

P.O. Box 398 • Peculiar, MO 64078-0398

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June 12, 2006

VIA E-Mail

Ms. Janis Fischer  
Missouri Public Service Commission  
Jefferson City, Missouri  
[janis.fischer@psc.mo.gov](mailto:janis.fischer@psc.mo.gov)

Dear Janis:

I am writing this letter to you pursuant to instructions from David Winter of the MPSC staff and in fulfillment of one of the requirements of Paragraph III(D) of the Stipulation and Agreement entered into in Case No. TC-2005-0357. This Stipulation and Agreement was recently approved by the Missouri Public Service Commission.

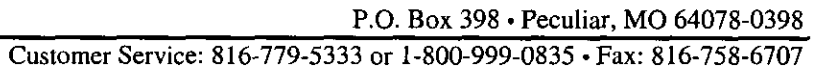
Specifically, I am requesting that the Annual Reports for Cass County Telephone Company Limited Partnership for the years 1996-2004 be supplemented by adding the following language:

“The financial statements as presented in Cass County Telephone Company Limited Partnership’s Annual Reports submitted to the Missouri Public Service Commission for 1996 through 2004 are materially misstated due to the fraudulent acts of Kenneth M. Matzdorff, who was responsible for the day-to-day management of the Company. As a result, these Annual Reports, as submitted and on record with the Missouri Public Service Commission reflects inflated telephone plant in service, depreciation expense, depreciation reserves for all periods, and fraudulent and overstated operating expenses for 1996 through 2003. Therefore, external users should use great care in relying upon the aforementioned materially misstated financial statements contained in the Annual Reports for any purposes. Users should also refer to the 2005 Annual Report of Cass County Telephone Company Limited Partnership for further information.”

If you need further information from me to supplement these annual reports, please contact me.

Sincerely,

Robert C. Schoonmaker  
President, GVNW Consulting, Inc.  
Agent for Cass County Telephone Company



(To be signed by person receiving report)

# **CASS COUNTY TELEPHONE COMPANY**

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(Full Company Name)

**INCUMBENT  
LOCAL EXCHANGE CARRIER**

**FILED**

APR 11 2005

**ANNUAL REPORT**

**Missouri Public  
Service Commission**

**TO THE**

**MISSOURI PUBLIC SERVICE COMMISSION**

**For Period Ending December 31, 2003**

**Public Version-Revised March 2005**

**Note: Portions of this report have been filed under seal with the Missouri Public  
Utility Commission.**

**Missouri Public Service Commission**  
**Incumbent Local Exchange Carriers**  
**Annual Report Form**

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ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

- 1) State in full the exact 'certificated' name of the Interexchange Telecommunications Carrier:  
(Do not abbreviate; yet include any Commission approved fictitious name, if applicable.)

CASS COUNTY TELEPHONE COMPANY LIMITED PARTNERSHIP

Date (e.g. 00/00/0000): \_\_\_\_\_

Case No: \_\_\_\_\_

- 2) State in full the mailing and street addresses of the telephone company:

192 W. BROADWAY, PO BOX 398

PECULIAR, MO 64078

- 3) State in full the name, street address, telephone number, **email address** of the individual to contact concerning the company's telephone operations:

KENNETH M MATZDORFF

PO BOX 398

PECULIAR, MO 64078

PHONE 816-779-5510

- 4) Under the laws of which state is the telephone company organized:

MARYLAND

- 5) Was the original telephone company certification in Missouri under any other names? If yes, please provide all names and time periods involved since the original certification:

NO

- 6) Date of incorporation or other/original organization (e.g. MM/DD/YYYY):

NOVEMBER 2, 1994

- 7) State the names, addresses and shareholdings of persons owning five (5) percent or more of outstanding voting securities:

LEC, LLC- 99%

PO BOX 647

192 W BROADWAY

PECULIAR, MO 64078

as of December 31, 2003

- 8) List companies owned, controlled, or operated by the utility. Include a statement of the form and extent of such ownership, control or operation:

NONE

- 9) Does the company utilize actual or average cost for settlement purposes? If actual costs are used, please identify the consulting firm engaged to prepare the study; or if performed in house the staff member responsible for this study and the date last prepared.

### ACTUAL COSTS

## BEACON TELECOMMUNICATIONS

AS OF DECEMBER 31 2002 PREPARED JULY 01, 2003

- 10) Please provide the effective date and file reference to the Depreciation Authority Order or other Case Number wherein the company received authorization for current depreciation rates (reference to HB 360 if appropriate) reported on Schedule 3.

JULY 21, 1995 IN CASE NO. TM-95-163

- 11) Whether a corporation or not, give the particulars requested below concerning the principal officers of the telephone company at the end of the reporting year:

**Date Office**

**Assumed**

### Title

Name

Nov-95

**CEO/President**

KENNETH M. MATZDORFF

Nov-95

**DIRECTOR**

TERRENCE PECK

Nov-95

**SECRETARY/TREASURER**

ELIA A. FIATA

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

Item	Amount	FCC Account
12) Please identify what amount of Universal Service Fund (USF) payments were received from the National Exchange Carrier Association (NECA) for the reporting year.	\$3,121,635	5082.110
13) Please identify the "Unseparated NTS Revenue Requirement" as reported to NECA related to the above payment.	N/A	
14) Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	N/A	
15) Please identify what amount of USF payments were received by the company from NECA for the previous reporting year.	\$3,075,067	5082.110
16) Please identify the amount of USF payments expected to be received by the company for the following reporting year.	\$3,089,408	5082.110
17) Please identify the amount of Local Switching Support payments received by the company for the current reporting year.	\$1,415,916	5082.200
18) Please identify the amount of Local Switching Support received by the company for the previous reporting year.	\$1,533,762	5082.200
19) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the current reporting year.	\$324,180	5082.100
20) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the previous reporting year.	\$316,680	5082.100
21) Type of Missouri tax return filed (i.e. MO-1065, MO-1120A, MO-1120S, MO-NRP, MO-NRS, etc.):	MO-1065	
22) Missouri Taxpayer ID:	16006143	

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

**BALANCE SHEET ACCOUNTS**

<b>FCC #</b>	<b>Account Description</b>	<b>Amount</b>
<u>Current Assets</u>		
1130	Cash	\$2,043,687
1140	Special Cash Deposits	
1150	Working Cash Advance	\$242
1160	Temporary Investments	\$298,796
1180	Telecommunications Accounts Receivable	\$303,037
1190	Other Accounts Receivable	\$3,114,578
1191	Accounts Receivable Allowance - Other	
1200	Notes Receivable	
1201	Notes Receivable Allowance	
1210	Interest and Dividends Receivable	\$94
1220	Material and Supplies	\$708,704
1290	Prepaid Rents	
1300	Prepaid Taxes	
1310	Prepaid Insurance	\$18,676
1320	Prepaid Directory Expenses	\$3,370
1330	Other Prepayments	\$2,999
1350	Other Current Assets	
<b>Total Current Assets</b>		<b>\$6,494,183</b>
<u>Noncurrent Assets</u>		
1401	Investments in Affiliated Companies	
1402	Investments in Nonaffiliated Companies	
1406	Nonregulated Investments	\$705,237
1407	Unamortized Debt Issuance Expenses	\$17,306
1408	Sinking Funds	
1410	Other Noncurrent Assets	
1438	Deferred Maintenance & Retirements	
1439	Deferred Charges	
1500	Other Jurisdictional Assets-Net	
<b>Total Noncurrent Assets</b>		<b>\$722,543</b>



as of December 31, 2003

**BALANCE SHEET ACCOUNTS**

<b>FCC #</b>	<b>Account Description</b>	<b>Amount</b>
<b>Regulated Plant</b>		
2001	Telecommunications Plant in Service	\$33,423,621
2002	Property Held For Future Telecommunications Use	
2003	Telecommunications Plant Under Construction - Short Term	\$52,713
2004	Telecommunications Plant Under Construction - Long Term	
2005	Telecommunications Plant Adjustment	\$11,938,718
2006	Nonoperating Plant	
2007	Goodwill	
<b>Total Regulated Plant</b>		<b>\$45,415,053</b>
<b>Depreciation and Amortization</b>		
3100	Accumulated Depreciation	\$12,438,535
3200	Accumulated Depreciation - Held For Future Use	
3300	Accumulated Depreciation - Nonoperating	
3410	Accumulated Depreciation - Capitalized Leases	
3420	Accumulated Depreciation - Leasehold Improvements	
3500	Accumulated Depreciation - Intangible	
3600	Accumulated Depreciation - Other	\$6,168,338
<b>Total Depreciation and Amortization</b>		<b>\$18,606,873</b>
<b>Net Plant</b>		<b>\$26,808,179</b>
<b>Total Assets</b>		<b>\$34,024,905</b>

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

**BALANCE SHEET ACCOUNTS**

<b>FCC #</b>	<b>Account Description</b>	<b>Amount</b>
<u>Current Liabilities</u>		
4010	Accounts Payable	\$2,701,921
4020	Notes Payable	\$480,174
4030	Advanced Billing and Payments	\$158,318
4040	Customers' Deposits	\$70,042
4050	Current Maturities - Long Term	\$925,000
4060	Current Maturities - Capital Leases	
4070	Income Taxes Accrued	\$744
4080	Other Taxes Accrued	\$70,947
4100	Net Current Deferred Operating Income Taxes	
4110	Net Current Deferred Non-operating Income Taxes	
4120	Other Accrued Liabilities	\$66,618
4130	Other Current Liabilities	\$15,407
<b>Total Current Liabilities</b>		<b>\$4,489,172</b>
<u>Long-Term Debt</u>		
4210	Funded Debt	\$6,012,501
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	\$1,000,000
<b>Total Long-Term Debt</b>		<b>\$7,012,501</b>

as of December 31, 2003

**BALANCE SHEET ACCOUNTS**

<b>FCC #</b>	<b>Account Description</b>	<b>Amount</b>
<u>Other Liabilities and Deferred Credits</u>		
4310	Other Long-Term Liabilities	
4320	Unamortized Operating Investment Tax Credits - Net	
4330	Unamortized Nonoperating Investment tax Credits - Net	
4340	Net Non-current Deferred Operating Income Taxes	
4350	Net Noncurrent Deferred Nonoperating Income Taxes	
4360	Other Deferred Credits	
4370	Other Jurisdictional Liabilities and Deferred Credits - Net	
<b>Total Other Liabilities and Deferred Credits</b>		
<u>Stockholders' Equity</u>		
4510	Capital stock	\$8,913,917
4520	Additional Paid -In Capital	
4530	Treasury Stock	
4540	Other Capital	
4550	Retained Earnings	\$13,609,315
<b>Total Stockholders' Equity</b>		\$22,523,232
<b>Total Liabilities and Shareholders' Equity</b>		\$34,024,905

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**PLANT IN SERVICE**

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
General Support Assets			
2111	Land		\$74,686
2112	Motor Vehicles	11.52%	\$256,326
2113	Aircraft		
2114	Tools and Other Work Equipment	6.71%	\$176,848
2115	Garage Work Equipment		
2116	Other Work Equipment		
2121	Buildings	2.80%	\$624,287
2122	Furniture	6.71%	\$13,032
2123.1	Office Equipment - Office Support	9.70%	\$11,084
2123.2	Office Equipment - Co. Communications	9.70%	\$7,264
2124	General Purpose Equipment	13.59%	\$74,290
<b>Total General Support Assets</b>			<b>\$1,237,816</b>
Central Office Assets			
2211	Analog Electronic Switching		
2212	Digital Electronic Switching	6.67%	\$6,106,918
2215	Electromechanical Switching		
2220	Operator Systems		
2231.1	Satellite and Earth Station Equipment		
2231.2	Other Radio Facilities		
2232.1	Circuit Equipment - Digital	10.30%	\$3,718,610
2232.2	Circuit Equipment - Analog		
<b>Total Central Office Assets</b>			<b>\$9,825,528</b>

(A) See Schedule 1, question 10.

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**PLANT IN SERVICE****Authorized  
Depreciation Rate**

<b>FCC #</b>	<b>Account Description</b>	<b>(A)</b>	<b>Amount</b>
<u>Information Origination/Termination Assets</u>			
2311	Station Apparatus		
2321	Customer Premises Wiring		
2341	Large Private Branch Exchange		
2351	Public Telephone Terminal Equipment		
2362	Other Terminal Equipment	11.49%	\$0

**Total Info. Origination/Termination Assets**Cable and Wire Facilities Assets

2411	Poles	6.19%	\$256,458
2421.1	Aerial cable - Nonmetallic	5.52%	\$67,696
2421.2	Aerial cable - Metallic	5.52%	\$460,271
2422.1	Underground cable - Nonmetallic	3.68%	\$91,865
2422.2	Underground cable - Metallic	4.04%	\$9,880
2423.1	Buried cable - Nonmetallic	3.68%	\$3,315,299
2423.2	Buried cable - Metallic	4.29%	\$17,817,822
2424.1	Submarine cable - Nonmetallic		
2424.2	Submarine cable - Metallic		
2425	Deep Sea Cable		
2426	Intrabuilding Network Cable		
2431	Aerial Wire	14.17%	\$3,632
2441	Conduit Systems	2.00%	\$337,355

**Total Cable and Wire Facilities Assets****\$22,360,277**

(A) See Schedule 1, question 10.

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**PLANT IN SERVICE**

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
<u>Amortizable Assets</u>			
2681	Capital Leases		
2682	Leasehold Improvements		
2690	Intangibles		
<u>Total Amortizable Assets</u>			
<u>Total Telecommunications Plant In Service</u>			\$33,423,621

(A) See Schedule 1, question 10.

as of December 31, 2003

**DEPRECIATION RESERVE**

<b>FCC #</b>	<b>Account Description</b>	<b>Depreciation Expense Recorded</b>	<b>Accumulated Balance</b>
<b>General Support Assets</b>			
3111	Land		
3112	Motor Vehicles	\$29,298	\$166,364
3113	Aircraft		
3114	Tools and Other Work Equipment	\$11,548	\$49,645
3115	Garage Work Equipment		
3116	Other Work Equipment		
3121	Buildings	\$17,206	\$271,751
3122	Furniture	\$874	\$4,356
3123.1	Office Equipment - Office Support	\$1,075	\$5,107
3123.2	Office Equipment - Co. Communications	\$705	\$5,733
3124	General Purpose Equipment	\$10,372	\$30,302
<b>Total General Support Assets</b>		<b>\$71,078</b>	<b>\$533,259</b>
<b>Central Office Assets</b>			
3211	Analog Electronic Switching		
3212	Digital Electronic Switching	\$393,796	\$1,642,732
3215	Electromechanical Switching		
3220	Operator Systems		
3231.1	Satellite and Earth Station Equipment		
3231.2	Other Radio Facilities		
3232.1	Circuit Equipment - Digital	\$375,282	\$2,561,927
3232.2	Circuit Equipment - Analog		
<b>Total Central Office Assets</b>		<b>\$769,077</b>	<b>\$4,204,659</b>

as of December 31, 2003

**DEPRECIATION RESERVE**

<b>FCC #</b>	<b>Account Description</b>	<b>Depreciation Expense Recorded</b>	<b>Accumulated Balance</b>
<b>Information Origination/Termination Assets</b>			
3311	Station Apparatus		
3321	Customer Premises Wiring		
3341	Large Private Branch Exchange		
3351	Public Telephone Terminal Equipment		
3362	Other Terminal Equipment	\$0	\$0
<b>Total Info. Origination/Termination Assets</b>			
<b>Cable and Wire Facilities Assets</b>			
3411	Poles	\$16,506	\$217,988
3421.1	Aerial cable - Nonmetallic	\$3,752	\$6,911
3421.2	Aerial cable - Metallic	\$26,908	\$313,519
3422.1	Underground cable - Nonmetallic	\$3,381	\$5,726
3422.2	Underground cable - Metallic	\$293	\$4,011
3423.1	Buried cable - Nonmetallic	\$107,395	\$349,973
3423.2	Buried cable - Metallic	\$738,517	\$6,764,316
3424.1	Submarine cable - Nonmetallic		
3424.2	Submarine cable - Metallic		
3425	Deep Sea Cable		
3426	Intra-building Network Cable		
3431	Aerial Wire	\$0	\$3,632
3441	Conduit Systems	\$6,495	\$34,541
<b>Total Cable and Wire Facilities Assets</b>		\$903,247	\$7,700,618
<b>Total Depreciation Reserve</b>		\$1,743,402	\$12,438,535



ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**DEPRECIATION RESERVE**

<b>FCC #</b>	<b>Account Description</b>	<b>Amortization Expense Recorded</b>	<b>Accumulated Balance</b>
<u>Amortizable Assets</u>			
3681	Capital Leases		
3682	Leasehold Improvements		
3690	Intangibles		
<b>Total Amortizable Assets</b>			

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**SALVAGE and/or COST OF REMOVAL COSTS**

(Do Not Include the Plant Cost Retired)

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
<u>General Support Assets</u>			
2111	Land		
2112	Motor Vehicles		
2113	Aircraft		
2114	Tools and Other Work Equipment		
2115	Garage Work Equipment		
2116	Other Work Equipment		
2121	Buildings		
2122	Furniture		
2123.1	Office Equipment - Office Support		
2123.2	Office Equipment - Co. Communications		
2124	General Purpose Equipment		
<b>Total General Support Assets</b>			
<u>Central Office Assets</u>			
2211	Analog Electronic Switching		
2212	Digital Electronic Switching	\$3,585	
2215	Electromechanical Switching		
2220	Operator Systems		
2231.1	Satellite and Earth Station Equipment		
2231.2	Other Radio Facilities		
2232.1	Circuit Equipment - Digital	\$1,480	
2232.2	Circuit Equipment - Analog		
<b>Total Central Office Assets</b>		\$5,066	

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

**SALVAGE and/or COST OF REMOVAL COSTS**

(Do Not Include the Plant Cost Retired)

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
<u>Information Origination/Termination Assets</u>			
2311	Station Apparatus		
2321	Customer Premises Wiring		
2341	Large Private Branch Exchange		
2351	Public Telephone Terminal Equipment		
2362	Other Terminal Equipment		
<b>Total Info. Origination/Termination Assets</b>			
<u>Cable and Wire Facilities Assets</u>			
2411	Poles	\$5,257	
2421.1	Aerial cable - Nonmetallic		
2421.2	Aerial cable - Metallic	\$18,526	
2422.1	Underground cable - Nonmetallic		
2422.2	Underground cable - Metallic		
2423.1	Buried cable - Nonmetallic		
2423.2	Buried cable - Metallic	\$7,260	\$727
2424.1	Submarine cable - Nonmetallic		
2424.2	Submarine cable - Metallic		
2425	Deep Sea Cable		
2426	Intrabuilding Network Cable		
2431	Aerial Wire		
2441	Conduit Systems		
<b>Total Cable and Wire Facilities Assets</b>		\$31,043	\$727

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**SALVAGE and/or COST OF REMOVAL COSTS**

(Do Not Include the Plant Cost Retired)

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
	Amortizable Assets		
2681	Capital Leases		
2682	Leasehold Improvements		
2690	Intangibles		
<b>Total Amortizable Assets</b>			
<b>Total Salvage and/or Cost of Removal Costs</b>		\$36,108	\$727

as of December 31, 2003

## LONG-TERM AND SHORT-TERM DEBT

[illegible]

<b>Total Interest Expense Recorded</b>	<b>\$474,610</b>
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ILEC Annual Report of

CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
<b>Local Network Services Revenues</b>			
5001	Basic Area Revenue	\$732,710	\$776,895
5002	Optional Extended Area Revenue	\$1,858,876	\$1,951,136
5003	Cellular Mobile Revenue		
5004	Other Mobile Services Revenue		
5040	Local Private Line Revenue	\$15,637	\$15,637
5050	Customer Premises Revenue		
5060	Other Local Exchange Revenue	\$372,342	\$386,901
5069	Other Local Exchange Revenue Settlements		
<b>Total Local Network Services Revenues</b>		<b>\$2,979,565</b>	<b>\$3,130,569</b>
<b>Network Access Services Revenues</b>			
5081	End User Revenue		\$743,786
5082	Switched Access Revenue		\$5,703,656
5083	Special Access Revenue		\$672,496
5084	State Access Revenue	\$1,442,351	\$1,606,830
<b>Total Network Access Services Revenues</b>		<b>\$1,442,351</b>	<b>\$8,726,768</b>
<b>Long Distance Network Services Revenues</b>			
5100	Long Distance Message Revenue		
5111	Long Distance Inward-only Revenue		
5112	Long Distance Outward-only Revenue		
5121	Subvoice Grade L.D. Private Network Revenue		
5122	Voice Grade L.D. Private Network Revenue		
5123	Audio Program Grade L.D. Private Network Revenue		
5124	Video Program Grade L.D. Private Network Revenue		
5125	Digital Transmission L.D. Private Network Revenue		
5126	Long Distance Private Network Switching Revenue		
5128	Other Long Distance Private Network Revenue		
5129	Other L.D. Private Network Revenue Settlements	\$3,612	\$3,612
5160	Other Long Distance Revenues		
5169	Other Long Distance Revenue Settlements		
<b>Total Long Distance Network Services Revenue</b>		<b>\$3,612</b>	<b>\$3,612</b>

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
<b>Miscellaneous Revenues</b>			
5230	Directory Revenue	\$87,093	\$88,329
5240	Rent Revenue		
5250	Corporate Operations Revenue		
5261	Special Billing Arrangements Revenue		
5262	Customer Operations Revenue		
5263	Plant Operations Revenue		
5264	Other Incidental Regulated Revenue	\$60,011	\$61,158
5269	Other Revenue Settlements		
5270	Carrier Billing & Collection Revenue	\$7,371	\$11,354
<b>Total Miscellaneous Revenues</b>		<b>\$154,475</b>	<b>\$160,842</b>
5280	<b>Non-Regulated Operating Revenue</b>		
<b>Uncollectible Revenues</b>			
5301	Uncollectible Revenue - Telecommunications	-\$3,074	-\$3,232
5302	Uncollectible Revenue - Other	-\$1,072	-\$1,127
<b>Total Uncollectible Revenues</b>		<b>-\$4,146</b>	<b>-\$4,359</b>
<b>Total Operating Revenues</b>		<b>\$4,575,857</b>	<b>\$12,017,431</b>
MO Jurisdiction should match Statement of Revenue (FY-2005 Mo.PSC Assessment)			

ILEC Annual Report of

CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	Plant Specific Operations Expense		
6110	Network Support Expense		
6112	Motor Vehicle Expense		-\$3,176
6113	Aircraft Expense		-\$14
6114	Tools and Other Work Equipment Expense		\$0
6120	General Support Expenses		
6121	Land and Building Expenses		\$100,272
6122	Furniture and Artworks Expense		\$5,147
6123	Office Equipment Expense		\$13,848
6124	General Purpose Computers Expense		\$113,486
6210	Central Office Switching Expense		
6211	Analog Electronic Expense		
6212	Digital Electronic Expense		\$314,976
6215	Electro-mechanical Expense		
6220	Operator System Expense		
6230	Central Office Transmission Expense		
6231	Radio Systems Expense		
6232	Circuit Equipment Expense		\$209,876
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 Expense		
6411	Poles Expense		\$21,617
6421	Aerial Cable Expense		\$0
6422	Underground Cable Expense		
6423	Buried Cable Expense		\$535,030
6424	Submarine Cable Expense		
6425	Deep Sea Cable Expense		
6426	Intrabuilding Network Cable Expense		
6431	Aerial Wire Expense		\$0
6441	Conduit Systems Expense		\$0
<b>Total Plant Specific Operations Expense</b>			<b>\$1,311,063</b>



ILEC Annual Report of

CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	Plant Non-specific Operations Expense		
6510	Other Property Plant and Equipment Expense		
6511	Telecommunications Use Expense		
6512	Provisioning Expense		\$66,352
6530	Network Operations Expense		
6531	Power Expense		\$45,567
6532	Network Administration Expense		\$193,837
6533	Testing Expense		\$274
6534	Plant Operations Administration Expense		\$68,206
6535	Engineering Expense		\$17,026
6540	Access Expense		\$55,891
<b>Total Plant Non-specific Operations Expense</b>			<b>\$447,153</b>
	Depreciation and Amortization Expense		
6561	Depreciation Expense - Plant in Service		\$1,711,831
6562	Depreciation Expense - Plant Held for Future Use		
6563	Amortization Expense - Tangible		
6564	Amortization Expense - Intangible		\$2,333
6565	Amortization Expense - Other		\$0
<b>Total Depreciation and Amortization Expense</b>			<b>\$1,714,164</b>
	Customer Operations Expense		
6610	Marketing		
6611	Product Managemeny		\$21,399
6612	Sales		\$29,504
6613	Product Advertising		\$62,150
6620	Services		
6621	Call Completion Services		\$11,090
6622	Number Services		\$47,151
6623	Customer Services		\$476,126
<b>Total Customer Operations Expenses</b>			<b>\$647,419</b>

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	Corporate Operations Expense		
6710	Executive and Planning		
6711	Executive		\$248,472
6712	Planning		\$64,541
6720	General and Administrative		
6721	Accounting and Finance		\$324,737
6722	External Relations		\$320,583
6723	Human Resources		\$104,520
6724	Information Management		\$18,392
6725	Legal		\$71,448
6726	Procurement		\$14,499
6727	Research and Development		
6728	Other General and Administrative		\$89,183
6790	Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>			<b>\$1,256,374</b>
<b>Total Operating Expense</b>			<b>\$5,376,174</b>
<b>Net Operating Income</b>			<b>\$6,641,257</b>
	Other Operating Income and Expense		
7110	Income from Custom Work		
7130	Return from Nonregulated Use of Regulated Facilities		\$2,322
7140	Gains and Losses from Foreign Exchange		
7150	Gains or Losses from Disposition of Land and Artwork		
7160	Other Operating Gains and Losses		
<b>Total Other Operating Income and Expense</b>			<b>\$2,322</b>

ILEC Annual Report of

CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

## INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total	Company
	Operating Taxes			
7210	Operating Investment Tax Credits - Net			
7220	Operating Federal Income Taxes			
7230	Operating State and Local Income Taxes			
7240	Operating Other Taxes			\$535,396
7250	Provision for Deferred Operating Income Taxes - Net			
<b>Total Operating Taxes</b>				\$535,396
	Nonoperating Income and Expense			
7300	Nonoperating Income and Expense			
7310	Dividend Income			
7320	Interest Income			\$10,642
7330	Income from Sinking & Other Funds			
7340	Allowance for Funds Used During Construction			\$9,813
7450	Gains or Losses from the Disposition of Certain Property			\$0
7360	Other Nonoperating Income			\$360
7370	Special Charges			-\$806,787
<b>Total Nonoperating Income and Expense</b>				-\$785,973
	Nonoperating Taxes			
7410	Nonoperating Investment Tax Credits - Net			
7420	Nonoperating Federal Income Taxes			
7430	Nonoperating State & Local Income Taxes			
7440	Nonoperating Other Taxes			
7450	Provision for Deferred Nonoperating Income Taxes - Net			
<b>Total Non-Operating Taxes</b>				

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

as of December 31, 2003

**INCOME STATEMENT**

<b>FCC #</b>	<b>Account Description</b>	<b>Missouri Jurisdiction</b>	<b>Total Company</b>
	<u>Interest &amp; Related Items</u>		
7510	Interest on Funded Debt		\$439,937
7520	Interest Expense - Capital Leases		
7530	Amortization of Debt Issuance Expense		
7540	Other Interest Deductions		\$37,701
	<b>Total Interest &amp; Related Items</b>		<b>\$477,639</b>
	<u>Extraordinary Items</u>		
7610	Extraordinary Income Credits		\$886,559
7620	Extraordinary Income Charges		
7630	Current Income Tax Effect of Extraordinary Items - Net		
7640	Provision for Deferred Income Tax Effect of Extraordinary Items - Net		
	<b>Total Extraordinary Items</b>		<b>\$886,559</b>
	<u>Jurisdictional Differences &amp; Nonregulated Items</u>		
7910	Income Effect of Jurisdictional Ratemaking Difference - Net		
7990	Nonregulated Net Income		\$193,070
	<b>Total Jurisdictional Differences &amp; Nonregulated Items</b>		<b>\$193,070</b>
	<b>NET INCOME</b>		<b>\$5,924,200</b>

as of December 31, 2003

## IMPORTANT CHANGES DURING THE YEAR

Please give particulars concerning the matters indicated below. Make the statements explicit and number them in accordance with the inquiries. Each inquiry must be answered. However, if the word "none" states the fact, it may be used in answering any inquiry, or if information is given elsewhere in the report which answers any inquiry, reference to such other schedule will be sufficient. Use additional sheets if necessary.

- 1 Acquisitions of other companies, reorganization, merger, or consolidation with other companies; give names of companies involved, particulars concerning the transactions, and reference to Commission authorization.
- 2 Purchase or sale of operating exchanges or other telephone plant, specifying item, parties, dates, and also reference to Commission authorization.
- 3 Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names or parties, Commission authorization, if any, and other conditions.
- 4 Important extensions of service, giving location, new territory covered, and dates of beginning operations.
- 5 Estimated increase or decrease in annual revenues due to important rate changes giving basis of estimates.
- 6 Obligations incurred or assumed by respondent as guarantor for the performance of another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after of issuance, and giving Commission authorization, if any.
- 7 Changes in Articles of Incorporation or amendments to charter.
- 8 Additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

[illegible]

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**PENSION COST - DEFINED BENEFIT PLANS**Report **each individual Plan** covering one or more groups of Company employees on a separate schedule. (i.e. ESOP, Defined Contribution, Other (describe), etc.)Plan Name: NONE

Trustee Name: \_\_\_\_\_

Item	Current Year	Previous Year
Date of Actuarial Report:		
Accumulated Benefit Obligation		
Projected Benefit Obligation		
Fair Value of Plan Assets		
Discount Rate % for Settlement of Liabilities		
Expected Long-Term Return On Assets Rate %		
Service Cost		
Interest Cost		
Return On Plan Assets		
Amortization of Transition Amount		
Amortization of Gains or Losses		
<b>Total Pension Cost</b>		
Minimum Required Contribution		
Actual Contribution		
Maximum Tax Deductible Contribution		
Benefit Payments		
Pension Cost Expensed		
Pension Cost Capitalized		
<b>Pension Asset/Liability at Close of Year</b>		

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYas of December 31, 2003**PENSION COST - OTHER THAN DEFINED BENEFIT PLANS**Report **each individual Plan** covering one or more groups of Company employees on a separate schedule. (i.e. ESOP, Defined Contribution, Other (describe), etc.)**Plan Name:** NTCA SAVINGS PLAN**Trustee Name:** \_\_\_\_\_**Plan Description:** The Company provides a defined contribution savings and retirement plan,  
with the company contributing five(5) percent of the employees base salary into the plan.Employees also have the option of making additional contributions into the plan through 401(k)  
savings provision, with the company making a matching provision of three(3) percent into the  
401(k) savings plan for the benefit of the employee. The Company made a total contribution of  
\$23,431.18 for 2003.

Date of Actuarial Report:

Projected Benefit Obligation

Fair Value of Plan Assets

Expected Long-Term Return on Assets

Minimum Required Contribution

Actual Contribution

Maximum Tax Deductible Contribution

Benefit Payments

Pension Cost Expensed

Pension Cost Capitalized

Current Year	Previous Year

Pension Asset/Liability at Close of Year

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

**NON-PUBLIC INFORMATION**

for the year ended December 31, 2003

**INCUMBENT LOCAL EXCHANGE CARRIER RETAIL ACCESS LINE REPORT**

This Schedule has been filed under seal with the Missouri Public Utility Commission, please see the accompanying Affidavit.



ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY

**NON-PUBLIC INFORMATION**

for the year ended December 31, 2003

**INCUMBENT LOCAL EXCHANGE CARRIER WHOLESALE ACCESS LINE REPORT**

This Schedule has been filed under seal with the Missouri Public Utility Commission, please see the accompanying Affidavit.

## **Instructions for completing the Incumbent Local Exchange Carrier Access Line Report**

### **I. BACKGROUND**

In opening local telephone markets to competition, the Missouri Public Service Commission (MoPSC) is interested in determining and tracking the amount of actual competition occurring throughout the state. For a variety of reasons including but not limited to statutory reasons, the MoPSC finds it necessary to track the level of competition in local telephone markets.

### **II. PURPOSE**

The purpose of this portion of the Annual Report is to ascertain, on an exchange specific basis, the number of voice-grade equivalent access lines in service being provided by your company in each exchange (as identified in your tariff) in Missouri. Information is sought for residential and business voice-grade equivalent access lines on an exchange-by-exchange basis. **Please use the common exchange name as shown in your tariffs.** Further, information is sought on the following ways of provisioning each access line: (A) pure resale lines; (B) unbundled network element lines (UNE); (C) unbundled network element platform lines (UNE-P); and , (D) pure facility based lines. **Please report on a separate line the number of lines used for internal company purposes.**

### **III. WHAT IS MEANT BY "VOICE TELEPHONE SERVICE"?**

Voice telephone service means local exchange or exchange access services that allow end users to originate and terminate local telephone calls on the public switched telephone network, whether used by the end user for telephone calls or for other types of calls carried over the public switched network (for example, lines used for facsimile equipment and "dial-up" internet lines).

### **IV. WHAT IS MEANT BY "VOICE-GRADE" EQUIVALENT LINES?**

You are to report voice-grade equivalent lines. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. Count lines based on how they are charged to the customer rather than how they are physically provisioned. For example, count Basic Rate Integrated (BRI) and Digital Network (ISDN) Services lines as two voice-grade equivalent lines. Report 8 voice-grade equivalent lines if a customer buys 8 trunks that happen to be provisioned over a DS1 circuit. If a customer buys a DS1 circuit that is provided as channelized service, report 24 voice-grade equivalent lines, even if there is some indication that the customer is only using 8 of the derived lines. Thus, a voice-grade equivalent line is a line that directly connects an end user to a carrier and allows the end user to originate and terminate local telephone calls on the public switched network.

Voice-grade equivalent lines include high capacity (DS1, DS-3, etc.) lines that are channelized to provide voice-grade service. In such instances, it is the number of channels available for voice traffic to/from the public switched network that should be counted as voice-grade equivalent access lines. **Note for competitive LEC's providing local exchange service over hybrid fiber-coaxial cable television systems:** Count your records and report how many voice-grade equivalent lines are being billed.

**Instructions for completing the  
Incumbent Local Exchange Carrier Access Line Report Con't.**

**V. WHAT IS MEANT BY PURE RESALE VOICE GRADE EQUIVALENT LINES?**

Pure resold lines are those lines provided pursuant to § 251 (c)(4) of the Communications Act of 1934, as amended. Pure resold lines are those lines not owned or controlled by the telephone company billing the end user for the service. Pure resold lines are typically leased from an underlying carrier at a wholesale discount off the tariffed rate. The use of resold lines exclusively provides a means to offer service without owning or controlling any equipment. Pure resold lines are those lines provided under a general or local exchange tariff, but without benefit of an accompanying switched access tariff.

**VI. WHAT IS MEANT BY UNBUNDLED NETWORK ELEMENT (UNE) LINES?**

UNE lines are those lines where the carrier provides some portion of the equipment required to provide telephone service. The most common example is a competitive LEC who provides the switching but leases a loop (or extended loop) from the incumbent LEC. UNE loops are obtained on a stand alone basis and service is provided to the end user without combining other UNEs. Service provisioned over UNE loops requires the carrier to lease a loop from another LEC in order to connect the customer to the carrier's own switch. UNE lines are provided under a general or local exchange tariff in combination with a switched access tariff.

**VII. WHAT IS MEANT BY UNE-P VOICE GRADE EQUIVALENT LINES?**

UNE Platform (UNE-P) lines are those lines utilizing a combination of UNEs so that service provisioned over UNE-P lines does not require the carrier to use its own switch, port, or loop. UNE-P lines are commonly used by competitive LECs. UNE-P lines are provided under a general or local exchange tariff in combination with a switched access tariff.

**VIII. WHAT IS MEANT BY FULL FACILITY BASED VOICE GRADE EQUIVALENT LINES?**

Full facility based lines are those lines owned or controlled exclusively by a local exchange carrier and used to connect to an end user's premises. Count as your own such facilities, those facilities that you actually owned as well as facilities such as dark fiber that you obtained the right to use from other entities. Do not include, as full facilities based lines, lines provided over UNE loops that you obtained from another carrier. Full facility based lines are provided under a general or local exchange tariff in conjunction with a switched access tariff.

**IX. WHAT IS MEANT BY PUBLIC ACCESS LINES?**

Some carriers (particularly incumbent carriers) still separate pay telephone lines from business lines. Use this column to report pay telephone lines if your company tariffs reflect pay telephone lines distinct from business lines.

**Schedule 11**

**ILEC Annual Report of CASS COUNTY TELEPHONE COMPANY**

**NON-PUBLIC INFORMATION**

**as of December 31, 2003**

**OPERATIONAL STATISTICS (ANNUAL TOTALS)**

This Schedule has been filed under seal with the Missouri Public Utility Commission, please  
see the accompanying Affidavit.

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYfor the year ended December 31, 2003

1. In an effort to update our Electronic Filing & Information system (EFIS) with current company contact and address information please provide the following information. Either verify the information through EFIS and initial in space provided or complete each sub-type and the Data Center Staff will update as required.

**a. Official Representative of the Company:***Information contained in EFIS is current:*

Name: KENNETH M. MATZDORFF initials \_\_\_\_\_  
 Street/ PO Box: PO BOX 398  
 City, State, Zip: PECULIAR, MO 64078  
 Telephone number: 816-779-5510  
 Fax number: 816-779-5551  
 E-mail address: \_\_\_\_\_

**b. Consumer Services:***Information contained in EFIS is current:*

Name: JANET ROGERS initials \_\_\_\_\_  
 Street/ PO Box: PO BOX 398  
 City, State, Zip: PECULIAR, MO 64078  
 Telephone number: 816-779-5510  
 Fax number: 816-779-5551  
 E-mail address: janetrog@casstel.net

**c. Individual to receive statement of revenue (assessment):***Information contained in EFIS is current:*

Name: DEBI LONG, CFO initials \_\_\_\_\_  
 Street/ PO Box: PO BOX 398  
 City, State, Zip: PECULIAR, MO 64078  
 Telephone number: 816-779-5510  
 Fax number: 816-779-5551  
 E-mail address (\*): gracie20@casstel.net

(\*) To facilitate electronic sending of the statement of revenue next year.

In addition provide specific contacts for areas (d. through n.) if applicable on the following pages. In lieu of additional contacts being provided, designate if a, b, or c, above should be identified as the contact.

**d. Tariff:***Information contained in EFIS is current:*

Name: DEE COBERN initials \_\_\_\_\_  
 Street/ PO Box: PO BOX 398  
 City, State, Zip: PECULIAR, MO 64078  
 Telephone number: 816-779-5510  
 Fax number: 816-779-5551  
 E-mail address: deec@casstel.net

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYfor the year ended December 31, 2003**1. continued****e. CFO/Comptroller:***Information contained in EFIS is current:*

Name: C initials  
 Street/ PO Box: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_  
 Fax number: \_\_\_\_\_  
 E-mail address: \_\_\_\_\_

**f. Technical:***Information contained in EFIS is current:*

Name: DEE COBERN initials  
 Street/ PO Box: PO BOX 398  
 City, State, Zip: PECULIAR, MO 64078  
 Telephone number: 816-779-5510  
 Fax number: 816-779-5551  
 E-mail address: deec@casstel.net

**g. Surveillance:***Information contained in EFIS is current:*

Name: B initials  
 Street/ PO Box: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_  
 Fax number: \_\_\_\_\_  
 E-mail address: \_\_\_\_\_

**h. In-House Attorney:***Information contained in EFIS is current:*

Name: N/A initials  
 Street/ PO Box: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_  
 Fax number: \_\_\_\_\_  
 E-mail address: \_\_\_\_\_

**i. Attorney:***Information contained in EFIS is current:*

Name: TRIP ENGLAND- BRYDON, SWEARENGEN & ENGLAND initials  
 Street/ PO Box: PO BOX 456  
 City, State, Zip: JEFFERSON CITY, MO 65102  
 Telephone number: 573-635-7166  
 Fax number: 573-635-0427  
 E-mail address: \_\_\_\_\_

ILEC Annual Report of CASS COUNTY TELEPHONE COMPANYfor the year ended December 31, 2003**1. continued****j. Consultant:**Information contained in EFIS  
is current:

initials

Name: N/A

Street/ PO Box: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**k. Other:**Information contained in EFIS  
is current:

initials

Name: N/A

Street/ PO Box: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**l. Regulatory:**Information contained in EFIS  
is current:

initials

Name: DEE COBERN

Street/ PO Box: PO BOX 398

City, State, Zip: PECULIAR, MO 64078

Telephone number: 816-779-5510

Fax number: 816-779-5551

E-mail address: deec@casstel.net

**m. Area Contact Entry:**Information contained in EFIS  
is current:

initials

Name: N/A

Street/ PO Box: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**n. Carrier Billing Relations:**Information contained in EFIS  
is current:

initials

Name: DEE COBERN

Street/ PO Box: PO BOX 398

City, State, Zip: PECULIAR, MO 64078

Telephone number: 816-779-5510

Fax number: 816-779-5551

E-mail address: deec@casstel.net

## VERIFICATION

The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

## OATH

State Of MISSOURI  
County Of CASS } ss:

Robert C Schoonmaker makes oath and says that  
(Insert here the name of the affiant)

s/he is President, GVNW Consulting, Inc. Agent for Cass County Telephone Company  
(Insert here the official title of the affiant)

of Cass County Telephone Company  
(Insert here the exact legal title or name of the respondent)

that s/he has examined the foregoing report; that to the best of his or her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.

January 1, 2003, to and including December 31, 2003

Robert C. Schoonmaker  
(Signature of affiant)

Subscribed and sworn before me, a NOTARY in and for the  
State and county above named, this 30<sup>th</sup> day of MARCH, 2005  
My Commission expires 04/02/08

Katherine J. Whaley  
Notary Public - Notary Seal  
State of Missouri  
Cass County  
My Commission Expires: April 2, 2008

Katherine J. Whaley  
(Signature of officer authorized to administer oaths)

Missouri Revised Statutes § 392.210

Original must be mailed to:  
Manager of the Data Center  
MoPSC, 200 Madison Street, Suite 100  
P.O. Box 360, Jefferson City, MO 65102-0360