

DCM-T

ANNUAL REPORT

OF

DIRECT COMMUNICATIONS
ROCKLAND, INC.

NAME

150 SOUTH MAIN
ROCKLAND, IDAHO 83271

ADDRESS

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IDAHO PUBLIC
UTILITIES COMMISSION

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2013

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2013**

COMPANY INFORMATION

Exact name of utility: DIRECT COMMUNICATIONS ROCKLAND, INC

Address of principal office: 150 South Main Rockland, Idaho 83271

Telephone Number (Area Code 208) 548 - 2345

Cities or towns served: Rockland, Arbon, Paris, Bloomington, St. Charles, & Fish Haven

Name and title of officer having custody of the general corporate books of account: _____

Leonard May, President

Address of office where corporate books are kept and phone number: _____

150 South Main Rockland, Idaho 83271 (208) 548 - 2345

Organized under the laws of the State of: Idaho

Date of organization: 1973

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: _____

Direct Communciations Cable, 150 South Main Rockland, Idaho 83271, Non-reg Telecommunications

Direct Communciations Cedar Valley, 150 South Main Rockland, Idaho 83271, ILEC

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 - Treasurer	Leonard May	P.O. Box 269 Rockland, Idaho 83271
Vice Pres. - Secretary	Marilyn May	P.O. Box 269 Rockland, Idaho 83271
General Manager	Jeremy Smith	P.O. Box 269 Rockland, Idaho 83271

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
Leonard May Rockland ID	May-14	1	
Marilyn May Rockland ID	May-14	1	
Garrin Bott Rockland ID	May-14	3	
Kip Wilson Rockland ID	May-14	3	
Jeremy Smith Rockland ID	May-14	3	
Scott Hendrickson Rockland ID	May-14	3	

Name of Chairman of the Board: Leonard May
 Name of Secretary (or Clerk) of Board: Marilyn May
 Number of Meetings of the Board during the year: 3

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
Leonard May	President - Treasurer	Information is Confidential
Marilyn May	Vice Pres. - Secretary	
Jeremy Smith	General Manager	

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	220,595	1,001,287	780,692
1140 Special Cash Deposits	-		0
1150 Working Cash Advances	400	400	0
1160 Temporary Investments	202,672	202,693	21
1180 Telecommunications Accts. Receivable	1,081,143	786,824	(294,319)
1181 Accts. Rec. Allow. -Telecommunications	69,500	(63,000)	(132,500)
1190 Other Accounts Receivable	11,506	379	(11,127)
1191 Accounts Receivable Allow. - Other	-		0
1200 Notes Receivable	189,560	189,560	0
1201 Notes Receivable Allowance			0
1210 Interest & Dividends Receivable			0
1220 Material and Supplies	121,113	92,941	(28,172)
1280 Prepayments			0
1290 Prepaid Rents			0
1300 Prepaid Taxes	25,500	-	(25,500)
1310 Prepaid Insurance	19,981	17,087	(2,894)
1320 Prepaid Directory Expenses			0
1330 Other Prepayments	-		0
1350 Other Current Assets	-		0
Noncurrent Assets			
1401 Investment in Affiliated Companies	3,217,537	3,779,088	561,551
1402 Investment in Nonaffiliated Companies			0
1406 Nonregulated Investments	-		0
1407 Unamortized Debt Issuance Expense			0
1408 Sinking Funds			0
1410 Other Noncurrent Assets	9,787	1,386	(8,401)
1438 Deferred Maintenance & Retirements			0
1439 Deferred Charges	603		(603)
1500 Other Jurisdiction Assets - Net			0
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	26,273,474	27,043,034	769,560
2002 Prop. Held for Future Telecom. Use			0
2003 Telecom. Plant under Constr. - Short Term	117,585	29,935	(87,650)
2004 Telecom. Plant under Constr. - Long Term			0
2005 Telecom. Plant Adjustment			0
2006 Nonoperating Plant	5,207,555	4,757,516	(450,039)
2007 Goodwill			0
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	18,055,246	17,846,439	(208,807)
3200 Accum. Depre. - Held for Future Use			0
3300 Accumulated Depreciation - Nonoperating	2,041,715	2,449,515	407,800
3400 Accumulated Amortization - Tangible			0
3410 Accum. Amort. - Capitalized Leases			0
3420 Accum. Amort. - Leasehold Improvements			0
3500 Accumulated Amortization - Intangible			0
3600 Accumulated Amortization - Other			0
TOTAL ASSETS	16,671,550	17,543,177	871,627

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	232,085	84,180	(147,905)
4020 Notes Payable			0
4030 Advance Billings and Payments	30,277	30,277	0
4040 Customer Deposits			0
4050 Current Maturities - Long -Term Debt	1,590,861	1,640,530	49,669
4060 Current Maturities - Capital leases			0
4070 Income Taxes - Accrued			0
4080 Other Taxes - Accrued	31,754		(31,754)
4100 Net Current Defer. Oper. Income Taxes		373,069	373,069
4110 Net Current Defer. Nonoper. Income Taxes			0
4120 Other Accrued Liabilities	83,768	123,188	39,420
4130 Other Current Liabilities		11,750	11,750
Long-Term Debt			
4210 Funded Debt	7,348,995	5,816,481	(1,532,514)
4220 Premium on Long-Term Debt			0
4230 Discount on Long-Term Debt			0
4240 Reacquired Debt			0
4250 Obligations Under Capital Leases			0
4260 Advances from Affiliated Companies	408,348	310,647	(97,701)
4270 Other Long-Term Debt			0
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			0
4320 Unamort. Oper. Invest. Tax Credits - Net			0
4330 Unamort. Nonoper. Invest. Tax Credits - Net			0
4340 Net Noncurrent Defer. Oper. Income Taxes	1,679,691	1,970,865	291,174
4350 Net Noncur. Defer. Nonoper. Income Taxes			0
4360 Other Deferred Credits			0
4370 Other Juris. Liab. & Def. Credits - Net			0
Stockholders' Equity			
4510 Capital Stock	439,555	439,555	0
4520 Additional Paid-In Capital			0
4530 Treasury Stock			0
4540 Other Capital			0
4550 Retained Earnings	4,826,216	6,742,635	1,916,419
			0
TOTAL LIAB. & OTHER CREDITS	16,671,550	17,543,177	871,627

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
2111 Land	192,320				192,320
2112 Motor Vehicles	504,797	269,593	123,229		651,162
2113 Aircraft					
2114 Special Purpose Vehicles	127,580			55	127,635
2115 Garage Work Equipment	17,415		5,739		11,676
2116 Other Work Equipment	1,230,339	80,893	73,089		1,238,143
2121 Buildings	2,260,748	3,500	10,234		2,254,014
2122 Furniture	72,090		1,597		70,493
2123 Office Equipment	36,055		17,275		18,780
2124 General Purpose Computers	248,579	9,338	46,587		211,330
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,068,625		736,796		1,331,829
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	13,886				13,886
2232 Circuit Equipment	2,520,084	159,829	271,593		2,408,320
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	16,980,955	472,420	146,133		17,307,241
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements	1,241,866			(71,776)	1,170,090
2690 Intangibles	491,715			(455,601)	36,114
Non-regulated Telephone Plant					
TOTAL PLANT ACCOUNTS	28,007,055	995,573	1,432,272	(527,322)	27,043,034

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
2111 Land					
2112 Motor Vehicles					
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings					
2122 Furniture					
2123 Office Equipment					
2124 General Purpose Computers					
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
TOTAL PLANT ACCOUNTS					

SAME AS TOTAL
 COMPANY

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					
2112 Motor Vehicles	446,511	25.0%	87,303	122,190	411,624
2113 Aircraft					0
2114 Special Purpose Vehicles	119,505	10.0%	950	55	120,400
2115 Garage Work Equipment	16,327	11.0%	1,089	5,739	11,677
2116 Other Work Equipment	1,190,557	12.5%	37,323	73,089	1,154,791
2121 Buildings	876,612	3.0%	67,567	10,234	933,945
2122 Furniture	72,090	12.5%		1,597	70,493
2123 Office Equipment	36,055	12.5%		17,275	18,780
2124 General Purpose Computers	177,703	20.0%	20,472	46,587	151,588
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	1,237,206	12.0%	126,841	707,426	656,621
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems	13,886				13,886
2232 Circuit Equipment	1,815,359	10.0%	182,721	269,343	1,728,737
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	10,885,492	6.5%	666,596	146,133	11,405,954
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	2,041,715			873,773	1,167,942
Non-regulated Telephone Plant		varies			
TOTAL	18,929,018		1,190,862	2,273,441	17,846,439

*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
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Analysis of Entries in Accumulated Depreciation

2112 Motor Vehicles	_____	_____	_____	_____	_____
2113 Aircraft	_____	_____	_____	_____	_____
2114 Special Purpose Vehicles	_____	_____	_____	_____	_____
2115 Garage Work Equipment	_____	_____	_____	_____	_____
2116 Other Work Equipment	_____	_____	_____	_____	_____
2121 Buildings	_____	_____	_____	_____	_____
2122 Furniture	_____	_____	_____	_____	_____
2123 Office Equipment	_____	_____	_____	_____	_____
2124 General Purpose Computers	_____	_____	_____	_____	_____
2211 Analog Electronic Switching	_____	_____	_____	_____	_____
2212 Digital Electronic Switching	_____	_____	_____	_____	_____
2215 Electro-Mechanical Switching	_____	_____	_____	_____	_____
2220 Operator Systems	_____	_____	_____	_____	_____
2231 Radio Systems	_____	_____	_____	_____	_____
2232 Circuit Equipment	_____	_____	_____	_____	_____
2311 Station Apparatus	_____	_____	_____	_____	_____
2321 Customer Premises Wiring	_____	_____	_____	_____	_____
2341 Large Private Branch Exchanges	_____	_____	_____	_____	_____
2351 Public Telephone Terminal Equipment	_____	_____	_____	_____	_____
2362 Other Terminal Equipment	_____	_____	_____	_____	_____
2411 Poles	_____	_____	_____	_____	_____
2421 Aerial Cable	_____	_____	_____	_____	_____
2422 Underground Cable	_____	_____	_____	_____	_____
2423 Buried Cable	_____	_____	_____	_____	_____
2424 Submarine Cable	_____	_____	_____	_____	_____
2426 Intra-building Network Cable	_____	_____	_____	_____	_____
2431 Aerial Wire	_____	_____	_____	_____	_____
2441 Conduit Systems	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____

**SAME AS TOTAL
COMPANY**

*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 & FREC	1993-94		271,523
INDEPENDENT CABLE SYSTEM	2003		111,160
CEDAR VALLEY	2004		973,375
SYRINGA NETWORK	2000		2,375,443
ANPI & SOLEX	2002		17,800
NEWSTREETS, INC.	2002		20,000
Totals			3,769,301

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>
Customers		448,129
Interexcahnge Carriers & Others		338,274
Affiliates	189,560	421
Totals	189,560	786,824

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>
Preston Radio Shack	305.43
All West Call Center	2,865.80
A.N.P.I.	1,334.69
City of Rockland	262.00
City of Soda Springs	228.29
Diamond H Trailer Sales	15,449.50
ESPN3.com	268.95
Evolution Digital, LLC	162.50
Experian	127.00
ICS of Idaho	1,460.84
Idaho Power	469.52
Idaho State Tax Commission	2,668.00
Idaho USF	163.86
Satellite Solutions	250.00
MACC	7,153.63
Moss Adams	1,468.00
Neustar	238.73
NRTC	629.17
Power & Telephone Supply	10,488.72
Power Product Services	10,257.90
Rocky Mountain Power	2,743.51
Syringa Wireless	13,773.61
V-1 Oil	267.18
Wiggins & Co	950.00
WTA	2,613.00
Totals	76,599.83

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>
RTFC	1995	2019	4,805,901	789,486			6.35%	41,564
RUS	1979	Varies	6,689,004	4,149,315		Varies		204,518
RTB	2002	2017	3,143,699	1,391,715		Varies		82,051
FORD CREDIT	2013	2018	26,745	25,979			6.99%	277
MAPCOM	2011	2015	137,374	63,629			4.79%	3,906
GMAC	2008	2012	70,729	21,421			0.00%	
ZIONS BANK	2006	2011	1,380,772	603,523		VARIABLE		34,000
FARM CREDIT LEASING	2009	2011	945,324	411,944		VARIABLE		

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 VOTING STOCK	100,000		12,500	43,956
COMMON NONVOTING STOCK	900,000		112,500	395,600

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	4,079,230	
Total Operating Expenses (from page 17)	3,659,825	
7100 Other Operating Income and Expense		SAME
7210 Operating Investment Tax Credits-Net		AS
7220 Operating Federal Income Taxes	(181,572)	TOTAL
7230 Operating State and Local Income Taxes	(39,557)	
7240 Operating Other Taxes	54,938	
7250 Provision for Deferred Operating Income Taxes-Net	(159,520)	
7200 Operating Taxes (Total)	(325,711)	
7310 Dividend Income	4,423	
7320 Interest Income		
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	1,111	
7370 Special Charges	(28,982)	
7300 Nonoperating Income and Expense	(23,449)	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	729,631	
7430 Nonoperating State and Local Income Taxes	39,567	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	(131,556)	
7400 Nonoperating Taxes	637,642	
7510 Interest on Funded Debt	328,133	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	39,056	
7500 Interest and Related Items	367,189	
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	2,199,583	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	1,916,419	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	317,445	SAME AS TOTAL
5002 Optional Extended Area Revenue	_____	
5003 Cellular Mobile Revenue	_____	
5004 Other Mobile Services Revenue	_____	
5010 Public Telephone Revenue	_____	
5040 Local Private Line Revenue	_____	
5050 Customer Premises Revenue	_____	
5060 Other Local Exchange Revenue	50,830	
5069 Other Local Exchange Settlements	_____	
Network Access Services Revenues		
5081 End User Revenue (SLC)	81,228	_____
5082 Switched Access Revenue (Interstate)	2,893,138	_____
5083 Special Access Revenue	427,583	_____
5084 State Access Revenue (Intrastate)	233,914	_____
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	_____	_____
Miscellaneous Revenues		
5230 Directory Revenue	_____	_____
5240 Rent Revenue	60,080	_____
5250 Corporate Operations Revenue	_____	_____
5261 Special Billing Arrangements Revenue	_____	_____
5262 Customer Operations Revenue	_____	_____
5263 Plant Operations Revenue	_____	_____
5264 Other Incidental Regulated Revenue	12,855	_____
5269 Other Revenue Settlements	_____	_____
5270 Carrier Billing & Collection Revenue	3,072	_____
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(915)	_____
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	4,079,230	_____

Please identify the following revenues:

NECA USF \$ __506592.00___. To what account were they booked? 5082.22

State USF \$ __202,401.00___. To what account were they booked? 5084.60

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	_____	_____
6112 Motor Vehicle Expense	_____	SAME AS TOTAL
6113 Aircraft Expense	_____	
6114 Special Purpose Vehicles Expense	_____	
6115 Garage Work Equipment Expense	_____	
6116 Other Work Equipment Expense	566	
6120 General Support Expenses	_____	_____
6121 Land and Building Expenses	52,515	_____
6122 Furniture and Artworks Expense	3,221	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	47,493	_____
6210 Central Office Switching Expenses	29,944	_____
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	_____	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	_____	_____
6231 Radio Systems Expense	1,054	_____
6232 Circuit Equipment Expense	475,091	_____
6310 Information Origination/Termination Expense	_____	_____
6311 Station Apparatus Expense	_____	_____
6341 Large Private Branch Exchange Expense	_____	_____
6351 Public Telephone Terminal Equipment Expense	_____	_____
6362 Other Terminal Equipment Expense	_____	_____
6410 Cable and Wire Facilities Expenses	_____	_____
6411 Pole Expense	_____	_____
6421 Aerial Cable Expense	_____	_____
6422 Underground Cable Expense	_____	_____
6423 Buried Cable Expense	653,518	_____
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	1,263,401	_____

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		SAME AS TOTAL
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	37,149	
6532 Network Administration Expense	140,149	
6533 Testing Expense	65	
6534 Plant Operations Administration Expense		
6535 Engineering Expense	17,528	
6540 Access Expense	40,030	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,144,912	
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	1,379,833	
Customer Operations Expense		
6610 Marketing		
6611 Product Management	113,483	
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	421	
6623 Customer Services	186,093	
Total Customer Operations Expense	299,997	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	304,047	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	273,637	
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal	1,025	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	137,886	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	716,594	
TOTAL OPERATING EXPENSES	3,659,825	

CENTRAL OFFICE DATA
as of December 31, 2012 (unless otherwise indicated)

Name of Central Office: ARBON
Prefix (es): 335

Central Office Switch Type: AZTEK

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

Access Line Capacity
Design: 300 **Access Lines in Use**
Customer Lines: 88
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 100 Public Telephone Lines 0
Company Official Lines 2
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	86	86	86	4	3	7	93
New Connects	5	5	5	4	3	7	0
Disconnects	81	81	81	4	3	7	5
End of Year							88

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

Custom Calling:
Number of customers with at least one feature: 63
Total number of features subscribed to: 34

CENTRAL OFFICE DATA
as of December 31, 2012 (unless otherwise indicated)

Name of Central Office: PARIS
Prefix (es): 945
Central Office Switch Type: METASWITCH

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

Access Line Capacity
Design: 2000
Installed/Equipped: 1000

Access Lines in Use
Customer Lines: 674
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines 0
Company Official Lines 9
Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year	604	0	0	57	29	86	690
New Connects	14	14	10	8	10	10	8
Disconnects	590	590	65	19	19	84	24
End of Year							674

Foreign Exchange:
Dial Tone from this C.O.: 1
Dial Tone from another C.O.: 0

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 32

Custom Calling:
Number of customers with at least one feature: 300
Total number of features subscribed to: 34

CENTRAL OFFICE DATA
as of December 31, 2012 (unless otherwise indicated)

Name of Central Office: ROCKLAND
Prefix (es): 548

Central Office Switch Type: Metaswitch - Host

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

Access Line Capacity
Design: 400 **Access Lines in Use**
Customer Lines: 219
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 300
Public Telephone Lines 0
Company Official Lines 12
Company Test Lines 0

Classification of Customer Access

	Residence		Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Centrex N.A.R.	Multi-Line 1-Party	Single Line Multi-Party	
Beginning	166	166		45	11	222
New Connects		0			3	3
Disconnects	5	5		1		6
End of Year	161	161		44	14	219
		Subtotal Residence			Subtotal Business	
		166			56	

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: 9

Custom Calling:
Number of customers with at least one feature: 106
Total number of features subscribed to: 34

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2012.

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 ARBON	83			3,450	18,707	22,157	267
2 ROCKLAND	163			5,902	49,553	55,455	340
3 PARIS	597			12,986	170,639	183,625	308
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, 2012.

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 Jan-13

Alternate method of notification Letter included w/January statements

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 62

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 36

Denial/Termination 0

Quality or Availability
of Service 15

Carrier Selection/Assignment 2

Miscellaneous 9

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CERTIFICATE

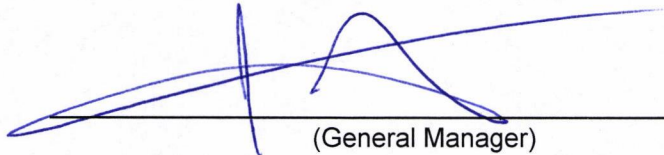
State of Idaho)
) ss
County of)

WE, the undersigned Jeremy Smith


and R. Michael Parrish

of the Direct Communications Rockland, 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.




(General Manager)

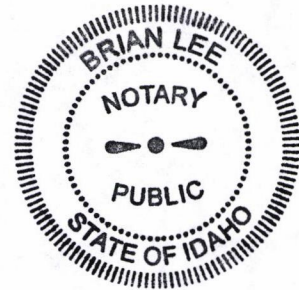


(Accountant)

Subscribed and Sworn to Before Me this 15 day of April, 2014



Notary Public



My Commission expires June 11, (Year) 2016.

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