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Missouri Public
Service Commission

Northeast Missouri Rural Tel Co

(Full Company Name)

INCUMBENT

LOCAL EXCHANGE CARRIER

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ANNUAL REPORT

Records
Public Service Commission

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For Period Ending December 31, 2002

Incumbent Local Exchange Carriers

Annual Report Form

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Annual Report of Northeast Missouri Rural Tel Co as of December 31, 2002

- 1) State in full the exact '**certificated**' name of the telephone company:
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, 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

- 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) Date of incorporation or other original organization (e.g. MM/DD/YYYY):
10-12-1952

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

- | 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 |
| | | |
| | | |
| | | |
| | | |
| | | |

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.	\$386,560	5082.0102
13) Please identify the "Unseparated NTS Revenue Requirement" as reported to NECA related to the above payment.	\$1,983,484	5082.01XX
14) Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	4,749	
15) Please identify what amount of USF payments were received by the company from NECA for the previous reporting year.	\$292,683	5082.0102
16) Please identify the amount of USF payments expected to be received by the company for the following reporting year.	\$507,843	5082.0102
17) Please identify the amount of Local Switching Support payments received by the company for the current reporting year.	\$377,821	5082.01XX
18) Please identify the amount of Local Switching Support received by the company for the previous reporting year.	\$444,636	5082.01XX
19) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the current reporting year.	\$201,238	5082.01XX
20) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the previous reporting year.	\$196,763	5082.01XX
21) Type of tax return filed (i.e. 1120C, 1120S, etc.):	1120-C	
22) Taxpayer ID:	43-0698662	

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BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
Current Assets		
1130	Cash	\$406,013
1140	Special Cash Deposits	\$0
1150	Working Cash Advance	\$820
1160	Temporary Investments	\$10,333
1180	Telecommunications Accounts Receivable	\$16,314
1190	Other Accounts Receivable	\$482,791
1191	Accounts Receivable Allowance - Other	\$0
1200	Notes Receivable	\$169,494
1201	Notes Receivable Allowance	\$0
1210	Interest and Dividende Receivable	\$79
1220	Material and Supplies	\$392,507
1290	Prepaid Rents	\$0
1300	Prepaid Taxes	\$206,716
1310	Prepaid Insurance	\$24,641
1320	Prepaid Directory Expenses	\$0
1330	Other Prepayments	\$18,155
1350	Other Current Assets	
Total Current Assets		\$1,727,864
Noncurrent Assets		
1401	Investments in Affiliated Companies	\$6,588,728
1402	Investments in Nonaffiliated Companies	\$326,997
1406	Nonregulated Investments	\$269,354
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		\$7,185,080

BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
Regulated Plant		
2001	Telecommunications Plant in Service	\$36,994,206
2002	Property Held For Future Telecommunications Use	
2003	Telecommunications Plant Under Construction - Short Term	\$2,139,277
2004	Telecommunications Plant Under Construction - Long Term	
2005	Telecommunications Plant Adjustment	
2006	Nonoperating Plant	
2007	Goodwill	
Total Regulated Plant		\$39,133,484
Depreciation and Amortization		
3100	Accumulated Depreciation	\$15,628,348
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		\$15,628,348
Net Plant		\$23,505,136
Total Assets		\$32,418,079

BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
Current Liabilities		
4010	Accounts Payable	\$427,079
4020	Notes Payable	
4030	Advanced Billing and Payments	
4040	Customers' Deposits	\$42,038
4050	Current Maturities - Long Term	
4060	Current Maturities - Capital Leases	
4070	Income Taxes Accrued	
4080	Other Taxes Accrued	\$6,068
4100	Net Current Deferred Operating Income Taxes	
4110	Net Current Deferred Non-operating Income Taxes	
4120	Other Accrued Liabilities	
4130	Other Current Liabilities	\$1,509,148
Total Current Liabilities		\$1,984,333
Long-Term Debt		
4210	Funded Debt	\$13,997,441
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		\$13,997,441

BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
Other Liabilities and Deferred Credits		
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	\$55,912
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		\$55,912
Stockholders' Equity		
4510	Capital stock	\$71,880
4520	Additional Paid -In Capital	
4530	Treasury Stock	
4540	Other Capital	\$0
4550	Retained Earnings	\$16,308,513
Total Stockholders' Equity		\$16,380,393
Total Liabilities and Shareholders' Equity		\$32,418,079

PLANT IN SERVICE

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
General Support Assets			
2111	Land		\$18,885
2112	Motor Vehicles	15.00%	\$830,341
2113	Aircraft		\$0
2114	Tools and Other Work Equipment		\$0
2115	Garage Work Equipment		\$0
2116	Other Work Equipment	10.00%	\$358,418
2121	Buildings	4.00%	\$1,241,813
2122	Furniture	10.00%	\$115,292
2123.1	Office Equipment - Office Support	10.00%	\$0
2123.2	Office Equipment - Co. Communications	20.00%	\$11,463
2124	General Purpose Equipment	20.00%	\$571,276
Total General Support Assets			\$3,147,488
Central Office Assets			
2211	Analog Electronic Switching		\$0
2212	Digital Electronic Switching	10.00%	\$5,796,192
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%	\$1,111,961
2232.2	Circuit Equipment - Analog	10.30%	\$5,228,632
Total Central Office Assets			\$12,136,784

(A) See Schedule 1, question 10.

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%	\$16,397
2362	Other Terminal Equipment		
Total Info. Origination/Termination Assets			\$17,383
Cable and Wire Facilities Assets			
2411	Poles		\$0
2421.1	Aerial cable - Nonmetallic		\$0
2421.2	Aerial cable - Metallic	5.00%	\$8,830
2422.1	Underground cable - Nonmetallic		\$0
2422.2	Underground cable - Metallic		\$0
2423.1	Buried cable - Nonmetallic	5.00%	\$11,528,674
2423.2	Buried cable - Metallic	5.00%	\$10,155,046
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			\$21,692,551

(A) See Schedule 1, question 10.

PLANT IN SERVICE

FCC #	Account Description	Authorized	
		Depreciation Rate	Amount
		(A)	
Amortizable Assets			
2681	Capital Leases		\$0
2682	Leasehold Improvements		\$0
2690	Intangibles		\$0
Total Amortizable Assets			
Total Telecommunications Plant In Service			\$36,994,206

(A) See Schedule 1, question 10.

DEPRECIATION RESERVE

FCC #	Account Description	Depreciation Expense Recorded	Accumulated Balance
General Support Assets			
3111	Land		
3112	Motor Vehicles	\$124,314	\$399,080
3113	Aircraft		
3114	Tools and Other Work Equipment		
3115	Garage Work Equipment		
3116	Other Work Equipment	\$29,121	\$214,078
3121	Buildings	\$49,306	\$722,665
3122	Furniture	\$10,130	\$61,543
3123.1	Office Equipment - Office Support	\$0	\$0
3123.2	Office Equipment - Co. Communications	\$2,293	\$5,600
3124	General Purpose Equipment	\$109,126	\$281,693
Total General Support Assets		\$324,290	\$1,684,660
Central Office Assets			
3211	Analog Electronic Switching		
3212	Digital Electronic Switching	\$582,945	\$4,085,499
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	\$421,249	\$1,339,494
3232.2	Circuit Equipment - Analog	\$9,600	\$567,781
Total Central Office Assets		\$1,013,794	\$5,992,774

DEPRECIATION RESERVE

FCC #	Account Description	Depreciation Expense Recorded	Accumulated Balance
Information Origination/Termination Assets			
3311	Station Apparatus		
3321	Customer Premises Wiring		
3341	Large Private Branch Exchange		
3351	Public Telephone Terminal Equipment		\$16,397
3362	Other Terminal Equipment		
Total Info. Origination/Termination Assets			\$16,397
Cable and Wire Facilities Assets			
3411	Poles		
3421.1	Aerial cable - Nonmetallic		
3421.2	Aerial cable - Metallic	\$470	\$2,933
3422.1	Underground cable - Nonmetallic		
3422.2	Underground cable - Metallic		
3423.1	Buried cable - Nonmetallic	\$455,432	\$1,874,079
3423.2	Buried cable - Metallic	\$492,706	\$6,057,504
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		
Total Cable and Wire Facilities Assets		\$948,608	\$7,934,517
Total Depreciation Reserve		\$2,286,691	\$15,628,348

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as of December 31, 2002**DEPRECIATION RESERVE**

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

SALVAGE and/or COST OF REMOVAL COSTS

		Amount Recorded To:	
FCC #	Account Description	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			

SALVAGE and/or COST OF REMOVAL COSTS

		Amount Recorded To:	
FCC #	Account Description	Depreciation Reserve	Income Statement
Information Origination/Termination Assets			
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			
Cable and Wire Facilities Assets			
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			

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Schedule 5 Page 3 of 3
as of December 31, 2002**SALVAGE and/or COST OF REMOVAL COSTS**

Amount Recorded To:

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

LONG-TERM AND SHORT-TERM DEBT

Description of Obligation	Issue Date	Maturity Date	Face Amount Outstanding	Stated Interest Rate %	Annual Interest Expense
2170	1970	2005	\$73,792	2.00%	
2180	1972	2007	\$129,380	2.00%	
2181	1972	2007	\$21,738	2.00%	
2182	1972	2007	\$101,591	2.00%	
12190	1981	2016	\$2,238,209	2.00%	
12191	1981	2016	\$88,699		
12200	1986	2021	\$474,944	2.00%	
12201	1986	2021	\$258,390	2.00%	
12203	1986	2021	\$486,053	2.00%	
12212	1995	2030	\$1,165,409	5.00%	
12220	1998	2016	\$418,832	5.57%	
12221	1999	2016	\$414,734	4.93%	
12222	1999	2016	\$886,440	5.92%	
12223	1999	2016	\$873,528	6.28%	
12224	2000	2016	\$885,437	6.75%	
12225	2000	2016	\$893,203	5.97%	
12226	2000	2016	\$908,779	5.55%	
12227	2001	2016	\$860,113	5.19%	
12228	2001	2016	\$469,978	4.71%	
12520	2001	2016	\$1,436,185	5.23%	
12521	2002	2017	\$956,934	4.94%	
12522	2002	2017	\$198,672	4.31%	
Prepaid			-\$243,597	5.00%	
Total			\$13,997,441		\$643,434
Total Interest Expense Recorded					\$643,434

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Local Network Services Revenues			
5001	Basic Area Revenue	\$498,604	\$498,604
5002	Optional Extended Area Revenue		
5003	Cellular Mobile Revenue		
5004	Other Mobile Services Revenue		
5040	Local Private Line Revenue	\$138	\$138
5050	Customer Premises Revenue		
5060	Other Local Exchange Revenue		
5069	Other Local Exchange Revenue Settlements		
Total Local Network Services Revenues		\$498,742	\$498,742
Network Access Services Revenues			
5081	End User Revenue	\$330,120	\$330,120
5082	Switched Access Revenue	\$2,753,471	\$2,753,471
5083	Special Access Revenue	\$216,659	\$216,659
5084	State Access Revenue	\$2,195,665	\$2,195,665
Total Network Access Services Revenues		\$5,495,914	\$5,495,914
Long Distance Network Services Revenues			
5100	Long Distance Message Revenue	\$1,938	\$1,938
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	\$9,859	\$9,859
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		\$11,796	\$11,796

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Miscellaneous Revenues			
5230	Directory Revenue	\$15,137	\$15,137
5240	Rent Revenue		
5250	Corporate Operations Revenue		
5261	Special Billing Arrangements Revenue		
5262	Customer Operations Revenue	\$26,182	\$26,182
5263	Plant Operations Revenue		
5264	Other Incidental Regulated Revenue		
5269	Other Revenue Settlements		
5270	Carrier Billing & Collection Revenue	\$81,933	\$81,933
Total Miscellaneous Revenues		\$123,252	\$123,252
5280	Non-Regulated Operating Revenue	\$2,096	\$2,096
Uncollectible Revenues			
5301	Uncollectible Revenue - Telecommunications	-\$8,495	-\$8,495
5302	Uncollectible Revenue - Other		
Total Uncollectible Revenues		-\$8,495	-\$8,495
Total Operating Revenues		\$6,123,307	\$6,123,307

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Plant Specific Operations Expense</u>		
6110	Network Support Expense		
6112	Motor Vehicle Expense		
6113	Aircraft Expense		
6114	Tools and Other Work Equipment Expense		
6120	General Support Expenses		
6121	Land and Building Expenses		\$64,442
6122	Furniture and Artworks Expense		
6123	Office Equipment Expense		
6124	General Purpose Computers Expense		\$83,788
6210	Central Office Switching Expense		
6211	Analog Electronic Expense		
6212	Digital Electronic Expense		\$243,859
6215	Electro-mechanical Expense		
6220	Operator System Expense		
6230	Central Office Transmission Expense		
6231	Radio Systems Expense		
6232	Circuit Equipment Expense		\$68,968
6310	Information Origination/termination Expense		
6311	Station Apparatus Expense		
6341	Large Private Branch Exchange Expense		
6351	Public Telephone Terminal Equipment Expense		\$43
6362	Other Terminal Equipment Expense		
6410	Cable and Wire Facilities Expense		
6411	Poles Expense		
6421	Aerial Cable Expense		\$905
6422	Underground Cable Expense		
6423	Buried Cable Expense		\$427,160
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			\$889,163

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		\$46,081
6532	Network Administration Expense		\$9,642
6533	Testing Expense		\$7,633
6534	Plant Operations Administration Expense		\$0
6535	Engineering Expense		
6540	Access Expense		\$27,382
Total Plant Non-specific Operations Expense			\$90,738
	<u>Depreciation and Amortization Expense</u>		
6561	Depreciation Expense - Plant in Service		\$2,286,691
6562	Depreciation Expense - Plant Held for Future Use		
6563	Amortization Expense - Tangible		
6564	Amortization Expense - Intangible		
6565	Amortization Expense - Other		
Total Depreciation and Amortization Expense			\$2,286,691
	<u>Customer Operations Expense</u>		
6610	Marketing		
6611	Product Managemeny		
6612	Sales		
6613	Product Advertising		
6620	Services		
6621	Call Completion Services		\$6,233
6622	Number Services		
6623	Customer Services		\$302,110
Total Customer Operations Expenses			\$308,342

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Corporate Operations Expense</u>		
6710	Executive and Planning		
6711	Executive		\$206,188
6712	Planning		
6720	General and Administrative		
6721	Accounting and Finance		\$221,608
6722	External Relations		
6723	Human Resources		\$1,517
6724	Information Management		\$1,604
6725	Legal		\$117,823
6726	Procurement		
6727	Research and Development		
6728	Other General and Administrative		\$227,465
6790	Provision for Uncollectible Notes Receivable		
	Total Corporate Operations Expense		\$776,205
	Total Operating Expense		\$4,351,140
	Net Operating Income		\$1,772,166
	<u>Other Operating Income and Expense</u>		
7110	Income from Custom Work		
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		-\$14,742
	Total Other Operating Income and Expense		-\$14,742

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			\$322,009
7250	Provision for Deferred Operating Income Taxes - Net			
Total Operating Taxes				\$322,009
	Nonoperating Income and Expense			
7300	Nonoperating Income and Expense			
7310	Dividend Income			\$42
7320	Interest Income			\$38,250
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			-\$126,425
7370	Special Charges			
Total Nonoperating Income and Expense				-\$88,133
	Nonoperating Taxes			
7410	Nonoperating Investment Tax Credits - Net			
7420	Nonoperating Federal Income Taxes			\$0
7430	Nonoperating State & Local Income Taxes			\$0
7440	Nonoperating Other Taxes			
7450	Provision for Deferred Nonoperating Income Taxes - Net			
Total Non-Operating Taxes				

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Interest & Related Items			
7510	Interest on Funded Debt		\$643,434
7520	Interest Expense - Capital Leases		
7530	Amortization of Debt Issuance Expense		
7540	Other Interest Deductions		\$5,002
Total Interest & Related Items			\$648,436
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		\$60,821
Total Jurisdictional Differences & Nonregulated Items			\$60,821
NET INCOME			\$759,668

[illegible]

Annual Report of Northeast Missouri Rural Tel Co as of December 31, 2002**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

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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.

Annual Report of Northeast Missouri Rural Tel Co as of December 31, 2002**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

Pension Asset/Liability at Close of Year

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Schedule 10
for the year ended December 31, 2002**INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT**

Residential Voice Grade Equivalent Lines					Business Voice Grade Equivalent Lines				Public Access Lines	
Exchange	Pure Resale	UNE	UNE P	Full Facility Based	Pure Resale	UNE	UNE P	Full Facility Based	Public	Customer Owned Coin Telephone
Arbela				341				69	1	1
Brock				207				61		
Tobin Creek				374				73	2	
Luray				245				65		
Novinger				842				123	1	2
Martinstown				330				58	1	
Omaha				220				46	1	
Green City				837				301	3	1
Winigan				156				46	1	
Pollock				119				31	1	
Lemons				122				30		
Totals				3,793				903	11	4

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. 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.

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.

Annual Report of Northeast Missouri Rural Tel Co for the year ended December 31, 2002

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.

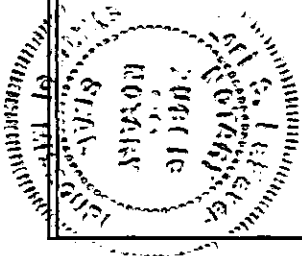
January 1, 2002, to and including December 31, 2002

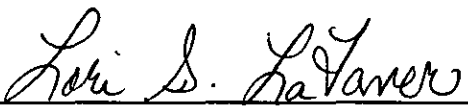

(Signature of affiant)

Subscribed and sworn before me, a Notary Public in and for the

State and county above named, this 7th day of April, 2003

My Commission expires 9/26, 2004




(Signature of officer authorized to administer oaths)
Lori S. LaFaver, Notary Public
Sullivan County, State of Missouri
My Commission Expires 9/26/2004