

ANNUAL REPORT

OF

NAME

ALLEN HOOPES
COLUMBINE TELEPHONE DBA
TETON TELECOM COMM
PO BOX 226
FREEDOM WY 83120

IDAHO PUBLIC
UTILITIES COMMISSION

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TO THE

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UTILITIES COMMISSION

FOR THE

YEAR ENDED_ 2011

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

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
COO	Ron B. McCue	P.O. Box 226, Freedom, WY 83120
VP Finance / Sec	Chad Turner	P.O. Box 226, Freedom, WY 83120
Asst Sec	Michelle Motzkus	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
Allen R. Hoopes	Indefinite	6	\$ 698
Jack Bentley	Indefinite	6	\$ 698
Bob Foster	Indefinite	5	\$ 582
Rod R. Jensen	Indefinite	6	\$ 698
Peggy Zimmer	Indefinite	5	\$ 582

Name of Chairman of the Board: Allen 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
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	527,301	27,609	(499,691)
1140 Special Cash Deposits			-
1150 Working Cash Advances	200	200	-
1160 Temporary Investments	26,460	25,092	(1,368)
1180 Telecommunications Accts. Receivable	(221)	(685)	(463)
1181 Accts. Rec. Allow. -Telecommunications	(30,000)	(15,000)	15,000
1190 Other Accounts Receivable	1,540,705	1,263,110	(277,595)
1191 Accounts Receivable Allow. - Other	(14,000)	(14,000)	-
1200 Notes Receivable	-	-	-
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable			-
1220 Material and Supplies	136,594	249,142	112,548
1280 Prepayments			-
1290 Prepaid Rents	3,350	3,350	-
1300 Prepaid Taxes			-
1310 Prepaid Insurance	67,827	24,044	(43,783)
1320 Prepaid Directory Expenses			-
1330 Other Prepayments			-
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies			-
1402 Investment in Nonaffiliated Companies	2,771,821	3,210,686	438,865
1406 Nonregulated Investments	35,518	-	(35,518)
1407 Unamortized Debt Issuance Expense			-
1408 Sinking Funds			-
1410 Other Noncurrent Assets	89,780	94,107	4,327
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges	-	-	-
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	34,238,390	35,256,037	1,017,646
2002 Prop. Held for Future Telecom. Use	30,000	30,000	-
2003 Telecom. Plant under Constr. - Short Term	527,553	44,394	(483,159)
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	(24,151,099)	(26,833,923)	(2,682,824)
3200 Accum. Depr. - 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	(2,395,929)	(2,571,777)	(175,848)
3600 Accumulated Amortization - Other	(89,780)	(92,394)	(2,614)
TOTAL ASSETS	15,952,242	13,337,764	(2,614,478)

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	1,054,662	311,217	(743,444)
4020 Notes Payable	300,000	300,000	-
4030 Advance Billings and Payments			-
4040 Customer Deposits	12,162	17,389	5,227
4050 Current Maturities - Long -Term Debt		291,542	291,542
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued	-	-	-
4080 Other Taxes - Accrued	25,936	4,994	(20,942)
4100 Net Current Defer. Oper. Income Taxes	(37,269)	(10,730)	26,539
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities	259,177	239,902	(19,274)
4130 Other Current Liabilities			-
Long-Term Debt			
4210 Funded Debt	1,936,729	520,905	(1,415,824)
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	106,295	86,295	(20,000)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	(280,033)	(348,213)	(68,180)
4350 Net Noncur. Defer. Nonoper. Income Taxes	(3,428)	(4,459)	(1,031)
4360 Other Deferred Credits	2,508,803	1,911,799	(597,004)
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	(6,656)	(8,658)	(2,002)
4550 Retained Earnings	1,578,071	1,527,987	(50,084)
			-
TOTAL LIAB. & OTHER CREDITS	15,952,242	13,337,764	(2,614,478)

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	89,780	4,327	-		94,107
2111 Land	718,557	-	-		718,557
2112 Motor Vehicles	615,974	-	-		615,974
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	637,921	-	-		637,921
2121 Buildings	4,485,332	-	-		4,485,332
2122 Furniture	246,478	7,080.72	-		253,559
2123 Office Equipment	153,188	14,990.44	-		168,179
2124 General Purpose Computers	283,786	9,910.09	-		293,696
2211 Analog Electronic Switching		-	-		
2212 Digital Electronic Switching	899,944	5,720.61	(15,440)		890,225
2215 Electro-Mechanical Switching		-	-		
2220 Operator Systems		-	-		
2231 Radio Systems	250,080	-	-		250,080
2232 Circuit Equipment	5,695,576	1,103,601.72	(1,877)	(24,051)	6,773,250
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	19,349,957	(191,479.18)	-		19,158,478
2424 Submarine Cable		-	-		
2426 Intrabuilding Network Cable	11,044	-	-		11,044
2431 Aerial Wire	21,608	-	-		21,608
2441 Conduit Systems	420,822	81,151.73	-		501,973
2681 Capital Leases		-	-		
2682 Leasehold Improvements	21,640	28,037.69	-		49,678
2690 Intangibles		-	-		
TOTAL PLANT ACCOUNTS	34,328,171	1,063,341	(17,317)	(24,051)	35,350,144

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	89,780	4,327	-		94,107
2111 Land	718,557	-	-		718,557
2112 Motor Vehicles	615,974	-	-		615,974
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	637,921	-	-		637,921
2121 Buildings	4,357,905	-	-		4,357,905
2122 Furniture	246,478	7,081	-		253,559
2123 Office Equipment	153,188	14,990	-		168,179
2124 General Purpose Computers	283,786	9,910	-		293,696
2211 Analog Electronic Switching		-	-		
2212 Digital Electronic Switching	899,944	5,721	(15,440)		890,225
2215 Electro-Mechanical Switching		-	-		
2220 Operator Systems		-	-		
2231 Radio Systems	176,794	-	-		176,794
2232 Circuit Equipment	5,539,986	1,102,165	(1,877)	(30,125)	6,610,149
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	18,599,821	(191,479)	-		18,408,341
2424 Submarine Cable		-	-		
2426 Intrabuilding Network Cable	11,044	-	-		11,044
2431 Aerial Wire	21,608	-	-		21,608
2441 Conduit Systems	420,822	81,152	-		501,973
2681 Capital Leases		-	-		
2682 Leasehold Improvements	21,640	28,038	-		49,678
2690 Intangibles		-	-		
TOTAL PLANT ACCOUNTS	33,221,272	1,061,904	(17,317)	(30,125)	34,235,734

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	89,780	33.33%	2,614		92,394
2112 Motor Vehicles	543,537	25.00%	72,437	-	615,974
2113 Aircraft			-	-	
2114 Special Purpose Vehicles			-	-	
2115 Garage Work Equipment			-	-	
2116 Other Work Equipment	637,921	20.00%	-	-	637,921
2121 Buildings	1,244,023	5.00%	224,267	-	1,468,289
2122 Furniture	172,956	14.00%	34,590	-	207,546
2123 Office Equipment	130,720	20.00%	25,046	-	155,766
2124 General Purpose Computers	283,786	33.33%	9,885	-	293,671
2211 Analog Electronic Switching			-	-	
2212 Digital Electronic Switching	447,844	12.00%	107,896	(15,440)	540,301
2215 Electro-Mechanical Switching			-	-	
2220 Operator Systems			-	-	
2231 Radio Systems	250,080	20.00%	-	-	250,080
2232 Circuit Equipment	5,143,152	12.50%	778,982	(1,877)	5,920,256
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	196,868	10.00%	-	-	196,868
2423 Buried Cable	14,607,386	6.50%	1,425,332	-	16,032,718
2682 Amortize Leasehold Improvemnts	21,640	Amortize 18 Months	207	-	21,847
2426 IntraBuilding Network Cable	11,044	6.50%	-	-	11,044
2431 Aerial Wire	21,608		-	-	21,608
2441 Conduit Systems	208,920	5.00%	21,500	-	230,419
TOTAL	24,240,879		2,702,754	(17,317)	26,926,317

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

		IDAHO Operations Only				
		Balance		Credits	Retirements	Balance
		Beginning	Depreciation	During	and	End
		of Year	Rate*	Year	Adjustments	of Year
Analysis of Entries in Accumulated Depreciation						
1410	Internet	89,780	33.33%	2,614	-	92,394
2112	Motor Vehicles	543,537	25.00%	72,437	-	615,974
2113	Aircraft			-	-	
2114	Special Purpose Vehicles			-	-	
2115	Garage Work Equipment			-	-	
2116	Other Work Equipment	637,921	20.00%	-	-	637,921
2121	Buildings	1,164,865	5.00%	217,895	-	1,382,760
2122	Furniture	172,956	14.00%	34,590	-	207,546
2123	Office Equipment	130,720	20.00%	25,046	-	155,766
2124	General Purpose Computers	283,786	33.33%	9,885	-	293,671
2211	Analog Electronic Switching			-	-	
2212	Digital Electronic Switching	447,844	12.00%	107,896	(15,440)	540,301
2215	Electro-Mechanical Switching			-	-	
2220	Operator Systems			-	-	
2231	Radio Systems	176,794	20.00%	-	-	176,794
2232	Circuit Equipment	5,052,264	12.50%	758,904	(1,877)	5,809,290
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	196,868	10.00%	-	-	196,868
2423	Buried Cable	13,857,250	6.50%	1,425,332	-	15,282,581
2682	Amortize Leasehold Improvemnts	21,640	Amortize 18 Months	207	-	21,847
2426	Intrabuilding Network Cable	11,044	6.50%	-	-	11,044
2431	Aerial Wire	21,608		-	-	21,608
2441	Conduit Systems	208,920	5.00%	21,500	-	230,419
TOTAL		23,246,953		2,676,305	(17,317)	25,905,941

*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		70,561
RTFC Certificates	2003		227,384
Syringa	2000		2,303,359
Valley Wireless	2003		576,430
Totals			3,177,734

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)		(685)
Bad Debt (1181)		(15,000)
Neca (1190)		400,202
Sprint (1190)		-
ATT (1190)		-
Other Interexchange Carriers)		174,084
Other (1190)		8,678
Schools & Libraries (1190)		14,720
Affiliates (1190)		665,426
Prepaid Income Taxes (1190)		-
Bad Debt (1191)		(14,000)
Shareholders (1210)		
Totals	-	1,233,426

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>
RURAL TELEPHONE FINANCE COOP				300,000
Totals				300,000

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Affiliates	200,643
Neca	-
Taxes	5,512
U.S. West	230
Other Carriers	-
Employee Payroll / Benefits	108,924
Totals	315,309

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</u>	
							<u>Rate</u>	<u>Amount</u>
ALLY	10/31/2010	10/31/2015	62,081	47,146			4%	1601
RTFC Note	5/7/1997	2012	10,000,000	291,533			5.50%	37,828
Four Star	2003	2010	435,902	473,768			1.68%	7,828
Less Current Portion				(291,542)				
Total Long Term Debt (Page 5)				520,905				

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	9,087,491	8,605,854
Total Operating Expenses (from page 18)	<u>(7,742,291)</u>	<u>(7,331,950)</u>
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	<u>(20,000)</u>	<u>(18,940)</u>
7220 Operating Federal Income Taxes	805,493	762,802
7230 Operating State and Local Income Taxes	<u>(4,665)</u>	<u>(4,418)</u>
7240 Operating Other Taxes	79,882	75,648
7250 Provision for Deferred Operating Income Taxes-Net	<u>(58,404)</u>	<u>(55,309)</u>
7200 Operating Taxes (Total)	<u>802,305</u>	<u>759,783</u>
7310 Dividend Income	<u>(7,546)</u>	<u>(7,146)</u>
7320 Interest Income	<u>(2,228)</u>	<u>(2,110)</u>
7330 Income from Sinking and Other Funds		-
7340 Allowance for Funds Used During Construction	<u>(756)</u>	<u>(716)</u>
7350 Gains/Losses from the Disposition of Certain Property		-
7360 Other Nonoperating Income	25,407	24,061
7370 Special Charges	13,879	13,144
7300 Nonoperating Income and Expense	<u>28,756</u>	<u>27,232</u>
7410 Nonoperating Investment Tax Credits-Net		-
7420 Nonoperating Federal Income Taxes	-	-
7430 Nonoperating State and Local Income Taxes	10,363	9,813
7440 Nonoperating Other Taxes		-
7450 Provision for Deferred Nonoperating Income Taxes-Net	<u>(10,043)</u>	<u>(9,511)</u>
7400 Nonoperating Taxes	<u>319</u>	<u>302</u>
7510 Interest on Funded Debt	37,884	35,876
7520 Interest Expense-Capital Leases		-
7530 Amortization of Debt Issuance Expense		-
7540 Other Interest Deductions	23,678	22,423
7500 Interest and Related Items	<u>61,562</u>	<u>58,299</u>
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	<u>582,668</u>	<u>551,787</u>
AMOUNT TRANSFERRED TO RETAINED EARNINGS	<u>1,035,564</u>	<u>980,679</u>

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	1,139,288.22	1,078,906
5002 Optional Extended Area Revenue		-
5003 Cellular Mobile Revenue		-
5004 Other Mobile Services Revenue		-
5010 Public Telephone Revenue	48.95	46
5040 Local Private Line Revenue	152,659.30	144,568
5050 Customer Premises Revenue		-
5060 Other Local Exchange Revenue	224,063.26	212,188
5069 Other Local Exchange Settlements	2,951,410.50	2,794,986
Network Access Services Revenues		
5081 End User Revenue (SLC)	415,028.69	393,032
5082 Switched Access Revenue (Interstate)	2,838,078.32	2,687,660
5083 Special Access Revenue	1,123,874.03	1,064,309
5084 State Access Revenue (Intrastate)	48,219.05	45,663
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	4.80	5
Miscellaneous Revenues		
5230 Directory Revenue	46,638.39	44,167
5240 Rent Revenue	46,301.98	43,848
5250 Corporate Operations Revenue		-
5261 Special Billing Arrangements Revenue		-
5262 Customer Operations Revenue		-
5263 Plant Operations Revenue		-
5264 Other Incidental Regulated Revenue	65,244.78	61,787
5269 Other Revenue Settlements		-
5270 Carrier Billing & Collection Revenue	48,284.96	45,726
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(12,318.74)	(11,666)
5302 Uncollectible Revenue - Other	664.63	629
TOTAL OPERATING REVENUES	9,087,491.12	8,605,854

Please identify the following revenues:

NECA USF	\$ <u>2,946,311</u>	To what account were they booked?	5069.10
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	(1,869)	(1,770)
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	223,078	211,255
6122 Furniture and Artworks Expense	1,758	1,665
6123 Office Equipment Expense	53,110	50,295
6124 General Purpose Computers Expense	321,751	304,698
6210 Central Office Switching Expenses	-	-
6211 Analog Electronic Expense	-	-
6212 Digital Electronic Expense	166,395	157,576
6215 Electro-Mechanical Expense	-	-
6220 Operators System Expense	-	-
6230 Central Office Transmission Expenses	-	-
6231 Radio Systems Expense	1,304	1,234
6232 Circuit Equipment Expense	268,049	253,842
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	2,000	1,894
6422 Underground Cable Expense	-	-
6423 Buried Cable Expense	1,309,622	1,240,212
6424 Submarine Cable Expense	-	-
6425 Deep Sea Cable Expense	-	-
6426 Intra-building Network Cable Expense	-	-
6431 Aerial Wire Expense	-	-
6441 Conduit Systems Expense	-	-
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	2,345,198	2,220,903

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	43,183	40,894
6533 Testing Expense	46,403	43,944
6534 Plant Operations Administration Expense	100,164	94,855
6535 Engineering Expense	110,771	104,900
6540 Access Expense	131,007	124,063
6560 Depreciation and Amortization Expenses	-	-
6561 Depreciation Expense-Telecom. Plant in Service	2,702,534	2,559,300
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	3,134,061	2,967,956
Customer Operations Expense		
6610 Marketing	-	-
6611 Product Management	-	-
6612 Sales	135,450	128,271
6613 Product Advertising	23,490	22,245
6620 Services	-	-
6621 Call Completion Services	-	-
6622 Number Services	39,512	37,418
6623 Customer Services	629,680	596,307
Total Customer Operations Expense	828,131	784,240
Corporate Operations Expense		
6710 Executive and Planning	-	-
6711 Executive	256,583	242,984
6712 Planning	3,503	3,318
6720 General and Administrative	-	-
6721 Accounting and Finance	508,539	481,587
6722 External Relations	156,482	148,188
6723 Human Resources	169,027	160,069
6724 Information Management	-	-
6725 Legal	20,184	19,114
6726 Procurement	29,232	27,683
6727 Research and Development	-	-
6728 Other General and Administrative	291,351	275,909
6790 Provision for Uncollectible Notes Receivable	-	-
Total Corporate Operations Expense	1,434,901	1,358,851
TOTAL OPERATING EXPENSES	7,742,291	7,331,950

CENTRAL OFFICE DATA
as of December 31, 2011 (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:	Check one:	Check one:
Stand Alone <u>X</u>	Digital <u>X</u>	Electronic <u> </u>
Host <u> </u>	Analog <u> </u>	Electro-Mechanical <u> </u>
Remote <u> </u>		Other: <u> </u>

Access Line Capacity
Design:
Installed/Equipped:

Access Lines in Use
Customer Lines: 3124
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 0

Company Official Lines 69

Company Test Lines 0

Classification of Customer Access

	Residence					Business				Total Residence & Business
	Multi- Line 1-Party	Single Line		Subtotal Residence	Centrex N.A.R.	Multi- Line 1-Party	Single Line		Subtotal Business	
		1-Party	Multi- Party				1-Party	Multi- Party		
Beginning of Year	<u> </u>	2286	<u> </u>	2286	<u> </u>	670	292	<u> </u>	962	3248
New Connects	<u> </u>	<u> </u>	<u> </u>	0	<u> </u>	<u> </u>	8	<u> </u>	8	8
Disconnects	<u> </u>	77	<u> </u>	77	<u> </u>	55	<u> </u>	<u> </u>	55	132
End of Year	<u> </u>	2209	<u> </u>	2209	<u> </u>	615	300	<u> </u>	915	3124

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 118

Custom Calling:
Number of customers with at least one feature: 142
Total number of features subscribed to: 12

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2011.

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>	_____	_____	_____	-	-	-	_____
6 <u>208/787</u>	_____	_____	_____	-	-	-	_____
7 <u>208/456</u>	_____	_____	_____	-	-	-	_____
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 _____

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

Wydmyg

CERTIFICATE

State of Idaho

County of

Lincoln

) ss

WE, the undersigned Chad Turner, Kurt Garrard

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)

Kurt Garrard
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 17th day of May, (Year) 2012.

Michelle Motzkus
Notary Public

My Commission expires March 15, (Year) 2013.



Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt