,150
2681 Capital Leases	21,640	-			21,640
2682 Leasehold Improvements		-			
2690 Intangibles		-			
TOTAL PLANT ACCOUNTS	23,491,721	5,134,772	(122,577)	(20,073)	28,483,843

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					
1410 Internet Equipment	65,794	9,350	-	-	75,144
2111 Land	408,020	-	-	-	408,020
2112 Motor Vehicles	462,650	113,056	-	-	575,705
2113 Aircraft	-	-	-	-	-
2114 Special Purpose Vehicles	-	-	-	-	-
2115 Garage Work Equipment	-	-	-	-	-
2116 Other Work Equipment	493,665	13,161	-	-	506,826
2121 Buildings	510,692	3,541,731	-	-	4,052,423
2122 Furniture	29,177	217,301	-	-	246,478
2123 Office Equipment	30,997	63,767	-	-	94,764
2124 General Purpose Computers	204,876	9,609	-	-	214,485
2211 Analog Electronic Switching	-	-	-	-	-
2212 Digital Electronic Switching	938,845	-	(4,905)	-	933,941
2215 Electro-Mechanical Switching	-	-	-	-	-
2220 Operator Systems	-	-	-	-	-
2231 Radio Systems	537,334	-	(1,395)	969	536,908
2232 Circuit Equipment	4,122,648	278,430	(111,120)	(21,042)	4,268,916
2311 Station Apparatus	-	-	-	-	-
2321 Customer Premises Wiring	-	-	-	-	-
2341 Large Private Branch Exchanges	-	-	-	-	-
2351 Public Telephone Terminal Equipment	-	-	-	-	-
2362 Other Terminal Equipment	-	-	-	-	-
2411 Poles	103,273	-	-	-	103,273
2421 Aerial Cable	125,011	-	-	-	125,011
2422 Underground Cable	196,868	-	-	-	196,868
2423 Buried Cable	13,768,411	921,975	(5,157)	-	14,675,228
2424 Submarine Cable	-	-	-	-	-
2426 Intrabuilding Network Cable	11,044	-	-	-	11,044
2431 Aerial Wire	20,991	-	-	-	20,991
2441 Conduit Systems	416,150	-	-	-	416,150
2681 Capital Leases	-	-	-	-	-
2682 Leasehold Improvements	21,640	-	-	-	21,640
2690 Intangibles	-	-	-	-	-
TOTAL PLANT ACCOUNTS	22,458,086	5,168,379	(122,577)	(20,073)	27,483,816

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							
1410 Internet	42,025	33.33%		19,673		61,698	
2112 Motor Vehicles	295,790	25.00%		39,123	-	334,913	
2113 Aircraft				-	-		
2114 Special Purpose Vehicles				-	-		
2115 Garage Work Equipment	492,854	20.00%		13,972	-	506,826	
2116 Other Work Equipment	300,914	5.00%		64,614	-	365,529	
2121 Buildings	29,177	14.00%		5,751	-	34,928	
2122 Furniture	30,997	20.00%		2,990	-	33,986	
2123 Office Equipment	201,114	33.33%		13,371	-	214,485	
2124 General Purpose Computers							
2211 Analog Electronic Switching	351,987	12.00%		112,661	(4,905)	459,744	
2212 Digital Electronic Switching							
2215 Electro-Mechanical Switching							
2220 Operator Systems							
2231 Radio Systems	594,692	20.00%		969	(1,395)	594,266	
2232 Circuit Equipment	2,544,430	12.50%		533,170	(111,120)	2,966,480	
2311 Station Apparatus							
2321 Customer Premises Wiring							
2341 Large Private Branch Exchanges							
2351 Public Telephone Terminal Equipment							
2362 Other Terminal Equipment							
2411 Poles	103,273	7.50%		-	-	103,273	
2421 Aerial Cable	109,064	8.60%		10,790	-	119,854	
2422 Underground Cable	141,073	10.00%		19,687	-	160,760	
2423 Buried Cable	8,191,756	6.50%		1,058,729	(5,157)	9,245,328	
2682 Amortize Leasehold Improvemnts	21,640	Amortize 18 Months		-	-	21,640	
2426 Intrabuilding Network Cable	10,526	6.50%		519	-	11,044	
2431 Aerial Wire	21,188			-	-	21,188	
2441 Conduit Systems	104,862	5.00%		20,808	-	125,670	
TOTAL	13,587,363			1,916,827	(122,577)	15,381,613	

*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					
1410 Internet	42,025	33.33%	19,673	-	61,698
2112 Motor Vehicles	295,790	25.00%	39,123	-	334,913
2113 Aircraft			-	-	
2114 Special Purpose Vehicles			-	-	
2115 Garage Work Equipment			-	-	
2116 Other Work Equipment	492,854	20.00%	13,972	-	506,826
2121 Buildings	257,464	5.00%	54,913	-	312,377
2122 Furniture	29,177	14.00%	5,751	-	34,928
2123 Office Equipment	30,997	20.00%	2,990	-	33,986
2124 General Purpose Computers	201,114	33.33%	13,371	-	214,485
2211 Analog Electronic Switching			-	-	
2212 Digital Electronic Switching	351,987	12.00%	112,661	(4,905)	459,744
2215 Electro-Mechanical Switching			-	-	
2220 Operator Systems			-	-	
2231 Radio Systems	537,235	20.00%	1,068	(1,395)	536,908
2232 Circuit Equipment	2,491,523	12.50%	526,870	(111,120)	2,907,272
2311 Station Apparatus			-	-	
2321 Customer Premises Wiring			-	-	
2341 Large Private Branch Exchanges			-	-	
2351 Public Telephone Terminal Equipment			-	-	
2362 Other Terminal Equipment			-	-	
2411 Poles	103,273	7.50%	-	-	103,273
2421 Aerial Cable	109,793	8.60%	9,602	-	119,395
2422 Underground Cable	141,073	10.00%	19,687	-	160,760
2423 Buried Cable	7,611,415	6.50%	1,010,340	(5,157)	8,616,598
2682 Amortize Leasehold Improvements	21,640	Amortize 18 Month:	-	-	21,640
2426 Intra Building Network Cable	10,526	6.50%	519	-	11,044
2431 Aerial Wire	21,188		-	-	21,188
2441 Conduit Systems	104,862	5.00%	20,808	-	125,670
TOTAL	12,853,936		1,851,347	(122,577)	14,582,707

*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 Certificates	1997	_____	301,722
RTFC Certificates	2003	_____	533,779
Syringa	2000	_____	942,525
Valley Wireless	2003	_____	585,875
Wells Fargo-New Century	2003	_____	5,182,561
Goldstar	2005	_____	-1574142
_____	_____	_____	_____
_____	_____	_____	_____
Totals	_____	_____	_____

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 (1180)	_____	151,558
Neca (1190)	_____	475,171
Sprint (1190)	_____	110
ATT (1190)	_____	52,352
Other Interexchange Carriers)	_____	447,153
Other (1190)	_____	49,907
Schools & Libraries (1190)	_____	11,796
Affiliates (1190)	_____	761,952
Prepaid Income Taxes (1190)	_____	110,000
Bad Debt (1191)	_____	(14,000)
Shareholders (1210)	-	_____
_____	_____	_____
_____	_____	_____
Totals	-	2,045,998

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>
Affiliates	857,814
Neca	52,742
Taxes	6,643
U.S. West	77
Other Carriers	(3,701)
Employee Payroll / Benefits	96,651
Totals	1,010,227

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</u>		<u>Interest for year</u>	
					<u>Total</u>	<u>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RTFC Note	5/7/1997	2012	10,000,000	5,226,301			5.50%	355,397
RTFC LOC	2003	2004	2,000,000	-			4.70%	97,824
RTFC HTC	2003	2018	4,116,126	3,464,473			6.50%	229,511
Bauchman	2003	2005	379,773	-			6.50%	24,320
Curtis Note	12/3/1996	2006	240,000	479			8.00%	(43,631)
Ford Motor	10/1/2001	2004	24,908	-				
Silver Star Telephone	2003	2006	1,274,040	-			1.68%	21,050
Four Star	2003	2007	435,902	435,902			1.68%	6,970
Less Current Portion				(849,192)				
Total Long Term Debt (Page 5)				8,277,963				

CAPITAL STOCK

Report below the particulars called for concerning common and preferred stock at end of year, designating separate series of any general class. Show totals separately for common and preferred.

For each class of preferred stock, show the dividend rate and whether dividends are cumulative or noncumulative.

Show details in a footnote of capital stock sold during the year. Include number of shares, consideration received, premium or discount, and expenses incurred.

<u>Class & Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
Common Stock Voting	25,000	1	2500	2500
Common Stock Non-voting	75,000	1	8983	8983

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	8,130,967	7,643,109
Total Operating Expenses (from page 18)	(6,167,201)	(5,797,169)
7100 Other Operating Income and Expense	_____	_____
7210 Operating Investment Tax Credits-Net	(31,071)	(29,207)
7220 Operating Federal Income Taxes	492,799	463,231
7230 Operating State and Local Income Taxes	(20,097)	(18,891)
7240 Operating Other Taxes	54,801	51,513
7250 Provision for Deferred Operating Income Taxes-Net	64,589	60,714
7200 Operating Taxes (Total)	561,021	527,359
7310 Dividend Income	(87,817)	(82,548)
7320 Interest Income	(70,726)	(66,482)
7330 Income from Sinking and Other Funds	_____	-
7340 Allowance for Funds Used During Construction	(147,204)	(138,372)
7350 Gains/Losses from the Disposition of Certain Property	_____	-
7360 Other Nonoperating Income	1,639,782	1,541,395
7370 Special Charges	30,216	28,403
7300 Nonoperating Income and Expense	1,364,251	1,282,396
7410 Nonoperating Investment Tax Credits-Net	_____	_____
7420 Nonoperating Federal Income Taxes	(448,795)	(421,867)
7430 Nonoperating State and Local Income Taxes	(38,307)	(36,009)
7440 Nonoperating Other Taxes	_____	-
7450 Provision for Deferred Nonoperating Income Taxes-Net	(47,345)	(44,504)
7400 Nonoperating Taxes	(534,447)	(502,380)
7510 Interest on Funded Debt	750,435	705,408
7520 Interest Expense-Capital Leases	_____	-
7530 Amortization of Debt Issuance Expense	_____	-
7540 Other Interest Deductions	8,709	8,186
7500 Interest and Related Items	759,143	713,595
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	282,686	265,725
AMOUNT TRANSFERRED TO RETAINED EARNINGS	96,484	90,695

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	1,573,133	1,478,745
5002 Optional Extended Area Revenue	-	-
5003 Cellular Mobile Revenue	-	-
5004 Other Mobile Services Revenue	-	-
5010 Public Telephone Revenue	420	395
5040 Local Private Line Revenue	67,779	63,712
5050 Customer Premises Revenue	-	-
5060 Other Local Exchange Revenue	304,939	286,643
5069 Other Local Exchange Settlements	2,490,013	2,340,613
Network Access Services Revenues		
5081 End User Revenue (SLC)	426,769	401,163
5082 Switched Access Revenue (Interstate)	2,273,759	2,137,333
5083 Special Access Revenue	614,722	577,839
5084 State Access Revenue (Intrastate)	161,742	152,038
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	-	-
Miscellaneous Revenues		
5230 Directory Revenue	51,196	48,124
5240 Rent Revenue	16,071	15,107
5250 Corporate Operations Revenue	-	-
5261 Special Billing Arrangements Revenue	-	-
5262 Customer Operations Revenue	-	-
5263 Plant Operations Revenue	-	-
5264 Other Incidental Regulated Revenue	84,100	79,054
5269 Other Revenue Settlements	-	-
5270 Carrier Billing & Collection Revenue	93,726	88,103
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(7,535)	(7,083)
5302 Uncollectible Revenue - Other	(19,869)	(18,677)
	-	-
TOTAL OPERATING REVENUES	8,130,967	7,643,109

Please identify the following revenues:

NECA USF	\$ <u>2,486,685</u>	To what account were they booked?	5069.1
State USF	\$ <u>-</u>	To what account were they booked?	5069.22

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	-	-
6112 Motor Vehicle Expense	1,307	1,229
6113 Aircraft Expense	-	-
6114 Special Purpose Vehicles Expense	-	-
6115 Garage Work Equipment Expense	-	-
6116 Other Work Equipment Expense	-	-
6120 General Support Expenses	-	-
6121 Land and Building Expenses	236,874	222,662
6122 Furniture and Artworks Expense	34,350	32,289
6123 Office Equipment Expense	17,532	16,480
6124 General Purpose Computers Expense	199,092	187,146
6210 Central Office Switching Expenses	-	-
6211 Analog Electronic Expense	-	-
6212 Digital Electronic Expense	250,720	235,677
6215 Electro-Mechanical Expense	-	-
6220 Operators System Expense	-	-
6230 Central Office Transmission Expenses	-	-
6231 Radio Systems Expense	5,565	5,231
6232 Circuit Equipment Expense	123,484	116,075
6310 Information Origination/Termination Expense	-	-
6311 Station Apparatus Expense	-	-
6341 Large Private Branch Exchange Expense	-	-
6351 Public Telephone Terminal Equipment Expense	6,617	6,220
6362 Other Terminal Equipment Expense	-	-
6410 Cable and Wire Facilities Expenses	-	-
6411 Pole Expense	-	-
6421 Aerial Cable Expense	3,575	3,360
6422 Underground Cable Expense	-	-
6423 Buried Cable Expense	1,385,765	1,302,619
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	2,264,880	2,128,988

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	-	-
6530 Network Operations Expense	-	-
6531 Power Expense	-	-
6532 Network Administration Expense	11,775	11,069
6533 Testing Expense	21,809	20,500
6534 Plant Operations Administration Expense	73,515	69,104
6535 Engineering Expense	135,654	127,514
6540 Access Expense	38,789	36,462
6560 Depreciation and Amortization Expenses	-	-
6561 Depreciation Expense-Telecom. Plant in Service	1,926,862	1,811,250
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	2,208,404	2,075,900
Customer Operations Expense		
6610 Marketing	-	-
6611 Product Management	-	-
6612 Sales	110,318	103,699
6613 Product Advertising	33,531	31,519
6620 Services	-	-
6621 Call Completion Services	-	-
6622 Number Services	39,440	37,074
6623 Customer Services	469,427	441,261
Total Customer Operations Expense	652,716	613,553
Corporate Operations Expense		
6710 Executive and Planning	-	-
6711 Executive	254,775	239,488
6712 Planning	66,641	62,642
6720 General and Administrative	-	-
6721 Accounting and Finance	272,433	256,087
6722 External Relations	89,410	84,046
6723 Human Resources	95,250	89,535
6724 Information Management	-	-
6725 Legal	56,868	53,456
6726 Procurement	11,604	10,907
6727 Research and Development	-	-
6728 Other General and Administrative	194,220	182,567
6790 Provision for Uncollectible Notes Receivable	-	-
Total Corporate Operations Expense	1,041,201	978,729
TOTAL OPERATING EXPENSES	6,167,201	5,797,169

CENTRAL OFFICE DATA
as of December 31, 2006_ (unless otherwise indicated)

Name of Central Office: Driggs, Idaho
Prefix (es): 354, 787*, 456* *Served Via Concentrators

Central Office Switch Type: DMS 10

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

Access Line Capacity
Design: **Access Lines in Use**
Customer Lines: 4266
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: Public Telephone Lines 12
Company Official Lines 61
Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Business	
Beginning of Year		3117	3117	757	288	1045	4162
New Connects		15	15	30	24	54	69
Disconnects		20	20	38	42	80	100
End of Year		3146	3146	832	288	1120	4266

Foreign Exchange: 3112 **Directory Listings:** 156
Dial Tone from this C.O.: Number of Customers with Nonpublished or Nonlisted:
Dial Tone from another C.O.:

Custom Calling:
Number of customers with at least one feature: N/A
Total number of features subscribed to: N/A

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2006

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 _____	_____	_____	_____	_____	_____	_____	_____
2 _____	_____	_____	_____	_____	_____	_____	_____
3 _____	_____	_____	_____	_____	_____	_____	_____
4 _____	_____	_____	_____	_____	_____	_____	_____
5 <u>208/354</u>	_____	216,647	_____	78,890	1,280,447	1,353,337	_____
6 <u>208/787</u>	_____	109,746	_____	44,911	959,762	1,004,673	_____
7 <u>208/456</u>	_____	54,352	_____	21,709	315,284	336,993	_____
8 _____	_____	_____	_____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____	_____	_____	_____
10 _____	_____	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
12 _____	_____	_____	_____	_____	_____	_____	_____
13 _____	_____	_____	_____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____	_____	_____	_____
18 _____	_____	_____	_____	_____	_____	_____	_____

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2006.

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 _____

Included in directory Yes _____ No _____

Date of notification _____

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 2

Category of complaints (if known):

Deposit Disputes _____

Charges on Bill 2

Denial/Termination _____

Quality or Availability
of Service _____

Carrier Selection/Assignment _____

Miscellaneous _____

CERTIFICATE

State of ~~Delaware~~ Wyoming) ss
County of ~~Delaware~~ Lincoln)

WE, the undersigned Allen Hoopes
and Chad Turner
of the Columbine Telephone Co., Inc. utility,

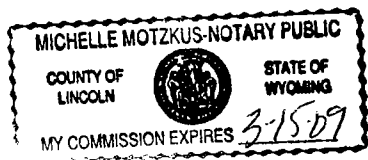
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

Allen R. Hoopes
(Chief Officer)

Chad Turner
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 27th day of April, (Year) 2007.

Michelle Motzkus
Notary Public



My Commission expires _____, (Year) _____.