

INL-T

RECEIVED

2012 APR 16 PM 3:44

# ANNUAL REPORT

IDAHO PUBLIC  
UTILITIES COMMISSION

OF

---

**NAME**

JOHN COONAN  
GRETA MORGAN  
INLAND TELEPHONE CO  
PO BOX 171  
ROSLYN WA 98941

---

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2011

---

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2011**

**COMPANY INFORMATION**

Exact name of utility: Inland Telephone Company  
 Address of principal office: 103 South Second Street, Roslyn, Washington 98941  
 Telephone Number (509) 649-2211  
 Cities or towns served: Colton, Dewatto, Prescott, Roslyn, Ronald, & Uniontown, Washington & Gifford, Leon & Lenore, Idaho  
 Name and title of officer having custody of the general corporate books of account: \_\_\_\_\_  
James K. Brooks, Treasurer  
 Address of office where corporate books are kept and phone number: same as principal office

Organized under the laws of the State of: Washington  
 Date of organization: 07/02/63  
 Form of organization (proprietorship, association, corporation): Corporation  
 If a Subchapter S Corporation, please specify: N/A  
 Name and address of controlling company, if any Western Elite Incorporated Services, P.O. Box 687, Roslyn, Washington 98941  
 Names of affiliated companies. Give address and description of business: (1) Inland Cellular Telephone Co., P.O. Box 688, Roslyn, WA 98941-cellular telephone company, (2) R & R Cal 98941-cable television company, (3) Inland Long Distance Telephone Company, P.O. Box 904, Roslyn, WA 98941-long distance resale, (4) Newport Hills Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (5) Easton Ridge Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (6) R & R Heights Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (7) Moses Lake Views Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (8) Central Cascade Land Co., Inc. P.O. Box 687, Roslyn, WA 98941-land company

**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.

<b>Title</b>	<b>Name</b>	<b>Address</b>
President	Douglas W. Weis	P.O. Box 171, Roslyn, Washington 98941
Vice President	Nathan R. Weis	P.O. Box 171, Roslyn, Washington 98941
Secretary	Gregory A. Maras	P.O. Box 171, Roslyn, Washington 98941
Treasurer	James K. Brooks	P.O. Box 171, Roslyn, Washington 98941

**DIRECTORS**

List the name of each person who was a member of the Board of Directors at any given time during the for the year ending December 31, 2011

<b>Name and Address</b>	<b>Term Expired or Current Term</b>	<b>Meetings Attended This year</b>	<b>Fees Paid</b>
Douglas W. Weis	Continuous	1	None
Nathan R. Weis	Continuous	1	None
Gregory A. Maras	Continuous	1	None
James K. Brooks	Continuous	1	None

Name of Chairman of the Board:           N/A            
 Name of Secretary (or Clerk) of Board:           Gregory A. Maras            
 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.)

<b>Name</b>	<b>Title</b>	<b>Wages and Bonuses Paid</b>
Douglas W. Weis	President	
Nathan R. Weis	Vice President	
Gregory A. Maras	Secretary	
James K. Brooks	Treasurer	



**BALANCE SHEET**  
**Assets and Other Debits**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Assets</b>			
1120 Cash and Equivalents			
1130 Cash	936,184	715,207	(220,977)
1140 Special Cash Deposits			
1150 Working Cash Advances	2,400	2,400	0
1160 Temporary Investments	229,100	328,844	99,744
1180 Telecommunications Accts. Receivable	89,690	93,575	3,885
1181 Accts. Rec. Allow. -Telecommunications	(10,000)	(10,000)	
1190 Other Accounts Receivable	1,097,226	651,293	(445,933)
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	316,815	356,598	39,783
1280 Prepayments	425	1,135	710
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies			
1402 Investment in Nonaffiliated Companies	33,652	37,363	3,711
1406 Nonregulated Investments	617,406	827,395	209,989
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	125,752	131,783	6,031
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	22,169,973	22,405,110	235,137
2002 Prop. Held for Future Telecom. Use	20,131	0	(20,131)
2003 Telecom. Plant under Constr. - Short Term	87,289	146,943	59,654
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill			
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	13,910,772	14,683,502	772,730
3200 Accum. Depre. - Held for Future Use	3,153	0	(3,153)
3300 Accumulated Depreciation - Nonoperating			
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements	271	407	136
3500 Accumulated Amortization - Intangible	92,513	123,288	30,775
3600 Accumulated Amortization - Other			
<b>TOTAL ASSETS</b>	<b>11,709,334</b>	<b>10,880,449</b>	<b>(828,885)</b>

**BALANCE SHEET**  
**Liabilities & Stockholders' Equity**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	151,995	304,540	152,545
4020 Notes Payable	0	164,165	164,165
4030 Advance Billings and Payments			
4040 Customer Deposits	2,846	1,524	(1,322)
4050 Current Maturities - Long -Term Debt	627,900	635,625	7,725
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued			
4080 Other Taxes - Accrued	163,848	160,001	(3,847)
4100 Net Current Defer. Oper. Income Taxes	495,199	40	(495,159)
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	950,678	680,341	(270,337)
4130 Other Current Liabilities	44,604	45,635	1,031
<b>Long-Term Debt</b>			
4210 Funded Debt	1,860,166	1,224,896	(635,270)
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	0	120,750	120,750
4270 Other Long-Term Debt			
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	771,736	808,121	36,385
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
<b>Stockholders' Equity</b>			
4510 Capital Stock	93,150	93,150	0
4520 Additional Paid-In Capital	7,175	7,175	0
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	6,540,037	6,634,486	94,449
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>11,709,334</b>	<b>10,880,449</b>	<b>(828,885)</b>

**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
<b>Analysis of Telecommunications Plant in Service</b>						
2111	Land	651,786				651,786
2112	Motor Vehicles	1,493,265	172,113	30,086	(352,468)	1,282,824
2113	Aircraft	0				0
2114	Special Purpose Vehicles	0				0
2115	Garage Work Equipment	25,295				25,295
2116	Other Work Equipment	737,911	193,410	23,579		907,742
2121	Buildings	2,520,480	63,465		(182,483)	2,401,462
2122	Furniture	179,367	4,119			183,486
2123	Office Equipment	275,289	2,993			278,282
2124	General Purpose Computers	398,824	5,128			403,952
2211	Analog Electronic Switching	0				0
2212	Digital Electronic Switching	2,780,233	156,952			2,937,185
2215	Electro-Mechanical Switching	0				0
2220	Operator Systems	0				0
2231	Radio Systems	36,842				36,842
2232	Circuit Equipment	2,761,647	25,799		14,582	2,802,028
2311	Station Apparatus	0				0
2321	Customer Premises Wiring	0				0
2341	Large Private Branch Exchanges	0				0
2351	Public Telephone Terminal Equipment	0				0
2362	Other Terminal Equipment	0				0
2411	Poles	38,563				38,563
2421	Aerial Cable	480,509	22,817		(47,228)	456,098
2422	Underground Cable	0				0
2423	Buried Cable	9,648,350	155,358		54,245	9,857,953
2424	Submarine Cable	0				0
2426	Intrabuilding Network Cable	0				0
2431	Aerial Wire	6,695				6,695
2441	Conduit Systems	0				0
2681	Capital Leases	0				0
2682	Leasehold Improvements	8,609				8,609
2690	Intangibles	126,308				126,308
<b>TOTAL PLANT ACCOUNTS</b>		<b>22,169,973</b>	<b>802,154</b>	<b>53,665</b>	<b>(513,352)</b>	<b>22,405,110</b>

**ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**  
**IDAHO Operations Only**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
2111 Land	104,917			(101) *	104,816
2112 Motor Vehicles	191,859			(64,791)	127,068
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,835			1 *	1,836
2116 Other Work Equipment	107,511			63	107,574
2121 Buildings	637,463			(49,004) *	588,459
2122 Furniture	26,103			46 *	26,149
2123 Office Equipment	54,715			(151) *	54,564
2124 General Purpose Computers	55,129			(424) *	54,705
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	416,139			23,286 *	439,425
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,792			(4)	1,788
2232 Circuit Equipment	294,771			757	295,528
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	1,577				1,577
2421 Aerial Cable	29,530				29,530
2422 Underground Cable	0				0
2423 Buried Cable	2,000,105			20,581	2,020,686
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	4,821				4,821
2441 Conduit Systems	0				0
2681 Capital Leases	0				0
2682 Leasehold Improvements	0				0
2690 Intangibles	4,764				4,764
<b>TOTAL PLANT ACCOUNTS</b>	<b>3,933,031</b>	<b>0</b>	<b>0</b>	<b>(69,741) *</b>	<b>3,863,290</b>

\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional procedures.

**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
**Account 3100**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**  
**TOTAL Company Basis**

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	1,377,070		(26,549)	(311,200)	1,039,321
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	25,295	12.50			25,295
2116 Other Work Equipment	656,010	12.50	(23,579)	31,995	664,426
2121 Buildings	1,242,564	2.50		88,057	1,330,621
2122 Furniture	175,767	15.00		945	176,712
2123 Office Equipment	239,834	5.00		10,321	250,155
2124 General Purpose Computers	378,133	25.00		6,781	384,914
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,219,509	9.00		257,284	1,476,793
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842	13.00			36,842
2232 Circuit Equipment	1,476,773	11.19		286,709	1,763,482
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	29,472	5.00		2,859	32,331
2421 Aerial Cable	188,401	4.00		12,324	200,725
2422 Underground Cable	0				0
2423 Buried Cable	6,858,406	4.00		436,783	7,295,189
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	6,696	8.00			6,696
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>13,910,772</b>		<b>(50,128)</b>	<b>822,858</b>	<b>14,683,502</b>

\*Please list individual depreciation rate for each account.

**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**

**Account 3100**

FOR THE YEAR ENDING DECEMBER 31, 2011

**IDAHO Operations Only**

	<b>Balance Beginning of Year</b>	<b>Depreciation Rate*</b>	<b>Credits During Year</b>	<b>Retirements and Adjustments</b>	<b>Balance End of Year</b>
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	176,356			(63,512)	112,844
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,835	12.50		1 **	1,836
2116 Other Work Equipment	106,029	12.50		374	106,403
2121 Buildings	271,917	2.50		17,644 **	289,561
2122 Furniture	25,654	15.00		(330) **	25,324
2123 Office Equipment	49,166	5.00		1,529 **	50,695
2124 General Purpose Computers	52,551	25.00		(164) **	52,387
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	226,617	9.00		38,482 **	265,099
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,792	13.00		(4) **	1,788
2232 Circuit Equipment	191,360	11.19		28,718 **	220,078
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	1,370	5.00		79	1,449
2421 Aerial Cable	12,646	4.00		1,181	13,827
2422 Underground Cable	0				0
2423 Buried Cable	1,336,420	4.00		79,610 **	1,416,030
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	4,821	8.00			4,821
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>2,458,534</b>		<b>0</b>	<b>103,608 **</b>	<b>2,562,142</b>

\* Please list individual depreciation rate for each account.

\*\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional separation procedures.

**INVESTMENTS**  
FOR THE YEAR ENDING DECEMBER 31, 2011

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>
1402-Verizon	2005		34,302
1406-Paging Equip./CPE/ Mobile CPE	Various		827,395
Rural Telephone Finance Cooperative Capital Certificates			3,061
<b>Totals</b>		0	864,758

**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>
1180-Due From Customers		93,576
1190-Other A/R-Interexchange Carriers & Exchange Carrier Association		651,293
<b>Totals</b>		744,869

**NOTES PAYABLE**  
FOR THE YEAR ENDING DECEMBER 31, 2011

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
American West Bank	12/20/2011	3.5	12/20/2012	164,165
		(Variable)		
<b>Totals</b>				<u>164,165</u>

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
Trade Payables	304,540
<b>Totals</b>	<u>304,540</u>

**LONG - TERM DEBT**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**  
**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.

<b>Class &amp; Series of Obligation</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Fact Amount Authorized</b>	<b>Outstanding Year-End</b>	<b>Premium/ Discount</b>		<b>Interest for year</b>	
					<b>Total</b>	<b>Year Amortized</b>	<b>Rate</b>	<b>Amount</b>
RUS 12060	May 1976	May 2011	578,000	0	1		2%	31
RUS 12070	May 1983	May 2018	1,129,000	294,256	1		2%	6,352
RUS 12140	Oct. 1979	Oct. 2014	581,000	158,801	1		5%	8,806
RUS 12150	Apr. 1995	Apr. 2014	947,000	197,305	1		7%	16,807
RUS 12151	Apr. 1995	Apr. 2014	270,000	55,971	1		6.91%	4,710
RUS 12152	Apr. 1995	Apr. 2014	329,000	66,343	1		6.26%	5,066
RTB S010	Oct. 1979	Oct. 2014	345,450	79,361	1		8%	7,478
RTB S020	Dec. 1986	Apr. 2011	439,950	119,406	1		8%	10,751
RTB S030	Apr. 1995	Jan. 2018	324,952	67,936	1		5.54%	4,601
RUS 12153	Apr. 1995	Apr. 2014	451,478	89,415	1		4.86%	5,322
RUS 12154	Apr. 1995	Apr. 2014	289,522	61,005	1		5.71%	4,258
RTB S031	Apr. 1995	Jan. 2018	729,611	250,478	1		5.49%	16,797
RTB S032	Apr. 1995	Jan. 2018	1,158,911	382,783	1		5.10%	23,858
RTB S033	Apr. 1995	Jan. 2018	74,858	35,537	1		5.13%	2,228
GMAC	Feb. 2007	Mar. 2012	38,502	1,925	1		0.00%	0
			<u>7,687,234</u>	<u>1,860,521</u>				<u>117,064</u>



## INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	5,857,894	830,411
Total Operating Expenses (from page 17)	5,403,616	879,877
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net		
7220 Operating Federal Income Taxes	42,572	0
7230 Operating State and Local Income Taxes	(4,137)	(4,137)
7240 Operating Other Taxes	143,520	24,192
7250 Provision for Deferred Operating Income Taxes-Net	42,446	(85,082)
7200 <b>Operating Taxes (Total)</b>	<b>224,401</b>	<b>(65,027)</b>
7310 Dividend Income	2,431	296
7320 Interest Income	11,948	1,455
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	0	0
7350 Gains/Losses from the Disposition of Certain Property	13,363	0
7360 Other Nonoperating Income	2,057	68
7370 Special Charges	(35,149)	(4,280)
7300 <b>Nonoperating Income and Expense</b>	<b>(5,350)</b>	<b>(2,461)</b>
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	(33,864)	0
7430 Nonoperating State and Local Income Taxes		
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net		
7400 <b>Nonoperating Taxes</b>	<b>(33,864)</b>	<b>0</b>
7510 Interest on Funded Debt	117,064	20,475
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	10	2
7500 <b>Interest and Related Items</b>	<b>117,074</b>	<b>20,477</b>
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 <b>Extraordinary Items</b>	<b>0</b>	<b>0</b>
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(49,317)	42,283
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>92,000</b>	<b>34,906</b>

**OPERATING REVENUES**

FOR 1 Item

**Total Company**

**Idaho Only**

	<b>Total Company</b>	<b>Idaho Only</b>
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	607,672	100,430
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	106	0
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	94,984	11,506
5069 Other Local Exchange Settlements	102,269	0
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	213,266	25,105
5082 Switched Access Revenue (Interstate)	2,396,673	517,785
5083 Special Access Revenue	1,325,306	108,580
5084 State Access Revenue (Intrastate)	977,924	57,547
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All	179	(173)
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	9,706	1,339
5240 Rent Revenue	12,000	0
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue	71,519	3,896
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	270	10
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	63,064	4,258
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	17,044	(128)
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>5,857,894</b>	<b>830,411</b>

Please identify the following revenues:

NECA USF \$435,592 To what account were they booked?  
A/C 5082.13-Interstate Switched Access Revenue-USF (Idaho only)

State USF \$27,604 To what account were they booked?  
A/C 5084.12-Intrastate Switched Access Revenue-USF (Idaho only)

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	95,931	11,533
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense	55,388	6,659
6116 Other Work Equipment Expense	0	0
6120 General Support Expenses		
6121 Land and Building Expenses	493,296	111,216
6122 Furniture and Artworks Expense	491	111
6123 Office Equipment Expense	29,356	6,619
6124 General Purpose Computers Expense	260,671	58,770
6210 Central Office Switching Expenses	367,689	55,022
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	285,428	30,069
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		
6362 Other Terminal Equipment Expense		
6410 Cable and Wire Facilities Expenses		
6411 Pole Expense	12,735	2,538
6421 Aerial Cable Expense	70,356	14,023
6422 Underground Cable Expense		
6423 Buried Cable Expense	565,133	112,640
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>2,236,474</b>	<b>409,200</b>

**OPERATING REVENUES**

<b>Item</b>	<b>Total Company</b>	<b>Idaho Only</b>
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	644	112
6530 Network Operations Expense		
6531 Power Expense	38,991	6,776
6532 Network Administration Expense	3,368	585
6533 Testing Expense	33,546	5,830
6534 Plant Operations Administration Expense	105,351	18,310
6535 Engineering Expense	40,081	6,966
6540 Access Expense	148,488	18,572
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,171,724	180,032
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible	30,911	0
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
<b>Total Plant Nonspecific Operations Expenses</b>	<b>1,573,104</b>	<b>237,183</b>
<b>Customer Operations Expense</b>		
6610 Marketing	32,260	3,928
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	15,536	1,892
6623 Customer Services	396,095	48,234
<b>Total Customer Operations Expense</b>	<b>443,891</b>	<b>54,054</b>
<b>Corporate Operations Expense</b>		
6710 Executive and Planning	162,185	25,303
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	428,326	66,825
6722 External Relations	20,672	3,225
6723 Human Resources	88,421	13,795
6724 Information Management		
6725 Legal	72,274	11,276
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	378,269	59,016
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,150,147</b>	<b>179,440</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>5,403,616</b>	<b>879,877</b>

**CENTRAL OFFICE DATA**  
**as of December 31, 2011 (unless otherwise indicated)**

Name of Central Office: Leon, Idaho (shares Uniontown, Washington switch)  
 Prefix (es): (208)224

Central Office Switch Metaswitch

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

**Check one:**  
 Digital X  
 Analog     

**Check one:**  
 Electronic X  
 Electro-Mechanical       
 Other:                     

**Access Line Capacity**  
 Design: 10,000

Installed/Equipped:     764

**Access Lines in Use**  
 Customer Lines:  
 (Include Centrex, PAL, Semi-Pub.)     25

Public Telephone Lines     0

Company Official Lines     1

Company Test Lines     3

**Classification of Customer Access**

	<b>Residence</b>				Centrex N.A.R.	<b>Business</b>				Total Residence & Business
	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	Subtotal Residence		Multi- Line 1-Party	Single Line 1-Party	Multi- Party	Subtotal Business	
Beginning of Year	0	25	0	25	0	1	0	0	1	26
New Connects	0	1	0	1	0	0	0	0	0	1
Disconnects	0	2	0	2	0	0	0	0	0	2
End of Year	0	24	0	24	0	0	0	0	1	25

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

**Directory Listings:**  
 Number of Customers with Nonpublished or Nonlisted:     0

**Custom Calling:**  
 Number of customers with at least one feature:     11  
 Total number of features subscribed to:     4

**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING 2011**

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	Avg./ Line
1 Leon, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Lenore, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

**ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES  
YEAR ENDED DECEMBER 31, 2011**

**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 <u> X </u>
Included in directory	Yes <u> X </u>	No _____
Date of notification	<u>December, 2010 through December, 2011</u>	
Alternate method of notification	<u>None</u>	

---

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company  13

Category of complaints (if known):

Deposit Disputes	<u> 0 </u>
Charges on Bill	<u> 9 </u>
Denial/Termination	<u> 0 </u>
Quality or Availability of Service	<u> 2 </u>
Carrier Selection/Assignment	<u> 2 </u>
Miscellaneous	<u> 0 </u>

Rev 3/02

CERTIFICATE

FOR THE YEAR ENDING DECEMBER 31, 2011 )  
County of Kittitas ) ss  
)

WE, the undersigned Gregory A. Maras, Secretary

and James K. Brooks, Treasurer

of the Inland 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.

Gregory A. Maras  
Secretary

Gregory A. Maras

James K. Brooks  
Treasurer

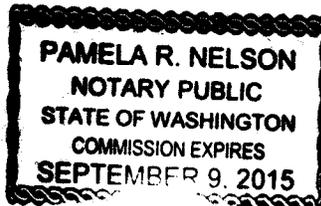
James K. Brooks

Subscribed and Sworn to Before Me this 12 day of April, 2012

Pamela R. Nelson

Notary Public  
Pamela R. Nelson

My Commission expires Sept 9, 2015



Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt