



4004

ANNUAL REPORT

OF

Name: STATE LONG DISTANCE TELEPHONE COMPANY

Principal Office: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121-0230

For the Year Ended: DECEMBER 31, 2002

TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at www.wdfi.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

SIGNATURE PAGE

I JERRY GUETSCHOW of
(Person responsible for accounts)

STATE LONG DISTANCE TELEPHONE COMPANY, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

JERRY GUETSCHOW 03/13/2003
(Person responsible for accounts) (Date)

SECRETARY & TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of: <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	A central office switch which has no remote switching units (RSUs) subtending it.
Trunk	A communications path connecting two switching systems in the establishment of an end-to-end connection.
Wide Area Telephone Service (WATS)	Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.
Wire Center	The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: STATE LONG DISTANCE TELEPHONE COMPANY
Utility Location: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121-0230

Utility Web Site Address:

When was utility organized?: 10/01/1900

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (262) 723 - 5300 Ext:

Residential Customers: (262) 723 - 5300 Ext:

Officer in charge of correspondence concerning this report

Name: MR JERRY GUETSCHOW
Title: SECRETARY & TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN , WI 53121-0230

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: jgetch@sldtc.com

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR JERRY GUETSCHOW
Title: SECRETARY & TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN , WI 53121

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: jgetch@sldtc.com

IDENTIFICATION AND OWNERSHIP

Person responsible for statistical information contained in report

Name: MR JERRY GUETSCHOW
Title: SECRETARY & TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN , WI 53121

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: jgetch@sldtc.com

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: STATE LONG DISTANCE TELCOM, LTD
Address: 216 W WALWORTH ST
PO BOX 230
ELKHORN , WI 53121

Number of Shares Held: 12,000
Beneficial Owner: NONE

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: COLEMAN, CHARLES W Title/Occupation: DIRECTOR Business Address (1): PO BOX 97 Business Address (2): Business Address (3): City State, Zip: HAWK SPRINGS, WY 82217	1
<hr/>	
Name: GUETSCHOW, JERRY L Title/Occupation: SECRETARY, TREASURER & DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121-0230	2
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Name: MORRISSEY, WILLIAM Title/Occupation: DIRECTOR Business Address (1): 221 W JEFFERSON Business Address (2): Business Address (3): City State, Zip: ELKHORN, WI 53121	3
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Name: SEYMOUR, WILLIAM L Title/Occupation: DIRECTOR Business Address (1): 211 ESTATE COURT Business Address (2): Business Address (3): City State, Zip: ELKHORN, WI 53121	4
<hr/>	
Name: WISWELL, ELLEN B Title/Occupation: VICE PRESIDENT & DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121-0230	5
<hr/>	
Name: WISWELL, GRANT W Title/Occupation: DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121-0230	6

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: WISWELL, WILLIAM C

Title/Occupation: PRESIDENT & DIRECTOR

Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY

Business Address (2): PO BOX 230

Business Address (3):

City State, Zip: ELKHORN, WI 53121-0230

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INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	7,090,467	7,030,613	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	901,219	759,276	2
Plant Nonspecific Operations Expense	1,869,485	1,757,274	3
Customer Operations Expense (6610-6620)	876,089	930,750	4
Corporate Operations Expense (6710-6790)	1,300,635	1,113,546	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	959,915	1,101,035	7
Total Operating Expenses	5,907,343	5,661,881	8
Net Operating Income	1,183,124	1,368,732	9
Other Income			
Nonoperating Income and Expense (7300)	13,947	51,532	10
Nonoperating Taxes (7400)	(15,154)	(19,426)	11
Interest and Related Items (7500)	759	32,161	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	23,795	19,230	14
Total Nonoperating Income	52,137	58,027	15
Net Income	1,235,261	1,426,759	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

See the General Footnotes on page # 56.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

See the General Footnotes on page # 56

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3. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

See the General Footnotes on page # 56

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,225,180	587,435	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	2,225,180	587,435	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	148,969	236,738	6
Accounts Receivable Allowance-Telecom (1181)*	2,000	2,000	7
Net: Telecommunications Accounts Receivable	146,969	234,738	
Other Accounts Receivable (1190)*	587,135	610,460	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	587,135	610,460	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	10,176	8,702	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	744,280	853,900	
SUPPLIES			
Inventories (1220)*	49,813	126,820	13
TOTAL SUPPLIES	49,813	126,820	
PREPAYMENTS			
Total Prepayments (1280)*	79,337	67,583	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	79,337	67,583	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	3,098,610	1,635,738	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	0	0	22
Other Investments in Nonaffiliated Companies (1402)*	1,383,176	1,348,795	23
Nonregulated Investments (1406)*	132,021	392,906	24
Unamortized Debt Issuance Expense (1407)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*	0	0	26
Other Noncurrent Assets (1410)*	9,700	2,000	27
TOTAL INVESTMENTS	1,524,897	1,743,701	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0	0	30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,524,897	1,743,701	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	19,182,014	17,962,357	31
Less: Accumulated Depreciation (3100)*	8,334,424	7,519,595	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	34
Less: Accumulated Amortization--Intangible (3500)*	0	0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	10,847,590	10,442,762	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	1,141,906	1,618,967	40
TOTAL TPUC	1,141,906	1,618,967	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600)*	0	0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	11,989,496	12,061,729	
TOTAL ASSETS AND OTHER DEBITS	16,613,003	15,441,168	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	332,277	355,802	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	149,083	127,336	3
Customer Deposits (4040)*	150	737	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	44,558	(87,208)	7
Other Taxes--Accrued (4080)*	(7,965)	1,780	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	470,678	191,288	11
Other Current Liabilities (4130)*	0	1,260	12
TOTAL CURRENT LIABILITIES	988,781	590,995	
LONG-TERM DEBT			
Funded Debt (4210)*	0	200,000	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT	0	200,000	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	571,615	385,186	20
Unamortized Operating ITC--Net (4320)*	8,894	12,075	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	860,428	848,139	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	209,415	209,415	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,650,352	1,454,815	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*	115,105	115,105	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	12,658,765	11,880,253	32
TOTAL STOCKHOLDERS' EQUITY	13,973,870	13,195,358	
TOTAL LIABILITIES AND OTHER CREDITS	16,613,003	15,441,168	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
SLD Services, Ltd	SERVICES	1
State Long Distance Telcom, Ltd	TELCOM	2
SLD Broadcasting, Ltd	WSLD	3

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	5680ATF00100	5680ATF00103	5680ATF00101	
Name of Affiliate	SERVICES	SERVICES	TELCOM	WSLD	1
Designate whether billed to or from:	FROM	TO	TO	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CT	C	CT	3
Total Dollar Activity	5,746	489,693	18,635	2,985	4
Percent of affiliate's business billed to all affiliated regulated utilities	0.98				5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 4010, Accounts Payable; 4020, Notes Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
SLD Services, Ltd	1190	25,343	1
State Long Distance Telcom, Ltd	1190	1,231	2

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	154,165		1
Motor Vehicles	2112	444,789	62,405	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	249,992	4,442	6
Buildings	2121	1,199,276		7
Furniture	2122	128,498		8
Office Equipment	2123	76,345	24,041	9
General Purpose Computers	2124	298,151	29,555	10
TOTAL--GENERAL SUPPORT ASSETS:		2,551,216	120,443	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,520,870	28,804	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	2,831,328	502,425	16
TOTAL--CENTRAL OFFICE ASSETS:		6,352,198	531,229	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	253		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		253	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	17,394		22
Aerial Cable	2421	394,207	66,059	23
Underground Cable	2422	702,100	3,427	24
Buried Cable	2423	7,167,146	795,928	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	4,880		29
Conduit Systems	2441	772,963	45,566	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		9,058,690	910,980	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			154,165	1
2112	103,253		403,941	2
2113			0	3
2114			0	4
2115			0	5
2116			254,434	6
2121			1,199,276	7
2122			128,498	8
2123	21,486	0	78,900	9
2124	5,007		322,699	10
	129,746	0	2,541,913	
2211			0	11
2212	36,716	0	3,512,958	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	186,761	0	3,146,992	16
	223,477	0	6,659,950	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			253	21
	0	0	253	
2411	183		17,211	22
2421	22,071	0	438,195	23
2422	631	0	704,896	24
2423	9,073	0	7,954,001	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			4,880	29
2441			818,529	30
	31,958	0	9,937,712	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0		32
Intangibles	2690	0	44,020	33 A
TOTAL--AMORTIZABLE ASSETS:		0	44,020	
TOTAL TELECOM. PLANT IN SERVICE	2001	17,962,357	1,606,672	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690		(1,834)	42,186	33 A
	0	(1,834)	42,186	
	385,181	(1,834)	19,182,014	
2001			0	34
			19,182,014	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	54,690	24,041	1
Company Communications Equipment	2123.2	21,655		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,520,870	28,804	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	1,395,242	14,237	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	1,436,086	488,188	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	394,207	66,059	14
Underground Cable - Nonmetallic	2422.1	215,571		15
Underground Cable - Metallic	2422.2	486,529	3,427	16
Buried Cable - Nonmetallic	2423.1	610,296	201,364	17
Buried Cable - Metallic	2423.2	6,556,850	594,564	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)**

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	21,486		57,245	1
2123.2			21,655	2
2212.1			0	3
2212.2	36,716		3,512,958	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	186,761		1,222,718	10
2232.2			0	11
2232.3			1,924,274	12
2421.1			0	13
2421.2	22,071		438,195	14
2422.1			215,571	15
2422.2	631		489,325	16
2423.1			811,660	17
2423.2	9,073		7,142,341	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	292,566	.0	54,039		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	199,969	8.33	9,836	5,406	5
Buildings	2121	383,623	3.0	35,372		6
Furniture	2122	19,645	7.69	10,255	3,353	7
Office Equipment	2123	42,643	25.0	7,164	6,684	8
General Purpose Computers	2124	254,453	20.0	18,293	619	9
Total-- GENERAL SUPPORT ASSETS		1,192,899		134,959	16,062	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	744,113	8.33	291,437		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	1,497,610	10.0	290,171		15
Total-- CENTRAL OFFICE ASSETS		2,241,723		581,608	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	253	14.29			20
Total-- INFORMATION ORIG/TERM ASSETS		253		0	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	17,394	7.5	209		21
Aerial Cable	2421	196,021	5.5	22,220		22
Underground Cable	2422	418,078	5.0	35,159		23
Buried Cable	2423	3,143,962	5.0	378,829		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	4,880	11.0			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	103,253		17,914		261,266	1
2113					0	2
2114					0	3
2115					0	4
2116			650		215,861	5
2121					418,995	6
2122					33,253	7
2123	21,486				35,005	8
2124	5,007				268,358	9
	129,746	0	18,564	0	1,232,738	
2211					0	10
2212	36,716	271			998,563	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	186,761	859			1,600,161	15
	223,477	1,130	0	0	2,598,724	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					253	20
	0	0	0	0	253	
2411	183	209			17,211	21
2421	22,071	12,852			183,318	22
2422	631				452,606	23
2423	9,073	1,260			3,512,458	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					4,880	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	304,385	3.5	27,851	29
Total-- CABLE WIRE FACILITIES ASSETS		4,084,720		464,268	0
Total Accumulated Depreciation	3100	7,519,595		1,180,835	16,062
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				1,180,835	16,062

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					332,236	29
	31,958	14,321	0	0	4,502,709	
3100	385,181	15,451	18,564	0	8,334,424	
3100					0	30
3100					8,334,424	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	42,422	12.5	4,610	762	1
Company Communications Equipment	2123.2	221	14.29	2,554	5,922	2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	744,113	8.33	291,437		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	997,119	10.0	122,153		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	500,491	10.0	168,018		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	196,021	5.5	22,220		14
Underground Cable - Nonmetallic	2422.1	68,410	5.0	10,779		15
Underground Cable - Metallic	2422.2	349,668	5.0	24,380		16
Buried Cable - Nonmetallic	2423.1	148,069	5.0	35,549		17
Buried Cable - Metallic	2423.2	2,995,893	5.0	343,280		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	21,486				26,308	1
2123.2					8,697	2
2212.1					0	3
2212.2	36,716	271			998,563	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	186,761	859			931,652	10
2232.2					0	11
2232.3					668,509	12
2421.1					0	13
2421.2	22,071	12,852			183,318	14
2422.1					79,189	15
2422.2	631				373,417	16
2423.1					183,618	17
2423.2	9,073	1,260			3,328,840	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	11,880,253	10,874,535	1
Changes:			
Balance Transferred from Income	1,235,261	1,426,759	2
Dividends Declared:			
Common	420,000	405,000	3
Preferred	0	0	4
Total Dividends Declared	420,000	405,000	
Miscellaneous Debits to Retained Earnings	36,749	16,041	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>12,658,765</u>	<u>11,880,253</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	2,145,414	2,134,326	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,145,414	2,134,326	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	895,174	564,904	11 B
Switched Access Revenue (5082)*	1,089,765	1,385,385	12 P
Special Access Revenue (5083)*	274,370	207,490	13 C
TOTAL INTERSTATE ACCESS REVENUES (5080)	2,259,309	2,157,779	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,674,295	1,544,645	15
Special Access Revenue (5084.3)*	498,108	405,097	16 D
TOTAL INTRASTATE ACCESS REVENUES (5084)	2,172,403	1,949,742	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	567,503	582,956	30
Rent Revenue (5240)*	240	492	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	55,730	42,311	33 E
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	55,730	42,311	
Interstate Billing and Collection Revenue*	26,354	67,388	39 F
Intrastate Billing and Collection Revenue*	61,747	100,221	40 G
Total Carrier Billing and Collection Revenue (5270)*	88,101	167,609	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	711,574	793,368	
GROSS OPERATING REVENUES	7,288,700	7,035,215	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	198,233	4,602	42 H
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	198,233	4,602	
TOTAL OPERATING REVENUES	<u>7,090,467</u>	<u>7,030,613</u>	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	49,244	53,806	1
Less: Nonregulated	0	0	2
Net Regulated	49,244	53,806	3
Total General Support Expense (6120)	184,687	149,014	4
Less: Nonregulated	0	0	5 J
Net Regulated	184,687	149,014	6
Total Central Office Switching Expense (6210)	201,123	170,804	7
Less: Nonregulated	0	0	8
Net Regulated	201,123	170,804	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	88,883	76,745	13
Less: Nonregulated	0	0	14
Net Regulated	88,883	76,745	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated	0	0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	377,282	308,907	19
Less: Nonregulated	0	0	20 K
Net Regulated	377,282	308,907	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	901,219	759,276	
Less: Nonregulated	0	0	
Net Regulated	901,219	759,276	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated	0	0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	551,293	547,584	25
Less: Nonregulated	0	0	26
Net Regulated	551,293	547,584	27
Access Expense (6540)	140,472	106,590	28
Less: Nonregulated	0	0	29 L
Net Regulated	140,472	106,590	30
Total Depreciation and Amortization Expense (6560)	1,177,720	1,103,100	31
Less: Nonregulated	0	0	32
Net Regulated	1,177,720	1,103,100	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,869,485	1,757,274	
Less: Nonregulated	0	0	
Net Regulated	1,869,485	1,757,274	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	29,377	20,481	34
Less: Nonregulated	0	0	35
Net Regulated	29,377	20,481	36
<hr/>			
Total Services (6620)	846,712	910,269	37
Less: Nonregulated	0	0	38
Net Regulated	846,712	910,269	39
<hr/>			
TOTAL CUSTOMER OPERATIONS EXPENSE	876,089	930,750	
Less: Nonregulated	0	0	
Net Regulated	876,089	930,750	
<hr/>			
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	802,408	630,856	40
Less: Nonregulated	0	0	41 M
Net Regulated	802,408	630,856	42
<hr/>			
Total General and Administrative (6720)	498,227	482,690	43
Less: Nonregulated	0	0	44
Net Regulated	498,227	482,690	45
<hr/>			
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
<hr/>			
TOTAL CORPORATE OPERATIONS EXPENSE	1,300,635	1,113,546	
Less: Nonregulated	0	0	
Net Regulated	1,300,635	1,113,546	
<hr/>			
TOTAL EXPENSES	4,947,428	4,560,846	
Less: Nonregulated	0	0	
Net Regulated	4,947,428	4,560,846	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,175,886	1,103,100	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	1,834	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	1,177,720	1,103,100	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	7,288,700	1
Plus: Collection of amounts previously written off	4,938	2
Less: Uncollectibles written off during the year	203,171	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>7,090,467</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,145,414	1
Plus: Total Intrastate Access Revenues (5084)	2,172,403	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>4,317,817</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	7,288,700	1
Plus: Collection of amounts previously written off	4,938	2
Less: Uncollectibles written off during the year	203,171	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify):		
None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>7,090,467</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,145,414	1
Plus: Total Intrastate Access Revenues (5084)	2,172,403	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify):		
None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>4,317,817</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(3,181)	(3,433)	2
Operating Federal Income Taxes (7220)	556,460	625,203	3
Operating State and Local Income Taxes (7230)	179,034	158,988	4
Operating Other Taxes (7240)	193,702	207,421	5
Provision for Deferred Operating Income Taxes--Net (7250)	33,900	112,856	6
TOTAL OPERATING TAXES (7200)	959,915	1,101,035	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	13,794	7,311	7
Interest Income (7320)	35,754	41,005	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	759	31,684	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	7,424	(3,784)	12
Special Charges (7370)	43,784	24,684	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	13,947	51,532	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	(15,154)	(19,426)	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	759	32,161	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	23,795	19,230	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity	
(a)	
Internet Service Provider	1
Payphone Operations	2
Toll Reseller	3

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management	3	1
Central Office	3	2
Outside Plant	6	3
Building & Service	0	4
Other	1	5
Customer Operations		
Supervisory & Management	3	6
Operators	6	7
Business Office	0	8
Other		9
Corporate Operations		
Executive & General Management	4	10
Accounting & Finance	3	11
External Relations	0	12
Human Resources	0	13
Information Management	0	14
Legal	0	15
Procurement	0	16
Research & Development	0	17
Other	0	18
Other		
All Other Employees, Not Listed Above	10	19
Total Employees	39	
Part-Time Employees	2	20
Full-Time Employees	37	21
Total Part-Time and Full-Time Employees	39	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4
Total Local	0	0	
TOLL			
Toll	0	0	5
Total Toll	0	0	
Total Local & Toll	0	0	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	35	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	30	7	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	996	0	5
Feature Group C -- Term.	0	0	945	1	6
Feature Group D -- Orig.	7,951	3,480	6,516	0	7
Feature Group D -- Term.	18,291	6,131	5,435	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	41	1
Strand miles of plant - fiber optics	1,142	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	39	1 0
56 kbps	20	7	2 0
64 kbps (DS0)	0	7	3 0
1.54 Mbps (DS-1)	59	52	4 0
45 Mbps (DS-3)	0	2	5 0
SONET OC-1	0	0	6 0
SONET OC-3	0	0	7 0
SONET OC-12	0	0	8 0
SONET OC-48	0	0	9 0
SONET OC-192	0	0	10 0

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	41	1
Strand miles of plant - fiber optics	1,142	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	39	1 0
56 kbps	20	7	2 0
64 kbps (DS0)	0	7	3 0
1.54 Mbps (DS-1)	59	52	4 0
45 Mbps (DS-3)	0	2	5 0
SONET OC-1	0	0	6 0
SONET OC-3	0	0	7 0
SONET OC-12	0	0	8 0
SONET OC-48	0	0	9 0
SONET OC-192	0	0	10 0

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,582	1,630	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	2,027	2,060	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	0	0	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	2	2	12
Pay Telephone	108	98	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Other	0	0	16
Total Business Lines	3,719	3,790	17
Residential (Incl. Emp. Concess.)			
1 Party	7,459	7,416	18
2 Party	0	0	19
4 Party	0	0	20
FX-Out (Switched)	0	0	21
Other	0	0	22
Total Residential Lines	7,459	7,416	23
Total Bus & Res Lines	11,178	11,206	24
Company Used Lines	69	69	25
Total Lines Used	11,247	11,275	26
			27

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	17	15	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	1,245	2,645	7
Special Access-interLATA			8
(expressed in equiv. access lines)	938	1,439	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	62	38	11
Feature Group C Trunks	168	168	12
Feature Group D Trunks	816	762	13
TSPS - Trunks	25	34	14
EAS - Trunks	576	858	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning	1	1	17
- discounted (special tariff)			18
Customers			
Lifeline Customers	125	162	20
Linkup Customers	0	0	21
Other			
Total Company Square Miles	75	75	23
Total Company Route Miles			24
Footnotes		1	25

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
Business					
1 Party	1,630				2
2 Party	0				3
4 Party	0				4
PBX Trunks/System Trunks	2,060				5
Centrex Trunks	0				6
Centrex Lines	0				7
Key System Trunks	0				8
Mobile (utility provided service)	0				9
Paging (utility provided service)	0				10
FX-Out (Switched)	2				11
Pay Telephone	98				12
Coin-Operated Pay Telephone	0				13
Independent Pay Telephone Provider	0				14
Other	0				15
Total Business Lines	3,790	0	0	0	16
Residential (Incl. Emp. Concess.)					
1 Party	7,416				17
2 Party	0				18
4 Party	0				19
FX-Out (Switched)	0				20
Other	0				21
Total Residential Lines	7,416	0	0	0	22
Total Bus & Res Lines	11,206	0	0	0	23
Company Used Lines	69				24
Total Lines Used	11,275	0	0	0	25

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	15				5
Special Access-intraLATA (equiv. access lines)	2,645				6 7
Special Access-interLATA (equiv. access lines)	1,439				8 9
Feature Group A Lines	0				10
Feature Group B Trunks	38				11
Feature Group C Trunks	168				12
Feature Group D Trunks	762				13
TSPS - Trunks	34				14
EAS - Trunks	858				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning - discounted (special tariff)	1				17 18
Other					19
Exchange Square Miles	75				20
Exchange Route Miles					21
Footnotes		I,N			22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

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Manufacturer Name (a)	Abbreviation (b)	
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EQUIPMENT ABBREVIATIONS

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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ELKHORN	ELKHORN			1
PSCW Exchange ID	1730	1730			2
Central Office Name	ELKHORN	LAUDERDALE			3
PSCW Central Office ID	1	2			4
Central Office CLLI Code	ELKHWIXBDS1	ELKHWIXCDS0			5
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC			6
Year COE Installed	1999	1999			7
Type of Equipment (Page 54)	D	D			8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	S	S			9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID	0	0			11
COE Generic Software Release No.	5E15	5E15			12
SS7?	Yes	Yes			13
9-1-1?	Yes	Yes			14
Access Lines - In Use	8,340	2,935			15
- Equipped	11,984	5,488			16
- Wired	15,552	6,176			17
Trunks - In Use	2,880	432			18
- Equipped	2,880	960			19
- Wired	3,024	960			20
ISDN Available?	Yes	Yes			21
ISDN Lines - In Use (BRI)	40	30			22
- In Use (PRI)	6	0			23
XDSL Available?	Yes	No			24
- In Use (# lines)	12				25
Switched 56 Service?	No	No			26
Switched 56 lines in use	0	0			27
Digital Transmission Facilities: DS-1 - In Use	205	24			28
DS-3 - In Use	10	1			29
Advanced Data Service Available:					
Packet Switching?	No	No			30
SMDS?	No	No			31
Frame Relay?	No	No			32
ATM (Asynchronous Trans. Mode)?	No	No			33
Video Information - Service Available?	No	No			34
- In Use (# lines) ¹	0	0			35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	212	60			36
No. of fiber strands working (LIT) in C.O.	24	8			37
No. of fiber strands for interoffice use	48	24			38
Miles of fiber sheath in wire center	37	14			39
Access Tandem Serving this C.O.:					
- C.O. Name	ELKHORN	ELKHORN			40
- PSCW C.O. ID	1730-01	1730-01			41
Does this C.O. do access tandem switching?	Yes	No			42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

State Long Distance Telephone Company (Company) is a wholly owned subsidiary of State Long Distance Telcom, Ltd. whose other subsidiaries include SLD Services, Ltd. and SLD Broadcasting, Ltd. (Broadcasting was dissolved during 2002). Intercompany transactions and balances between the affiliates have not been eliminated.

The Companys principal business is to provide local telephone service and telephone access for all customers within specific boundaries, in southeastern Wisconsin, in a noncompetitive market.

The accounting policies of the Company conform to accounting principles generally accepted in the United States and reflect practices appropriate to the telephone industry.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenues are recognized when earned, regardless of the period in which they are billed.

Telecommunications plant in service is recorded at original cost and depreciation is computed on the straight-line basis for statement purposes. The provision rate is applied to group account assets for computation of annual depreciation. Retirements are recorded using average unit costs. Maintenance and repair costs are expensed as incurred

Reduction of income taxes due to investment tax credit is deferred and is being amortized over the service life of the plant which created the credit. The Company amortized \$3,181 and \$3,433 of investment credit for the years 2002 and 2001 respectively.

Payroll taxes, pension costs and employees insurance costs are capitalized on all plant additions. This capitalization is being treated as additions to telephone plant for both statement and tax purposes. Allowance for funds used during construction (AFUDC) is capitalized on major projects for statement purposes only. There was \$759 of AFUDC capitalized during 2002 and \$31,684 during 2001. The AFUDC rate used was 3.8% for 2002 and 6.1% for 2001 which is the cost of debt funds.

The Company has established a deferred compensation plan for its president. Under terms of the agreement, he is to receive at the time of his retirement an additional annual retirement benefit of \$100,000 per

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

year for a period of ten years. The cost of this benefit is being funded by the accumulated cash value of life insurance policies. The Company has also established deferred compensation agreements for certain key employees. Under the terms of these agreements if the Company is sold prior to their retirement, their compensation will continue at current levels for a period of two years. The Company is accruing a liability for the deferred compensation agreements over the period of the employees employment, beginning when the agreements were adopted.

The Company and its affiliates operate under agreements whereby the Company provides general administrative, management, accounting, purchasing, data processing and other services for its affiliates. These services were billed to the affiliates at the Companys costs and amounted to \$488,942 for 2002 and \$614,252 for 2001.

Telephone Plant Under Construction as of December 31, 2002 includes costs incurred to construct buried and fiber optic cable facilities. The total cost of the projects will approximate \$1,345,181.

The Company maintains a defined contribution 401(k) Profit Sharing Plan for its eligible employees. Contributions to the plan are based upon compensation paid during the plan year. During the years 2002 and 2001 pension expense amounted to \$418,471 and \$384,848 respectively.

The Company has adopted SFAS 106 which requires the Company to accrue post retirement benefits (other than pensions) during the years in which the employees are actively employed. Costs accrued for the years 2002 and 2001 were \$127,343 and \$107,673 respectively.

The Company maintains a self-funded health care plan for substantially all of its full time employees. For 2002 and 2001 the Company was liable for employee and/or dependent health care claims up to \$20,000 aggregate per person, after which claims were covered by a stop loss insurance carrier. Costs under the plan amounted to \$403,228 for 2002 and \$419,823 for 2001.

During 1998, the Company entered into a contract with Access Wisconsin to provide video distance learning for a local school district. Under the terms of the contract, the Company received an advance payment of \$124,001 to provide and maintain certain network equipment for an eighty-four month period beginning August 1, 1998. During 2002 the Company entered into a second contract with Access Wisconsin to provide and maintain certain network equipment for a fifty month period beginning October 1, 2001. For this contract the Company received an advance payment of \$24,498. Revenue from these contracts has been deferred and is being recognized as income over the period of the contracts.

The Company accounts for income taxes under the provisions of the Statement of Financial Accounting Standards No. 109, "Accounting for

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Income Taxes", issued by the Financial Accounting Standards Board. Due to the regulated nature of the Companys utility business, the Company recorded any change or additions to deferred taxes under the provisions of the standard, as a regulatory liability account. The regulatory account will be considered and amortized to income in the future as directed by the Public Service Commission of Wisconsin.

During 1999, the Company entered into a financing agreement with a local bank to provide funding for replacement of its Central Office Equipment. A line of credit was obtained in the amount of \$2,500,000 with interest payable at the LIBOR rate of interest plus 1.75%. As of December 31, 2002 the Company does not have any debt outstanding under this agreement which is due to expire on June 27, 2006.

Schedule Footnotes

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Page # 47 - The Company does not maintain data that would provide Telephone Calls and Minutes of Use Data.

Schedule Line Footnotes

- A) Intangibles - Adjustment amount represents 2002 amortization.

- B) End User Revenues - Increased \$330,270 because of rate increases 01/01/2002 and 06/01/2002.

- C) Interstate Special Access Revenue - Increased \$66,880 due to an increase in the quantity of special access circuits provided.

- D) Intrastate Special Access Revenues - Increased \$93,011 due to an increase in the quantity of special access circuits provided.

- E) Miscellaneous Revenue - Increased \$13,419 due to an increase in Video Distance Learning Revenue and a increase in the LEC Services Settlement from Ameritech.

- F) Interstate Billing & Collection Revenue - Decreased \$41,034 due to a lower volume of billed messages.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- G) Intrastate Billing & Collection Revenue - Decreased \$38,474 due to a lower volume of billed messages.
- H) Uncollectable Revenue - Increased \$193,631 because of Global Crossing & Worldcom bankruptcies.
- I) The Company does not maintain records that provide the exchange route miles information requested.
- J) General Support Expense has increased \$35,673 primarily due to the expansion of the computer department.
- K) Cable & Wire Facilities Expense has increased 22% going up \$68,375. This expense was down \$63,532 in 2001 because employee time was structured towards new construction. In 2002 new construction was down and more time was spent repairing and maintaining existing outside plant.
- L) Access Expense is up \$33,882 because of increased contributions to Federal and State Universal Service Funds.
- M) Executive and Planning Expense is up \$171,552 for the year 2002, of the increase \$160,461 is an increase in deferred compensation expense.
- N) Special Access IntraLata and Special Access Interlata equivalent access line counts are fictitious numbers to satisfy the edit check program.
- O) Special Access Circuits - If item is zero it is because the count is zero.
- P) Interstate Switched Access Revenues decreased \$295,620 due a reduction in interstate access rates.