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MAR 28 2005

Missouri Public
Service Commission

Northeast Missouri Rural Tel Co

(Full Company Name)

INCUMBENT

LOCAL EXCHANGE CARRIER

ANNUAL REPORT

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For Period Ending December 31, 2004

FILED

AUG 18 2005

Missouri Public
Service Commission

Exhibit No. 2

Date 8/11/05 Case No. 10-2005-00
Reporter SILVER

Missouri Public Service Commission

Incumbent Local Exchange Carriers

Annual Report Form

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Northeast Missouri Rural Tel Co

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- 1) State in full the exact 'certificated' name of Incumbent Local Exchange Carrier:
Northeast Missouri Rural Telephone Company
- 2) State in full the mailing and street addresses of the telephone company:
PO Box 98, 718 South West Street, Green City, MO 63545
- 3) State in full the name, street address, email address and telephone number of the individual to contact concerning the company's telephone operations:
Ray Ford
PO Box 98, 718 South West Street, Green City, MO 63545
660-874-4111 rford@nemr.net
- 4) Under the laws of which state is the telephone company organized:
Missouri
- 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) This Competitive Local Exchange/Interexchange Telecommunications Carrier is a (Check box with an X and if different than certificated name listed above (e.g. parent corporation name) or if 'Other' is identified, explain:

X	Corporation		LLC
	Partnership		LP
	Sole Proprietorship		Other-Explanation
- 7) Date of incorporation or other original organization (e.g. MM/DD/YYYY):
10-12-1952

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- 8) State the names, addresses and shareholdings of persons owning five (5) percent or more
N/A

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

Multi-Com, Inc. 100% of stock owned

Northeast Missouri Long Distance, LLC 100% owned

- 10) 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; Martin Group

- 11) 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.

Case No. TO-2001-344 and Case No. TA-2002.61

- 12) 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
Sep-93	President	Richard Morgan
Sep-97	Vice-President	Bobby K. Jones
Sep-97	Secretary	Adrian Lewis
Sep-97	Treasurer	Richard Stevenson

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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.	\$1,681,156	5082.0102
13) Please identify the "Unseparated NTS Revenue Requirement" as reported to NECA related to the above payment.	\$5,371,205	5082.01XX
14) Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	9,352	
15) Please identify what amount of USF payments were received by the company from NECA for the previous reporting year.	\$946,090	5082.0102
16) Please identify the amount of USF payments expected to be received by the company for the following reporting year.	\$1,812,814	5082.0102
17) Please identify the amount of Local Switching Support payments received by the company for the current reporting year.	\$503,216	5082.01XX
18) Please identify the amount of Local Switching Support received by the company for the previous reporting year.	\$498,311	5082.01XX
19) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the current reporting year.	\$1,089,624	5082.01XX
20) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the previous reporting year.	\$1,111,641	5082.01XX
21) Type of tax return filed (i.e. 1120C, 1120S, etc.):	1120-C	
22) Taxpayer ID:	43-0698662	

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**BALANCE SHEET ACCOUNTS**

FCC #	Account Description	Amount
<u>Current Assets</u>		
1130	Cash	\$512,499
1140	Special Cash Deposits	\$0
1150	Working Cash Advance	\$250
1160	Temporary Investments	\$1,353,877
1180	Telecommunications Accounts Receivable	\$36,892
1190	Other Accounts Receivable	\$598,309
1191	Accounts Receivable Allowance - Other	\$0
1200	Notes Receivable	\$319,463
1201	Notes Receivable Allowance	\$0
1210	Interest and Dividende Receivable	\$1,712
1220	Material and Supplies	\$392,963
1290	Prepaid Rents	\$0
1300	Prepaid Taxes	\$0
1310	Prepaid Insurance	\$93,183
1320	Prepaid Directory Expenses	\$0
1330	Other Prepayments	\$0
1350	Other Current Assets	\$160
Total Current Assets		\$3,309,309
<u>Noncurrent Assets</u>		
1401	Investments in Affiliated Companies	\$25,000
1402	Investments in Nonaffiliated Companies	\$905,150
1406	Nonregulated Investments	\$412,530
1407	Unamortized Debt Issuance Expenses	\$0
1408	Sinking Funds	\$0
1410	Other Noncurrent Assets	\$0
1438	Deferred Maintenance & Retirements	\$0
	Deferred Charges	\$0
1500	Other Jurisdictional Assets-Net	\$0
Total Noncurrent Assets		\$1,342,680

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**BALANCE SHEET ACCOUNTS**

FCC #	Account Description	Amount
<u>Regulated Plant</u>		
2001	Telecommunications Plant in Service	\$52,558,107
2002	Property Held For Future Telecommunications Use	
2003	Telecommunications Plant Under Construction - Short Term	\$2,162,587
2004	Telecommunications Plant Under Construction - Long Term	
2005	Telecommunications Plant Adjustment	\$8,738,606
2006	Nonoperating Plant	
2007	Goodwill	
Total Regulated Plant		\$63,459,300
<u>Depreciation and Amortization</u>		
3100	Accumulated Depreciation	\$28,604,174
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	
Total Depreciation and Amortization		\$28,604,174
Net Plant		\$34,855,126
Total Assets		\$39,507,115

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**BALANCE SHEET ACCOUNTS**

FCC #	Account Description	Amount
<u>Current Liabilities</u>		
4010	Accounts Payable	\$232,593
4020	Notes Payable	
4030	Advanced Billing and Payments	
4040	Customers' Deposits	\$68,087
4050	Current Maturities - Long Term	\$0
4060	Current Maturities - Capital Leases	
4070	Income Taxes Accrued	
4080	Other Taxes Accrued	\$6,328
4100	Net Current Deferred Operating Income Taxes	\$0
4110	Net Current Deferred Non-operating Income Taxes	
4120	Other Accrued Liabilities	\$321,853
4130	Other Current Liabilities	\$0
Total Current Liabilities		\$628,860
<u>Long-Term Debt</u>		
4210	Funded Debt	\$18,284,668
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	
Total Long-Term Debt		\$18,284,668

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BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
<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	\$200,404
4350	Net Noncurrent Deferred Nonoperating Income Taxes	
4360	Other Deferred Credits	
4370	Other Jurisdictional Liabilities and Deferred Credits - Net	
Total Other Liabilities and Deferred Credits		\$200,404
<u>Stockholders' Equity</u>		
4510	Capital stock	\$61,450
4520	Additional Paid -In Capital	
4530	Treasury Stock	
4540	Other Capital	\$0
4550	Retained Earnings	\$20,331,732
Total Stockholders' Equity		\$20,393,182
Total Liabilities and Shareholders' Equity		\$39,507,115

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PLANT IN SERVICE

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
General Support Assets			
2111	Land		\$27,203
2112	Motor Vehicles	15.00%	\$873,187
2113	Aircraft		\$0
2114	Tools and Other Work Equipment		\$0
2115	Garage Work Equipment		\$0
2116	Other Work Equipment	10.00%	\$422,457
2121	Buildings	4.00%	\$1,500,156
2122	Furniture	10.00%	\$118,305
2123.1	Office Equipment - Office Support	10.00%	\$0
2123.2	Office Equipment - Co. Communications	20.00%	\$30,615
2124	General Purpose Equipment	20.00%	\$602,867
Total General Support Assets			\$3,574,790
Central Office Assets			
2211	Analog Electronic Switching		\$0
2212	Digital Electronic Switching	10.00%	\$7,008,009
2215	Electromechanical Switching		\$0
2220	Operator Systems		\$0
2231.1	Satellite and Earth Station Equipment		\$0
2231.2	Other Radio Facilities		\$0
2232.1	Circuit Equipment - Digital	10.30%	\$10,360,531
2232.2	Circuit Equipment - Analog	10.30%	\$243,651
Total Central Office Assets			\$17,612,191

(A) See Schedule 1, question 10.

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**PLANT IN SERVICE**

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
Information Origination/Termination Assets			
2311	Station Apparatus	10.30%	\$986
2321	Customer Premises Wiring		\$0
2341	Large Private Branch Exchange		\$0
2351	Public Telephone Terminal Equipment	10.00%	\$36,481
2362	Other Terminal Equipment		
Total Info. Origination/Termination Assets			\$37,467
Cable and Wire Facilities Assets			
2411	Poles	15.08%	\$206,927
2421.1	Aerial cable - Nonmetallic		\$0
2421.2	Aerial cable - Metallic	5.00%	\$533,485
2422.1	Underground cable - Nonmetallic		\$0
2422.2	Underground cable - Metallic	5.00%	\$26,287
2423.1	Buried cable - Nonmetallic	5.00%	\$14,087,083
2423.2	Buried cable - Metallic	5.00%	\$16,401,389
2424.1	Submarine cable - Nonmetallic		
2424.2	Submarine cable - Metallic		
2425	Deep Sea Cable		
2426	Intrabuilding Network Cable		
2431	Aerial Wire		
2441	Conduit Systems	5.00%	\$78,489
Total Cable and Wire Facilities Assets			\$31,333,659

(A) See Schedule 1, question 10.

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**PLANT IN SERVICE**

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
Amortizable Assets			
2681	Capital Leases		\$0
2682	Leasehold Improvements		\$0
2690	Intangibles		\$0
Total Amortizable Assets			
Total Telecommunications Plant In Service			\$52,558,108

(A) See Schedule 1, question 10.

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**DEPRECIATION RESERVE**

FCC #	Account Description	Depreciation Expense Recorded	Accumulated Balance
General Support Assets			
3111	Land		
3112	Motor Vehicles	\$129,044	\$529,844
3113	Aircraft		
3114	Tools and Other Work Equipment		
3115	Garage Work Equipment		
3116	Other Work Equipment	\$37,437	\$304,312
3121	Buildings	\$59,556	\$937,891
3122	Furniture	\$10,126	\$70,550
3123.1	Office Equipment - Office Support	\$0	\$0
3123.2	Office Equipment - Co. Communications	\$0	\$30,615
3124	General Purpose Equipment	\$119,237	\$515,965
Total General Support Assets		\$355,400	\$2,389,176
Central Office Assets			
3211	Analog Electronic Switching		
3212	Digital Electronic Switching	\$699,682	\$5,507,239
3215	Electromechanical Switching		\$0
3220	Operator Systems		\$0
3231.1	Satellite and Earth Station Equipment		\$0
3231.2	Other Radio Facilities		
3232.1	Circuit Equipment - Digital	\$961,563	\$3,651,206
3232.2	Circuit Equipment - Analog	\$14,805	\$206,502
Total Central Office Assets		\$1,676,050	\$9,364,947

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**DEPRECIATION RESERVE**

FCC #	Account Description	Depreciation Expense Recorded	Accumulated Balance
Information Origination/Termination Assets			
3311	Station Apparatus		\$986
3321	Customer Premises Wiring		
3341	Large Private Branch Exchange		
3351	Public Telephone Terminal Equipment		\$36,481
3362	Other Terminal Equipment		
Total Info. Origination/Termination Assets			\$37,467
Cable and Wire Facilities Assets			
3411	Poles	\$180	\$206,927
3421.1	Aerial cable - Nonmetallic		
3421.2	Aerial cable - Metallic	\$0	\$533,485
3422.1	Underground cable - Nonmetallic	\$1,314	\$22,803
3422.2	Underground cable - Metallic		
3423.1	Buried cable - Nonmetallic	\$769,584	\$3,283,798
3423.2	Buried cable - Metallic	\$661,772	\$9,531,416
3424.1	Submarine cable - Nonmetallic		
3424.2	Submarine cable - Metallic		
3425	Deep Sea Cable		
3426	Intra-building Network Cable		
3431	Aerial Wire		
3441	Conduit Systems	\$0	\$78,489
Total Cable and Wire Facilities Assets		\$1,432,851	\$13,656,917
Total Depreciation Reserve		\$3,464,300	\$25,448,508

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**DEPRECIATION RESERVE**

FCC #	Account Description	Amortization Expense Recorded	Accumulated Balance
Amortizable Assets			
3681	Capital Leases		
3682	Leasehold Improvements		
3690	Intangibles	\$0	\$3,155,666
Total Amortizable Assets			\$3,155,666

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for year ending December 31, 2004

SALVAGE and/or COST OF REMOVAL COSTS

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
General Support Assets			
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		
Total General Support Assets			
Central Office Assets			
2211	Analog Electronic Switching		
2212	Digital Electronic Switching		
2215	Electromechanical Switching		
2220	Operator Systems		
2231.1	Satellite and Earth Station Equipment		
2231.2	Other Radio Facilities		
2232.1	Circuit Equipment - Digital		
2232.2	Circuit Equipment - Analog		
Total Central Office Assets			

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**SALVAGE and/or COST OF REMOVAL COSTS**

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		
Total Info. Origination/Termination Assets			
<u>Cable and Wire Facilities Assets</u>			
2411	Poles		
2421.1	Aerial cable - Nonmetallic		
2421.2	Aerial cable - Metallic		
2422.1	Underground cable - Nonmetallic		
2422.2	Underground cable - Metallic		
2423.1	Buried cable - Nonmetallic		
2423.2	Buried cable - Metallic		
2424.1	Submarine cable - Nonmetallic		
2424.2	Submarine cable - Metallic		
2425	Deep Sea Cable		
2426	Intrabuilding Network Cable		
2431	Aerial Wire		
2441	Conduit Systems		
Total Cable and Wire Facilities Assets			

ILEC Annual Report of Northeast Missouri Rural Tel Cofor year ending December 31, 2004**SALVAGE and/or COST OF REMOVAL COSTS**

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
	Amortizable Assets		
2681	Capital Leases		
2682	Leasehold Improvements		
2690	Intangibles		
Total Amortizable Assets			
Total Salvage and/or Cost of Removal Costs			

for year ending December 31, 2004

LONG-TERM AND SHORT-TERM DEBT

Description of Obligation	Issue Date	Maturity Date	Face Amount Outstanding	Stated Interest Rate %	Annual Interest Expense
2180	1972	2007	\$61,191	2.00%	
2181	1972	2007	\$10,356	2.00%	
2182	1978	2013	\$82,287	2.00%	
12190	1981	2016	\$1,883,970	2.00%	
12191	1981	2016	\$74,704	2.00%	
12200	1984	2019	\$416,039	2.00%	
12201	1986	2021	\$226,314	2.00%	
12203	1984	2024	\$456,220	2.00%	
12212	1995	2030	\$1,095,112	5.00%	
12220	1998	2016	\$371,803	5.57%	
12221	1999	2016	\$366,261	4.93%	
12222	1999	2016	\$788,965	5.92%	
12223	1999	2016	\$779,684	6.28%	
12224	2000	2016	\$792,892	6.75%	
12225	2000	2016	\$795,388	5.97%	
12226	2000	2016	\$806,857	5.55%	
12227	2001	2016	\$761,480	5.19%	
12228	2001	2016	\$414,492	4.71%	
12520	2001	2016	\$1,271,568	5.23%	
12521	2002	2016	\$845,413	4.94%	
12522	2002	2016	\$174,644	4.31%	
12523	2003	2016	\$441,003	4.19%	
12524	2003	2016	\$467,413	4.45%	
12525	2004	2016	\$388,781	4.31%	
12526	2004	2016	\$477,489	4.29%	
Prepaid			-\$265,737	5.00%	
Total			\$13,984,589		\$655,438
RTFC	1997	2011	\$4,300,079	Variable 6.15%	\$226,961
Total Interest Expense Recorded					\$882,399

for year ending December 31, 2004

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Local Network Services Revenues			
5001	Basic Area Revenue	\$1,070,432	\$1,070,432
5002	Optional Extended Area Revenue		
5003	Cellular Mobile Revenue		
5004	Other Mobile Services Revenue		
5040	Local Private Line Revenue	\$2,507	\$2,507
5050	Customer Premises Revenue		
5060	Other Local Exchange Revenue		
5069	Other Local Exchange Revenue Settlements		
Total Local Network Services Revenues		\$1,072,939	\$1,072,939
Network Access Services Revenues			
5081	End User Revenue	\$0	\$773,167
5082	Switched Access Revenue	\$0	\$4,759,380
5083	Special Access Revenue	\$0	\$580,546
5084	State Access Revenue	\$3,510,657	\$3,510,657
Total Network Access Services Revenues		\$3,510,657	\$9,623,750
Long Distance Network Services Revenues			
5100	Long Distance Message Revenue	\$0	\$5,240
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	\$10,955	\$10,955
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		
5160	Other Long Distance Revenues		
5169	Other Long Distance Revenue Settlements		
Total Long Distance Network Services Revenue		\$10,955	\$16,195

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INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Miscellaneous Revenues			
5230	Directory Revenue	\$0	\$34,312
5240	Rent Revenue	\$0	\$0
5250	Corporate Operations Revenue		
5261	Special Billing Arrangements Revenue		
5262	Customer Operations Revenue	\$0	\$8,791
5263	Plant Operations Revenue		
5264	Other Incidental Regulated Revenue		
5269	Other Revenue Settlements		
5270	Carrier Billing & Collection Revenue	\$119,556	\$173,408
Total Miscellaneous Revenues		\$119,556	\$216,511
5280	Non-Regulated Operating Revenue	\$0	\$4,086
Uncollectible Revenues			
5301	Uncollectible Revenue - Telecommunications	\$0	\$2,704
5302	Uncollectible Revenue - Other		
Total Uncollectible Revenues			\$2,704
Total Operating Revenues		\$4,714,106	\$10,936,185

MO Jurisdiction should match Statement of Revenue
(FY-2005 Mo.PSC Assessment)

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INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Plant Specific Operations Expense</u>		
6110	Network Support Expense		
6112	Motor Vehicle Expense		\$874
6113	Aircraft Expense		
6114	Tools and Other Work Equipment Expense		
6120	General Support Expenses		
6121	Land and Building Expenses		\$168,719
6122	Furniture and Artworks Expense		
6123	Office Equipment Expense		
6124	General Purpose Computers Expense		\$7,708
6210	Central Office Switching Expense		
6211	Analog Electronic Expense		
6212	Digital Electronic Expense		\$330,360
6215	Electro-mechanical Expense		
6220	Operator System Expense		
6230	Central Office Transmission Expense		
6231	Radio Systems Expense		
6232	Circuit Equipment Expense		\$122,730
6310	Information Origination/termination Expense		
6311	Station Apparatus Expense		
6341	Large Private Branch Exchange Expense		
6351	Public Telephone Terminal Equipment Expense		\$261
6362	Other Terminal Equipment Expense		
6410	Cable and Wire Facilities Expense		
6411	Poles Expense		
6421	Aerial Cable Expense		\$75,520
6422	Underground Cable Expense		
6423	Buried Cable Expense		\$719,463
6424	Submarine Cable Expense		
6425	Deep Sea Cable Expense		
6426	Intrabuilding Network Cable Expense		
6431	Aerial Wire Expense		
6441	Conduit Systems Expense		
<u>Total Plant Specific Operations Expense</u>			<u>\$1,425,636</u>

ILEC Annual Report of

Northeast Missouri Rural Tel Co

for year ending December 31, 2004

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Plant Non-specific Operations Expense</u>		
6510	Other Property Plant and Equipment Expense		
6511	Telecommunications Use Expense		
6512	Provisioning Expense		
6530	Network Operations Expense		
6531	Power Expense		\$135,772
6532	Network Administration Expense		\$20,094
6533	Testing Expense		\$3,612
6534	Plant Operations Administration Expense		\$660
6535	Engineering Expense		
6540	Access Expense		\$95,772
	<u>Total Plant Non-specific Operations Expense</u>		\$255,910
	<u>Depreciation and Amortization Expense</u>		
6561	Depreciation Expense - Plant in Service		\$3,447,591
6562	Depreciation Expense - Plant Held for Future Use		
6563	Amortization Expense - Tangible		
6564	Amortization Expense - Intangible		
6565	Amortization Expense - Other		
	<u>Total Depreciation and Amortization Expense</u>		\$3,447,591
	<u>Customer Operations Expense</u>		
6610	Marketing		
6611	Product Managemeny		
6612	Sales		
6613	Product Advertising		\$0
6620	Services		
6621	Call Completion Services		\$8,886
6622	Number Services		
6623	Customer Services		\$559,578
	<u>Total Customer Operations Expenses</u>		\$568,463

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INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Corporate Operations Expense			
6710	Executive and Planning		
6711	Executive		\$455,978
6712	Planning		
6720	General and Administrative		
6721	Accounting and Finance		\$383,190
6722	External Relations		
6723	Human Resources		\$2,752
6724	Information Management		\$192,709
6725	Legal		\$110,995
6726	Procurement		
6727	Research and Development		
6728	Other General and Administrative		\$322,264
6790	Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense			\$1,467,887
Total Operating Expense			\$7,165,488
Net Operating Income			\$3,770,697
Other Operating Income and Expense			
7110	Prior Period Adjustment		\$2,727
7130	Return from Nonregulated Use of Regulated Facilities		
7140	Gains and Losses from Foreign Exchange		
7150	Gains or Losses from Disposition of Land and Artwork		
7160	Other Operating Gains and Losses		\$0
Total Other Operating Income and Expense			\$2,727

ILEC Annual Report of Northeast Missouri Rural Tel Co

for year ending December 31, 2004

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		\$622,228
7250	Provision for Deferred Operating Income Taxes - Net		
Total Operating Taxes			\$622,228
Nonoperating Income and Expense			
7300	Nonoperating Income and Expense		
7310	Dividend Income		\$1,565,223
7320	Interest Income		\$40,914
7330	Income from Sinking & Other Funds		
7340	Allowance for Funds Used During Construction		
7450	Gains or Losses from the Disposition of Certain Property		
7360	Other Nonoperating Income		\$17,005
7370	Special Charges		
Total Nonoperating Income and Expense			\$1,623,142
Nonoperating Taxes			
7410	Nonoperating Investment Tax Credits - Net		
7420	Nonoperating Federal Income Taxes		\$105,000
7430	Nonoperating State & Local Income Taxes		\$0
7440	Nonoperating Other Taxes		
7450	Provision for Deferred Nonoperating Income Taxes - Net		
Total Non-Operating Taxes			\$105,000

for year ending December 31, 2004

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Interest & Related Items			
7510	Interest on Funded Debt		\$882,399
7520	Interest Expense - Capital Leases		
7530	Amortization of Debt Issuance Expense		
7540	Other Interest Deductions		\$3,590
Total Interest & Related Items			\$885,989
Extraordinary Items			
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		
Total Extraordinary Items			
Jurisdictional Differences & Nonregulated Items			
7910	Income Effect of Jurisdictional Ratemaking Difference - Net		
7990	Nonregulated Net Income		\$158,130
Total Jurisdictional Differences & Nonregulated Items			\$158,130
NET INCOME			\$3,941,479

for year ending December 31, 2004

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

Northeast Missouri Rural Tel Co

for year ending December 31, 2004

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: NTCA Savings Plan (Defined Contribution)

Trustee Name: NTCA

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		
Total Pension Cost		
Minimum Required Contribution	6% of gross pay	6% of gross pay
Actual Contribution	Maximum allowed by IRS	
Maximum Tax Deductible Contribution	Maximum allowed by IRS	
Benefit Payments		
Pension Cost Expensed		
Pension Cost Capitalized		

Pension Asset/Liability at Close of Year

This is a defined contribution plan administered by NTCA through Fidelity Investments. Employer contributes 10% of employee's gross wages. Employee has the option of contributing to 401K or a post-tax non-401K fund. This is a 100% vested savings plan. The employer does not have access to the employee's fund balances.

ILEC Annual Report of

Northeast Missouri Rural Tel Co

for year ending December 31, 2004

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: _____

Trustee Name: _____

Plan Description: _____

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**

Current Year	Previous Year

Pension Asset/Liability at Close of Year

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ILEC Annual Report of Northeast Missouri Rural Tel Co

for year ending December 31, 2004

INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

Exchange	Full Facility Based		Public Access Lines	
	Residential Voice Grade Equivalent Lines	Business Voice Grade Equivalent Lines	Public	Customer Owned Coin Telephone
Arbela	313	60	1	0
Brock	202	53	0	0
Tobin Creek	355	68	2	0
Luray	236	42	0	0
Novinger	783	102	1	1
Martinstown	320	57	1	0
Omaha	208	42	1	0
Green City	769	258	3	1
Winigan	150	43	1	0
Pollock	103	31	1	0
Lemons	108	27	0	0
Memphis	890	517	5	4
Queen City	429	96	1	2
Unionville	1,594	519	4	5
Non-revenue producing company used lines				
Totals	6,460	1,915	21	13

Residential Voice Grade Equivalent Lines	Business Voice Grade Equivalent Lines	Public Access Lines
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[illegible]

Schedule 11

ILEC Annual Report of Northeast Missouri Rural Telephone Co.

for the year ended December 31, 2004

OPERATIONAL STATISTICS (ANNUAL TOTALS)

Originating Number of Messages:

Local

Not Available

IntraLata - Intrastate

3,355,830

InterLata - Intrastate

536,682

Interstate

2,587,164

Originating Minutes of Use:

Local

Not Available

IntraLata - Intrastate

8,658,129

InterLata - Intrastate

1,907,789

Interstate

9,642,676

Terminating Number of Messages:

Local

Not Available

IntraLata - Intrastate

2,341,349

InterLata - Intrastate

494,548

Interstate

2,596,624

Wireless

438,053

Terminating Minutes of Use:

Local

Not Available

IntraLata - Intrastate

9,705,493

InterLata - Intrastate

2,248,608

Interstate

11,555,129

Wireless

5,893,912

ILEC Annual Report of Northeast Missouri Rural Telephone Companyfor year ending December 31, 2004**Local Exchange Carriers Federal/State Low-Income/Disabled Universal Service Fund Subscribers**

Background and Purpose: To ascertain on a monthly basis the number of subscribers being provided federal and/or Missouri low-income/disabled support as being reported to USAC (federal support, Form 497) and the fund administrator of the Missouri programs (Missouri support).

Month	Calendar Year 2004	Calendar Year 2005	
	Number of Federal Low Income subscribers	Number of Missouri Low Income subscribers*	Number of Missouri Disabled subscribers*
January	18		
February	22		
March	25		
April	27		
May	31		
June	31		
July	33		
August	34		
September	34		
October	47		
November	50		
December	51		
Total:	403		

*Effective for 2005 calendar year
Annual Report.

Annual Report of Northeast Missouri Rural Tel Co for the year ended December 31, 2004

VERIFICATION

The foregoing report must be verified by the oath of the President or chief officer 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 Sullivan } ss:

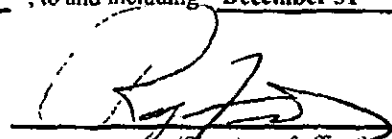
Ray Ford makes oath and says that
(Insert here the name of the affiant)

he is General Manager
(Insert here the official title of the affiant)

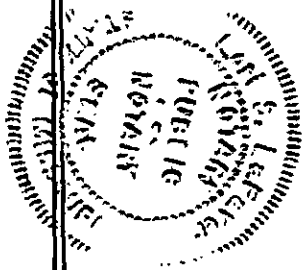
of Northeast Missouri Rural Telephone Company
(Insert here the exact legal title or name of the respondent)


that he has examined the foregoing report; that to the best of his 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, 2004, to and including December 31, 2004


(Signature of affiant)

Subscribed and sworn before me, a Notary Public in and for the
State and county above named, this 23rd day of March, 2005
My Commission expires September 26, 2008




(Signature of officer authorized to administer oaths)

LORI S. LAFAVER
Notary Public - State of Missouri
County of Sullivan
My Commission Expires Sep. 26, 2008