

SIL-T

ANNUAL REPORT

OF

NAME

ALLEN HOOPES
SILVER STAR COMM
PO BOX 226
FREEDOM WY 83120

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2011

IDAHO PUBLIC
UTILITIES COMMISSION

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**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING DECEMBER 31, 2008**

COMPANY INFORMATION

Exact name of utility: Silver Star Telephone Company, Inc.

Address of principal office: P.O. Box 226, 104101 Hwy 89, Freedom, WY 83120

Telephone Number Area Code (307) 883-2411

Cities or towns served: Wyoming - Freedom, Etna, Alpine, Afton, Bedford; Idaho - Freedom, Irwin, Wayan

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

Allen R. Hoopes, President

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

P.O. Box 226, 104101 Hwy 89, Freedom, WY 83120 (307) 883-2411

Organized under the laws of the State of: Wyoming

Date of organization: 10/20/1950

Form of organization (proprietorship, association, corporation): Corporation

If a Subchapter S Corporation, please specify: N/A

Name and address of controlling company, if any: N/A

Names of affiliated companies. Give address and description of business: _____

Columbine Telephone Company, Inc.; P.O. Box 226, Freedom, WY 83120

Telecommunications Services

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
Asst Sec	Michelle Motzkus	P.O. Box 226, Freedom, WY 83120
VP Finance / Sec	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
Allen R. Hoopes	Indefinite	6	\$ 220
Jack Bentley	Indefinite	6	\$ 220
Bob Foster	Indefinite	5	\$ 183
Rod R. Jensen	Indefinite	6	\$ 220
Peggy Zimmer	Indefinite	5	\$ 183
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.

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	2,488,607	1,577,078	-
1130 Cash	-	-	-
1140 Special Cash Deposits	-	-	-
1150 Working Cash Advances	400	400	-
1160 Temporary Investments	64,634	61,532	(3,101)
1180 Telecommunications Accts. Receivable	185,760	136,430	(49,331)
1181 Accts. Rec. Allow. -Telecommunications	30,000	5,000	(25,000)
1190 Other Accounts Receivable	1,791,349	4,127,598	2,336,249
1191 Accounts Receivable Allow. - Other	(26,862)	(26,862)	-
1200 Notes Receivable	-	-	-
1201 Notes Receivable Allowance	-	-	-
1210 Interest & Dividends Receivable	-	-	-
1220 Material and Supplies	184,565	352,750	168,185
1280 Prepayments	-	-	-
1290 Prepaid Rents	-	-	-
1300 Prepaid Taxes	-	-	-
1310 Prepaid Insurance	47,901	13,829	(34,073)
1320 Prepaid Directory Expenses	-	-	-
1330 Other Prepayments	88,701	249,900	161,199
1350 Other Current Assets	-	-	-
Noncurrent Assets			
1401 Investment in Affiliated Companies	-	-	-
1402 Investment in Nonaffiliated Companies	5,268,790	5,997,156	728,366
1406 Nonregulated Investments	6,021,791	6,603,760	581,969
1407 Unamortized Debt Issuance Expense	-	-	-
1408 Sinking Funds	-	-	-
1410 Other Noncurrent Assets	7,500	7,500	-
1438 Deferred Maintenance & Retirements	-	-	-
1439 Deferred Charges	-	-	-
1500 Other Jurisdiction Assets - Net	-	-	-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	34,916,086	38,488,337	3,572,251
2002 Prop. Held for Future Telecom. Use	-	-	-
2003 Telecom. Plant under Constr. - Short Term	901,997.18	711,717.52	(190,279.66)
2004 Telecom. Plant under Constr. - Long Term	-	-	-
2005 Telecom. Plant Adjustment	-	-	-
2006 Nonoperating Plant	-	-	-
2007 Goodwill	-	-	-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	26,067,475	28,385,889	2,318,413
3200 Accum. Depre. - Held for Future Use	-	-	-
3300 Accumulated Depreciation - Nonoperating	3,288,517	3,599,805	311,289
3400 Accumulated Amortization - Tangible	-	-	-
3410 Accum. Amort. - Capitalized Leases	-	-	-
3420 Accum. Amort. - Leasehold Improvements	-	-	-
3500 Accumulated Amortization - Intangible	-	-	-
3600 Accumulated Amortization - Other	-	-	-
TOTAL ASSETS	22,615,228	26,320,430	3,705,202

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	4,127,531	4,440,896	313,365
4020 Notes Payable	800,000	1,725,000	925,000
4030 Advance Billings and Payments	-	174,791	174,791
4040 Customer Deposits	25,532	26,204	672
4050 Current Maturities - Long -Term Debt	845,593	893,036	47,443
4060 Current Maturities - Capital leases	-	-	-
4070 Income Taxes - Accrued	1	1	-
4080 Other Taxes - Accrued	27,133	6,886	(20,247)
4100 Net Current Defer. Oper. Income Taxes	(236,121)	(220,853)	15,268
4110 Net Current Defer. Nonoper. Income Taxes	-	-	-
4120 Other Accrued Liabilities	870,646	785,064	(85,582)
4130 Other Current Liabilities	-	-	-
Long-Term Debt			
4210 Funded Debt	5,389,232	4,496,087	(893,144)
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	1,067,294	1,162,360	95,066
4320 Unamort. Oper. Invest. Tax Credits - Net	132,043	120,855	(11,188)
4330 Unamort. Nonoper. Invest. Tax Credits - Net	-	-	-
4340 Net Noncurrent Defer. Oper. Income Taxes	278,223	881,507	603,284
4350 Net Noncur. Defer. Nonoper. Income Taxes	(53,492)	249,616	303,108
4360 Other Deferred Credits	1,479,277	1,165,558	(313,719)
4370 Other Juris. Liab. & Def. Credits - Net	-	-	-
Stockholders' Equity			
4510 Capital Stock	10,000	10,000	-
4520 Additional Paid-In Capital	4,047,777	6,947,777	2,900,000
4530 Treasury Stock	-	-	-
4540 Other Capital	(2,202,150)	(2,627,773)	(425,624)
4550 Retained Earnings	6,006,708	6,083,417	76,709
TOTAL LIAB. & OTHER CREDITS	22,615,228	26,320,430	3,705,202

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	472,934	57,382		5,197	535,512
2111	Land	15,773	-			15,773
2112	Motor Vehicles	1,286,748	41,162	(124,467)		1,203,443
2113	Aircraft		-			
2114	Special Purpose Vehicles		-			
2115	Garage Work Equipment		-			
2116	Other Work Equipment	1,050,749	46,967			1,097,717
2121	Buildings	2,997,465	172,700			3,170,166
2122	Furniture	375,232	-			375,232
2123	Office Equipment	545,965	-			545,965
2124	General Purpose Computers	1,039,019	73,231			1,112,250
2211	Analog Electronic Switching		-			
2212	Digital Electronic Switching	1,129,087	-			1,129,087
2215	Electro-Mechanical Switching		-			
2220	Operator Systems		-			
2231	Radio Systems	709,498	20,385	(25,539)		704,345
2232	Circuit Equipment	8,969,202	1,818,857	(62,232)	(37,505)	10,688,322
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	15,986,588	1,586,113			17,572,702
2424	Submarine Cable		-			
2426	Intrabuilding Network Cable		-			
2431	Aerial Wire		-			
2441	Conduit Systems	283,864	-			283,864
2681	Capital Leases		-			
2682	Leasehold Improvements	53,003	-			53,003
2690	Intangibles	958	-			958
TOTAL PLANT ACCOUNTS		34,916,086	3,816,797	(212,237)	(32,309)	38,488,337

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					
2111 Land	7,012	-			7,012
2112 Motor Vehicles	-	-			-
2113 Aircraft		-			
2114 Special Purpose Vehicles		-			
2115 Garage Work Equipment		-			
2116 Other Work Equipment	-	-			-
2121 Buildings	405,804	-			405,804
2122 Furniture	-	-			-
2123 Office Equipment	748	-			748
2124 General Purpose Computers	-	-			-
2211 Analog Electronic Switching		-			
2212 Digital Electronic Switching	-	-			-
2215 Electro-Mechanical Switching		-			
2220 Operator Systems		-			
2231 Radio Systems	240,335	11,933	(25,539)		226,729
2232 Circuit Equipment	2,585,089	485,170	(39,319)	55,568	3,086,507
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	6,258,708	34,289			6,292,997
2424 Submarine Cable		-			
2426 Intrabuilding Network Cable		-			
2431 Aerial Wire		-			
2441 Conduit Systems	2,928	-			2,928
2681 Capital Leases		-			
2682 Leasehold Improvements	-	-			-
2690 Intangibles	-	-			-
TOTAL PLANT ACCOUNTS	9,500,623	531,392	(64,858)	55,568	10,022,725

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	438,172	33.33%	97,340		535,512
2112 Motor Vehicles	977,013	20.00%	264,133	(124,467)	1,116,680
2113 Aircraft			-		
2114 Special Purpose Vehicles			-		
2115 Garage Work Equipment			-		
2116 Other Work Equipment	1,050,749	10.00%	36,591	-	1,087,340
2121 Buildings	1,932,683	5.00%	150,637		2,083,319
2122 Furniture	271,137	FD	52,533		323,670
2123 Office Equipment	323,725	14 - 20%	76,330		400,056
2124 General Purpose Computers	965,090	14.00%	147,160	-	1,112,250
2211 Analog Electronic Switching			-		
2212 Digital Electronic Switching	363,695	8.33 - 12%	94,053	-	457,748
2215 Electro-Mechanical Switching			-		
2220 Operator Systems			-		
2231 Radio Systems	452,988	10.00%	57,921	(25,539)	485,370
2232 Circuit Equipment	6,172,500	10 - 12.5%	1,010,215	(62,232)	7,120,483
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	-	5.00%	-		-
2423 Buried Cable	12,977,329	5 - 20%	526,895	-	13,504,224
2424 Submarine Cable			-		
2426 Intra-building Network Cable			-		
2431 Aerial Wire			-		
2441 Conduit Systems	131,714	5.00%	14,193		145,907
2682 Leasehold Improvements	10,681	5.00%	2,650		13,331
TOTAL	26,067,475		2,530,650	(212,237)	28,385,889

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	-	20.00%	-	-	-
2113 Aircraft			-		
2114 Special Purpose Vehicles			-		
2115 Garage Work Equipment			-		
2116 Other Work Equipment	-	10.00%	-		-
2121 Buildings	196,037	5.00%	20,334		216,371
2122 Furniture	-	FD	-		-
2123 Office Equipment	748	14 - 20%	-		748
2124 General Purpose Computers	-	14.00%	-		-
2211 Analog Electronic Switching			-		
2212 Digital Electronic Switching	-	8.33 - 12%	-		-
2215 Electro-Mechanical Switching			-		
2220 Operator Systems			-		
2231 Radio Systems	103,034	10.00%	21,214	(25,539)	98,709
2232 Circuit Equipment	2,302,140	10 - 12.5%	334,866	(39,319)	2,597,688
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	-	5.00%	-		-
2423 Buried Cable	6,148,783	5 - 20%	144,215		6,292,997
2424 Submarine Cable			-		
2426 Intrabuilding Network Cable			-		
2431 Aerial Wire			-		
2441 Conduit Systems	1,330	5.00%	146		1,476
2682 Leasehold Improvements	-	5.00%	-		-
TOTAL	8,752,072		520,775	(64,858)	9,207,989

*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>
Cash Value -Life Ins.	Various		1,233,022
Syringa Networks	2000		688,859
PCS Investments	Various		2,536,193
Syringa Wireless	2006		187,788
Unicomconnect LLC	2009		24,000
RTFC Capital Credits	Various		117,151
RTFC Certificates	Various		84,650
Independent Cable Systems	2003		452,921
Economic Development Loan	2000		75,773
Investment-Wells Fargo	2003		-
Silver Star - Afton (CLEC)	1999		6,603,760
Investment-Unicomconnect	2010		596,800
Totals		-	12,600,916

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>
Customer Billed		482,284
Bridgerland Wireless		12,729
Neca		374,104
Interexchange Carriers		121,828
Goldstar		41,135
Silver Star Afton		(117,294)
State USF		12,973
Schools & Libraries		-
Other		1,019,095
Totals		4,242,165

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>
RTFC	Jul-09	Various	Jul-12	1,725,000
Totals				1,725,000

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Fed, State, Local Tax	22,181
Corporate Benefits	1,307,188
NECA	6,297
Long Distance Carriers	402,986
World Visions	1,858,742
Various Other Vendors	555,061
Inter Company	288,440.83
Totals	4,440,896

LONG - TERM DEBT

Accounts 4210, 4240, 4250, 4260, 4270 and 4310

List the required data for each obligation included in these accounts, grouping them by account number and showing totals for each account. If any obligations mature serially or otherwise at various dates, give particulars in a note.

<u>Class & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount</u>		<u>Interest for year</u>	
					<u>Total</u>	<u>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RUS NOTE - 2.0%	6/1/2003	2009	20,301	-			2.00%	-
RUS NOTE - 5.0%	3/1/1974	2015	1,689,000	52,288			5.00%	3,078
RUS NOTE - 5.0%	12/1/1990	2025	2,188,000	-			5.00%	-
RUS NOTE - 5.0%	5/1/2003	2018	6,758,000	1,761,823			5.00%	94,699
RUS NOTE - 5.0%	9/30/2005	2017	653,773	345,055			5.00%	18,998
RUS NOTE - 5.0%	8/31/2006	2017	2,446,100	1,374,110			5.00%	75,683
RUS NOTE - 6.57%	12/1/1995	2009	350,000	-			6.57%	-
RUS NOTE - 6.75%	12/1/1995	2009	864,345	-			6.75%	-
RUS NOTE - 6.96%	12/1/1995	2009	190,655	-			6.96%	-
RTB NOTE - 6.54%	12/1/1990	2009	820,050	-			6.54%	-
RTFC LOC - 5.25%			3,732,000				5.25%	
RTFC NOTE - VARIOUS	10/1/2001	2016	3,263,158	1,428,406			VARIOUS	90,466
RTFC NTOE - VARIOUS	9/1/2003	2018	4,166,667	-			VARIOUS	46,724
PCS NOTE - 6.25%	4/1/1997	2007	39,600	-			6.25%	(218)
EQUIPMENT NOTES - 0.0%		Various		127,442			0.00%	338
RURAL ECONOMIC DEV. NOTE - 0.0%			300,000	300,000			0.00%	-
LESS CURRENT PORTION				(893,036)				
TOTALS				4,496,087				329,768

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	<u>10,234,176.99</u>	<u>2,689,316.58</u>
Total Operating Expenses (from page 17)	<u>9,238,750.12</u>	<u>1,956,934.61</u>
7100 Other Operating Income and Expense	<u>-</u>	<u>-</u>
7210 Operating Investment Tax Credits-Net	<u>(900.00)</u>	<u>(900.00)</u>
7220 Operating Federal Income Taxes	<u>(420,536.39)</u>	<u>135,409.00</u>
7230 Operating State and Local Income Taxes	<u>6,000.00</u>	<u>6,000.00</u>
7240 Operating Other Taxes	<u>109,926.12</u>	<u>30,708.11</u>
7250 Provision for Deferred Operating Income Taxes-Net	<u>585,345.58</u>	<u>127,415.00</u>
7200 Operating Taxes (Total)	<u>279,835.31</u>	<u>298,632.11</u>
7310 Dividend Income	<u>(10,983.87)</u>	<u>(2,941.60)</u>
7320 Interest Income	<u>(11,439.05)</u>	<u>(1,174.52)</u>
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	<u>(18,223.53)</u>	<u>(767.28)</u>
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	<u>889,768.18</u>	<u>(151,277.00)</u>
7370 Special Charges	<u>(49,021.85)</u>	<u>(8,724.71)</u>
7300 Nonoperating Income and Expense	<u>800,099.88</u>	<u>(164,885.11)</u>
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	<u>-</u>	<u>-</u>
7430 Nonoperating State and Local Income Taxes	<u>-</u>	<u>-</u>
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	<u>319,375.43</u>	<u>13,754.00</u>
7400 Nonoperating Taxes	<u>319,375.43</u>	<u>13,754.00</u>
7510 Interest on Funded Debt	<u>329,648.11</u>	<u>75,610.17</u>
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	<u>120.13</u>	<u>-</u>
7500 Interest and Related Items	<u>329,768.24</u>	<u>75,610.17</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>810,360.75</u>	<u>84,239.66</u>
AMOUNT TRANSFERRED TO RETAINED EARNINGS	76,708.76	593,510.46

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	1,442,974	178,039
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue	26,792	1,218
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue	-	-
5040 Local Private Line Revenue	206,862	62,977
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	264,109	20,870
5069 Other Local Exchange Settlements	2,406,148	923,795
Network Access Services Revenues		
5081 End User Revenue (SLC)	491,886	54,988
5082 Switched Access Revenue (Interstate)	3,052,549	1,080,483
5083 Special Access Revenue	1,342,611	213,158
5084 State Access Revenue (Intrastate)	130,423	11,998
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	-	-
Miscellaneous Revenues		
5230 Directory Revenue	79,046	1,296
5240 Rent Revenue	592,814	100,212
5250 Corporate Operations Revenue	110,533	33,926
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue		
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue		
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	89,450	4,843
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	4,781	1,514
5302 Uncollectible Revenue - Other	(6,801)	-
TOTAL OPERATING REVENUES	10,234,177	2,689,317

Please identify the following revenues:

NECA USF	\$ <u>2,249,743</u>	To what account were they booked?	5,069
State USF	\$ <u>155,677</u>	To what account were they booked?	5,069

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	(3,017)	-
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	237,921	39,798
6122 Furniture and Artworks Expense	2,924	458
6123 Office Equipment Expense	60,683	15,689
6124 General Purpose Computers Expense	375,071	95,273
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense		
6212 Digital Electronic Expense	375,738	105,006
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses		
6231 Radio Systems Expense	8,083	794
6232 Circuit Equipment Expense	445,367	85,594
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	70	-
6422 Underground Cable Expense		
6423 Buried Cable Expense	1,112,688	292,457
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	2,615,528	635,069

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	72,370.72	18,727.41
6533 Testing Expense	27,390.73	3,260.55
6534 Plant Operations Administration Expense	201,890.53	72,973.36
6535 Engineering Expense	282,106.36	68,178.62
6540 Access Expense	128,695.47	33,247.68
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	2,831,913.74	520,774.96
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible	1,600.08	-
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses		
Customer Operations Expense	3,545,967.63	717,162.58
6610 Marketing		
6611 Product Management	-	-
6612 Sales	219,079.59	36,942.72
6613 Product Advertising	9,147.93	1,383.27
6620 Services		
6621 Call Completion Services		
6622 Number Services	49,277.55	12,334.86
6623 Customer Services	737,704.49	118,838.90
Total Customer Operations Expense	1,015,209.56	169,499.75
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	287,680.54	72,319.91
6712 Planning	4,280.59	1,108.77
6720 General and Administrative		
6721 Accounting and Finance	727,327.44	207,902.78
6722 External Relations	165,086.14	27,782.73
6723 Human Resources	151,045.02	39,419.44
6724 Information Management		
6725 Legal	191,009.67	-
6726 Procurement	36,306.90	9,726.83
6727 Research and Development		
6728 Other General and Administrative	499,309.09	76,943.08
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	2,062,045.39	435,203.54
TOTAL OPERATING EXPENSES	9,238,750.12	1,956,934.61

CENTRAL OFFICE DATA
as of December 31, 2010 (unless otherwise indicated)

Name of Central Office: _____ None
Prefix (es): 574 And 483

Central Office Switch Type: _____

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

Access Line Capacity
Design: _____
Installed/Equipped: _____

Access Lines in Use
Customer Lines 417
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines _____ 2
Company Official Lines _____ 22
Company Test Lines _____

Classification of Customer Access

	Residence				Centrex N.A.R.	Business			Total Residence & Business	
	Multi- Line 1-Party	Single Line		Subtotal Residence		Multi- Line 1-Party	Single Line			Subtotal Business
		1-Party	Multi- Party				1-Party	Multi- Party		
Beginning of Year	_____	313	_____	313	_____	91	28	_____	119	432
New Connects	_____	_____	_____	0	_____	8	_____	_____	8	8
Disconnects	_____	21	_____	21	_____	_____	2	_____	2	23
End of Year	_____	292	_____	292	_____	99	26	_____	125	417

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 41

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

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 X

Included in directory Yes X No _____

Date of notification _____

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints: Silver Star Telecom

Number received by Company _____

Category of complaints (if known):

Deposit Disputes _____

Charges on Bill _____

Denial/Termination _____

Quality or Availability
of Service _____

Carrier Selection/Assignment _____

Miscellaneous _____

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CERTIFICATE

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

WE, the undersigned Chad Turner
and Kurt Garrard
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.

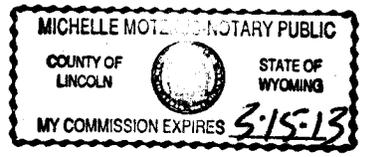
Chad Turner
(Chief Officer)

Kurt Garrard
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 1st day of May, (Year) 2012.

Michelle Moten
Notary Public

My Commission expires March 15, (Year) 2013.



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