

COL-T
Annual Report

OF

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, 2009

RECEIVED
2010 MAY -3 AM 8:32
IDAHO PUBLIC
UTILITIES COMMISSION

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2009**

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
Chief Operation Officer	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	1	\$ 116
Allen R. Hoopes	Indefinite	6	\$ 697
Jack Bentley	Indefinite	6	\$ 697
Bob Foster	Indefinite	6	\$ 697
Rod R. Jensen	Indefinite	5	\$ 581
Peggy Zimmer	Indefinite	6	\$ 697

Name of Chairman of the Board: Melvin R. Hoopes

Name of Secretary (or Clerk) of Board: Michelle Motzkus

Number of Meetings of the Board during the year: 6

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 / President	Confidential
Ron B. McCue	Chief Operation Officer	Confidential
Chad H. Turner	VP Finance	Confidential
George Scherer	Director of Human Resource	Confidential
Brad Madison	Director of Operations	Confidential
Robert S. Tanguay	Operations Manager	Confidential
Karen Ricks	Engineering Manager	Confidential
Heath Jensen	Operations Supervisor	Confidential
Caryl Wilkerson	Customer Service Manager	Confidential
Jennifer Brannen	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	143,882	433,794	289,912
1140 Special Cash Deposits			-
1150 Working Cash Advances	400	200	(200)
1160 Temporary Investments	239,360	23,587	(215,773)
1180 Telecommunications Accts. Receivable	189,795	234,878	45,083
1181 Accts. Rec. Allow. -Telecommunications	(30,000)	(30,000)	-
1190 Other Accounts Receivable	1,507,830	2,639,888	1,132,059
1191 Accounts Receivable Allow. - Other	14,000	14,000	-
1200 Notes Receivable	-	-	-
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable			-
1220 Material and Supplies	100,019	127,814	27,796
1280 Prepayments			-
1290 Prepaid Rents	3,350	3,350	-
1300 Prepaid Taxes			-
1310 Prepaid Insurance	112,869	51,453	(61,416)
1320 Prepaid Directory Expenses			-
1330 Other Prepayments			-
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies			-
1402 Investment in Nonaffiliated Companies	2,613,181	2,579,484	(33,697)
1406 Nonregulated Investments	610,330	241,854	(368,476)
1407 Unamortized Debt Issuance Expense			-
1408 Sinking Funds			-
1410 Other Noncurrent Assets	86,027	86,027	-
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges	-	3,754	3,754
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	33,556,826	33,944,467	387,641
2002 Prop. Held for Future Telecom. Use	30,000	30,000	-
2003 Telecom. Plant under Constr. - Short Term	657,198	208,640	(448,558)
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	(19,672,992)	(21,517,328)	(1,844,337)
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	(2,044,233)	(2,220,081)	(175,848)
3600 Accumulated Amortization - Other	(86,027)	(86,749)	(723)
TOTAL ASSETS	20,669,586	19,406,803	(1,262,783)

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	237,585	1,009,883	772,298
4020 Notes Payable	300,000	-	(300,000)
4030 Advance Billings and Payments			-
4040 Customer Deposits	58,840	58,130	(710)
4050 Current Maturities - Long -Term Debt		1,048,994	1,048,994
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued	-	-	-
4080 Other Taxes - Accrued	6,654	491	(6,163)
4100 Net Current Defer. Oper. Income Taxes	(10,084)	(39,303)	(29,219)
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities	251,362	256,342	4,980
4130 Other Current Liabilities			-
Long-Term Debt			
4210 Funded Debt	3,893,654	1,869,466	(2,024,189)
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	141,295	126,295	(15,000)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	290,587	108,615	(181,972)
4350 Net Noncur. Defer. Nonoper. Income Taxes	13,377	(3,839)	(17,216)
4360 Other Deferred Credits	3,005,633	2,827,072	(178,561)
4370 Other Juris. Liab. & Def. Credits - Net			-
Stockholders' Equity			
4510 Capital Stock	11,483	11,483	-
4520 Additional Paid-In Capital	8,486,310	8,486,310	-
4530 Treasury Stock			-
4540 Other Capital	25,961	(7,453)	(33,414)
4550 Retained Earnings	3,956,929	3,654,317	(302,613)
			-
TOTAL LIAB. & OTHER CREDITS	20,669,586	19,406,803	(1,262,783)

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
1410 Internet Equipment	86,027	-	-		86,027
2111 Land	718,557	-	-		718,557
2112 Motor Vehicles	581,213	-	(30,765)		550,448
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	622,146	15,776	-		637,921
2121 Buildings	4,449,255	35,484	-		4,484,738
2122 Furniture	246,478	-	-		246,478
2123 Office Equipment	124,901	28,287	-		153,188
2124 General Purpose Computers	273,595	8,365	-		281,961
2211 Analog Electronic Switching		-	-		
2212 Digital Electronic Switching	975,227	354,181	(446,444)		882,964
2215 Electro-Mechanical Switching		-	-		
2220 Operator Systems		-	-		
2231 Radio Systems	569,191	-	(311,985)	(7,127)	250,080
2232 Circuit Equipment	5,230,663	310,543	(141,272)		5,399,934
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	126,340	-	-		126,340
2422 Underground Cable	196,868	-	-		196,868
2423 Buried Cable	18,868,676	572,597	-		19,441,273
2424 Submarine Cable		-	-		
2426 Intrabuilding Network Cable	11,044	-	-		11,044
2431 Aerial Wire	21,608	-	-		21,608
2441 Conduit Systems	416,150	-	-		416,150
2681 Capital Leases		-	-		
2682 Leasehold Improvements	21,640	-	-		21,640
2690 Intangibles		-	-		
TOTAL PLANT ACCOUNTS	33,642,853	1,325,233	(930,465)	(7,127)	34,030,493

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
1410 Internet Equipment	86,027	-	-		86,027
2111 Land	718,557	-	-		718,557
2112 Motor Vehicles	581,213	-	(30,765)		550,448
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	622,146	15,776	-		637,921
2121 Buildings	4,322,421	18,141	-		4,340,562
2122 Furniture	246,478	-	-		246,478
2123 Office Equipment	124,901	28,287	-		153,188
2124 General Purpose Computers	273,595	8,365	-		281,961
2211 Analog Electronic Switching		-	-		
2212 Digital Electronic Switching	975,227	354,181	(446,444)		882,964
2215 Electro-Mechanical Switching		-	-		
2220 Operator Systems		-	-		
2231 Radio Systems	495,905	-	(311,985)	(7,127)	176,794
2232 Circuit Equipment	5,105,439	310,543	(141,272)		5,274,710
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	125,881	-	-		125,881
2422 Underground Cable	196,868	-	-		196,868
2423 Buried Cable	18,130,077	541,158	-		18,671,235
2424 Submarine Cable		-	-		
2426 Intrabuilding Network Cable	11,044	-	-		11,044
2431 Aerial Wire	21,608	-	-		21,608
2441 Conduit Systems	416,150	-	-		416,150
2681 Capital Leases		-	-		
2682 Leasehold Improvements	21,640	-	-		21,640
2690 Intangibles		-	-		
TOTAL PLANT ACCOUNTS	32,578,452	1,276,451	(930,465)	(7,127)	32,917,310

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					
1410 Internet	86,027	33.33%	723		86,749
2112 Motor Vehicles	400,555	25.00%	60,392	(30,765)	430,182
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	577,891	20.00%	60,031		637,921
2121 Buildings	796,977	5.00%	222,801		1,019,778
2122 Furniture	103,942	14.00%	34,507		138,449
2123 Office Equipment	74,453	20.00%	26,866		101,319
2124 General Purpose Computers	270,777	33.33%	8,841		279,619
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	669,849	12.00%	118,482	(446,444)	341,888
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	569,191	20.00%		(311,985)	257,206
2232 Circuit Equipment	3,825,886	12.50%	778,949	(141,272)	4,463,563
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	126,340	8.60%			126,340
2422 Underground Cable	193,428	10.00%	3,440		196,868
2423 Buried Cable	11,738,851	6.50%	1,439,685		13,178,537
2682 Amortize Leasehold Improvemnts	21,640	Amortize 18 Months			21,640
2426 Intrabuilding Network Cable	11,044	6.50%			11,044
2431 Aerial Wire	21,608				21,608
2441 Conduit Systems	167,285	5.00%	20,808		188,093
TOTAL	19,759,018		2,775,525	(930,465)	21,604,078

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

		IDAHO Operations Only			Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*					
Analysis of Entries in Accumulated Depreciation							
1410	Internet	86,027	33.33%	723	-	86,749	
2112	Motor Vehicles	400,555	25.00%	60,392	(30,765)	430,182	
2113	Aircraft						
2114	Special Purpose Vehicles						
2115	Garage Work Equipment						
2116	Other Work Equipment	577,891	20.00%	60,031	-	637,921	
2121	Buildings	731,594	5.00%	216,242	-	947,837	
2122	Furniture	103,942	14.00%	34,507	-	138,449	
2123	Office Equipment	74,453	20.00%	26,866	-	101,319	
2124	General Purpose Computers	270,777	33.33%	8,841	-	279,619	
2211	Analog Electronic Switching						
2212	Digital Electronic Switching	669,849	12.00%	118,482	(446,444)	341,888	
2215	Electro-Mechanical Switching						
2220	Operator Systems						
2231	Radio Systems	495,905	20.00%	-	(311,985)	183,920	
2232	Circuit Equipment	3,764,046	12.50%	763,296	(141,272)	4,386,069	
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	125,881	8.60%	-	-	125,881	
2422	Underground Cable	193,428	10.00%	3,440	-	196,868	
2423	Buried Cable	11,012,019	6.50%	1,412,608	-	12,424,626	
2682	Amortize Leasehold Improvements	21,640	Amortize 18 Month:	-	-	21,640	
2426	Intrabuilding Network Cable	11,044	6.50%	-	-	11,044	
2431	Aerial Wire	21,608		-	-	21,608	
2441	Conduit Systems	167,285	5.00%	20,808	-	188,093	
	TOTAL	18,831,218		2,726,235	(930,465)	20,626,988	

*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		172,149
RTFC Certificates	2003		211,167
Syringa	2000		1,586,787
Valley Wireless	2003		576,430
Wells Fargo-New Century	2003		241,854
Totals			2,788,387

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)		234,878
Bad Debt (1181)		(30,000)
Neca (1190)		455,001
Sprint (1190)		-
ATT (1190)		32,790
Other Interexchange Carriers)		124,953
Other (1190)		250,800
Schools & Libraries (1190)		11,544
Affiliates (1190)		1,792,800
Prepaid Income Taxes (1190)		0
Bad Debt (1191)		(14,000)
Shareholders (1210)		
Totals	-	2,858,767

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	797,389
Neca	62,223
Taxes	3,465
U.S. West	(394)
Other Carriers	(3,584)
Employee Payroll / Benefits	150,964
Totals	1,010,064

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/ Total</u>	<u>Discount Year Amortized</u>	<u>Interest for year Rate</u>	<u>Amount</u>
RTFC Note	5/7/1997	2012	10,000,000	2,460,218			5.50%	195,652
Four Star	2003	2010	435,902	458,242			1.68%	7,997
Less Current Portion				(1,048,994)				
Total Long Term Debt (Page 5)				1,869,466				

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)	9,314,663	8,830,301
Total Operating Expenses (from page 18)	<u>(8,005,617)</u>	<u>(7,589,325)</u>
7100 Other Operating Income and Expense	<u> </u>	<u> </u>
7210 Operating Investment Tax Credits-Net	<u>(15,000)</u>	<u>(14,220)</u>
7220 Operating Federal Income Taxes	<u>693,051</u>	<u>657,012</u>
7230 Operating State and Local Income Taxes	<u>15,437</u>	<u>14,634</u>
7240 Operating Other Taxes	<u>56,947</u>	<u>53,986</u>
7250 Provision for Deferred Operating Income Taxes-Net	<u>(190,399)</u>	<u>(180,498)</u>
7200 Operating Taxes (Total)	<u>560,036</u>	<u>530,914</u>
7310 Dividend Income	<u>(14,926)</u>	<u>(14,150)</u>
7320 Interest Income	<u>(4,014)</u>	<u>(3,805)</u>
7330 Income from Sinking and Other Funds	<u> </u>	<u> </u>
7340 Allowance for Funds Used During Construction	<u>-</u>	<u>-</u>
7350 Gains/Losses from the Disposition of Certain Property	<u> </u>	<u> </u>
7360 Other Nonoperating Income	<u>256,114</u>	<u>242,796</u>
7370 Special Charges	<u>(104,125)</u>	<u>(98,710)</u>
7300 Nonoperating Income and Expense	<u>133,050</u>	<u>126,131</u>
7410 Nonoperating Investment Tax Credits-Net	<u> </u>	<u> </u>
7420 Nonoperating Federal Income Taxes	<u>25,281</u>	<u>23,966</u>
7430 Nonoperating State and Local Income Taxes	<u>2,231</u>	<u>2,115</u>
7440 Nonoperating Other Taxes	<u> </u>	<u> </u>
7450 Provision for Deferred Nonoperating Income Taxes-Net	<u>(27,512)</u>	<u>(26,081)</u>
7400 Nonoperating Taxes	<u>-</u>	<u>-</u>
7510 Interest on Funded Debt	<u>208,692</u>	<u>197,840</u>
7520 Interest Expense-Capital Leases	<u> </u>	<u> </u>
7530 Amortization of Debt Issuance Expense	<u> </u>	<u> </u>
7540 Other Interest Deductions	<u>7,997</u>	<u>7,581</u>
7500 Interest and Related Items	<u>216,689</u>	<u>205,422</u>
7610 Extraordinary Income Credits	<u> </u>	<u> </u>
7620 Extraordinary Income Charges	<u> </u>	<u> </u>
7630 Current Income Tax Effect of Extraordinary Items-Net	<u> </u>	<u> </u>
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	<u> </u>	<u> </u>
7600 Extraordinary Items	<u> </u>	<u> </u>
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	<u> </u>	<u> </u>
7990 Nonregulated Net Income	<u>436,465</u>	<u>413,769</u>
AMOUNT TRANSFERRED TO RETAINED EARNINGS	<u>835,736</u>	<u>792,277</u>

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	1,443,583	1,368,516
5002 Optional Extended Area Revenue	-	-
5003 Cellular Mobile Revenue	-	-
5004 Other Mobile Services Revenue	-	-
5010 Public Telephone Revenue	-	-
5040 Local Private Line Revenue	132,648	125,750
5050 Customer Premises Revenue	-	-
5060 Other Local Exchange Revenue	251,936	238,835
5069 Other Local Exchange Settlements	2,941,885	2,788,907
Network Access Services Revenues		
5081 End User Revenue (SLC)	438,873	416,052
5082 Switched Access Revenue (Interstate)	2,794,781	2,649,453
5083 Special Access Revenue	991,757	940,186
5084 State Access Revenue (Intrastate)	129,728	122,982
Long Distance Network Services Revenues	-	-
5100 Long Distance Message Revenue - All	-	-
Miscellaneous Revenues		
5230 Directory Revenue	62,354	59,111
5240 Rent Revenue	22,378	21,215
5250 Corporate Operations Revenue	-	-
5261 Special Billing Arrangements Revenue	-	-
5262 Customer Operations Revenue	-	-
5263 Plant Operations Revenue	-	-
5264 Other Incidental Regulated Revenue	50,491	47,866
5269 Other Revenue Settlements	-	-
5270 Carrier Billing & Collection Revenue	78,748	74,653
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(7,154)	(6,782)
5302 Uncollectible Revenue - Other	(17,344)	(16,442)
TOTAL OPERATING REVENUES	9,314,663	8,830,301

Please identify the following revenues:

NECA USF	\$ 2,938,045	To what account were they booked?	5069.10
State USF	\$ -	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	1,122	1,064
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	248,731	235,797
6122 Furniture and Artworks Expense	11,660	11,054
6123 Office Equipment Expense	20,709	19,633
6124 General Purpose Computers Expense	341,176	323,435
6210 Central Office Switching Expenses	-	-
6211 Analog Electronic Expense	-	-
6212 Digital Electronic Expense	215,905	204,678
6215 Electro-Mechanical Expense	-	-
6220 Operators System Expense	-	-
6230 Central Office Transmission Expenses	-	-
6231 Radio Systems Expense	-	-
6232 Circuit Equipment Expense	267,493	253,583
6310 Information Origination/Termination Expense	-	-
6311 Station Apparatus Expense	-	-
6341 Large Private Branch Exchange Expense	-	-
6351 Public Telephone Terminal Equipment Expense	1,746	1,655
6362 Other Terminal Equipment Expense	-	-
6410 Cable and Wire Facilities Expenses	-	-
6411 Pole Expense	-	-
6421 Aerial Cable Expense	3,560	3,374
6422 Underground Cable Expense	-	-
6423 Buried Cable Expense	1,661,979	1,575,556
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	2,774,081	2,629,829

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	25,006	23,706
6533 Testing Expense	1,442	1,367
6534 Plant Operations Administration Expense	70,796	67,115
6535 Engineering Expense	135,736	128,678
6540 Access Expense	199,950	189,553
6560 Depreciation and Amortization Expenses	-	-
6561 Depreciation Expense-Telecom. Plant in Service	2,633,096	2,496,175
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	3,066,025	2,906,592
Customer Operations Expense		
6610 Marketing	-	-
6611 Product Management	-	-
6612 Sales	137,961	130,787
6613 Product Advertising	33,263	31,533
6620 Services	-	-
6621 Call Completion Services	-	-
6622 Number Services	44,179	41,882
6623 Customer Services	627,124	594,514
Total Customer Operations Expense	842,528	798,716
Corporate Operations Expense		
6710 Executive and Planning	-	-
6711 Executive	289,310	274,266
6712 Planning	37,840	35,873
6720 General and Administrative	-	-
6721 Accounting and Finance	350,255	332,042
6722 External Relations	146,595	138,972
6723 Human Resources	152,997	145,041
6724 Information Management	-	-
6725 Legal	2,572	2,438
6726 Procurement	17,441	16,534
6727 Research and Development	-	-
6728 Other General and Administrative	325,973	309,023
6790 Provision for Uncollectible Notes Receivable	-	-
Total Corporate Operations Expense	1,322,983	1,254,188
TOTAL OPERATING EXPENSES	8,005,617	7,589,325

CENTRAL OFFICE DATA
as of December 31, 2009 (unless otherwise indicated)

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

Central Office Switch Type: _____ CS 1500 _____

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

Access Line Capacity
Design: _____ **Access Lines in Use**
Customer Lines: _____ 3356
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: _____
Public Telephone Lines _____ 0
Company Official Lines _____ 75
Company Test Lines _____ 0

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year	_____	2775	_____	881	309	_____	3965
New Connects	_____	19	_____	27	18	_____	64
Disconnects	_____	472	_____	149	52	_____	673
End of Year	_____	2322	_____	759	275	_____	3356
						Subtotal Business	
						1190	
						45	
						201	
						1034	

Foreign Exchange:
Dial Tone from this C.O.: _____
Dial Tone from another C.O.: _____
Directory Listings:
Number of Customers with Nonpublished or Nonlisted: _____ 108

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) 2009

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>	_____	713,630	_____	76,670	941,955	1,018,625	_____
6 <u>208/787</u>	_____	305,714	_____	34,702	626,768	661,470	_____
7 <u>208/456</u>	_____	170,837	_____	18,999	232,607	251,606	_____
8 _____	_____	_____	_____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____	_____	_____	_____
10 _____	_____	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
12 _____	_____	_____	_____	_____	_____	_____	_____
13 _____	_____	_____	_____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____	_____	_____	_____
18 _____	_____	_____	_____	_____	_____	_____	_____

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2009.

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 X No _____

Date of notification _____

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 1

Category of complaints (if known):

Deposit Disputes _____

Charges on Bill _____

Denial/Termination _____

Quality or Availability
of Service 1

Carrier Selection/Assignment _____

Miscellaneous _____

Rev 3/02

CERTIFICATE

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

WE, the undersigned _____

and _____

of the _____ 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.

Chad Turner

(Chief Officer)

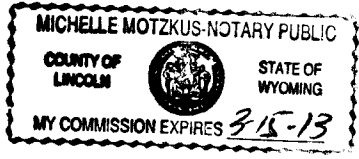
Paul [Signature]

(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 28th day of April, (Year) 2010.

Michelle Motzkus

Notary Public



My Commission expires March 15, (Year) 2013.