



BEFORE THE
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
02-10-12
04:59 PM

In the Matter of the Joint Application of

CONSOLIDATED COMMUNICATIONS
HOLDINGS, INC.,
CONSOLIDATED COMMUNICATIONS, INC.
and
WH ACQUISITION II CORP.

A1202011

AND

A.12-____-____

SUREWEST COMMUNICATIONS,
SUREWEST TELEPHONE (U 1015 C),
SUREWEST LONG DISTANCE (U 5817 C), and
SUREWEST TELEVIDEO (U 6324 C)

To Authorize the Acquisition of Control of

SUREWEST TELEPHONE (U 1015 C),
SUREWEST LONG DISTANCE (U 5817 C), and
SUREWEST TELEVIDEO (U 6324 C)

EXHIBIT K

**SureWest TeleVideo's
Unaudited Financial Statement**

SUREWEST COMMUNICATIONS
SureWest TeleVideo - 10050
Balance Sheet
September 30, 2011

ASSETS

Current Assets

Cash all	\$ 222,149
Accounts receivable	7,330,664
Prepaid expenses	891,267
Deferred tax benefit	(254,608)

Total Current Assets 8,189,471

Property, Plant & Equipment

Property, plant and equipment	283,745,873
Plant under construction	781,437
Inventories	16,441

Gross Property, Plant & Equipment 284,543,751

Accumulated depreciation (116,107,854)

Net Property, Plant & Equipment 168,435,897

Intangibles

Licenses FCC & LMDS, net 100,000

Net Intangibles 100,000

Investments & Other Assets

Deferred charges	31,754
Deferred income tax	129,615,250
Intersubsidiary receivable	339,130,449

Total Investments & Other Assets 468,777,453

Total Assets \$ 645,502,820

LIABILITIES

Current Liabilities

Accts pay and other accr liab	123,793
Other accrued liabilities	3,980,150
Advance billings & def rev	3,242,049
Accrued compensation	1,196,105

Total Current Liabilities 8,542,097

Other Liabilities

Deferred income taxes	19,613,726
Other liabilities and def rev	4,184,594
Intersubsidiary payable	769,680,788

Total Other Liabilities 793,479,107

SHAREHOLDER'S EQUITY

Retained Earnings	(149,343,154)
Income Statement	(7,175,230)

Subtotal Retained Earnings (156,518,384)

Total Shareholder's Equity (156,518,384)

Total Liabilities & Shareholder's Equity \$ 645,502,820

SUREWEST COMMUNICATIONS
SureWest TeleVideo - 10050
Results of Operations
Year-to-Date as of September 30, 2011

OPERATING REVENUES

Local service	\$ 34,423
Network access service	1,153,967
Internet service	38,633,547
Residential broadband service	22,790,009
Non regulated service	118
Other Revenues All	361,971
Uncollectible Revenues	(667,799)

TOTAL OPERATING REVENUES 62,306,235

OPERATING EXPENSES

Cost of services and products	38,216,621
Customer operations	6,276,437
Corporate operations	5,155,636
Depreciation and amortization	19,393,225

TOTAL OPERATING EXPENSES 69,041,920

Total Operating Income **(6,735,685)**

OTHER INCOME (EXPENSES)

Interest income	955
Interest expense	(5,211,010)
AFUDC	26,723
Other, net	(25,213)

TOTAL OTHER INCOME (EXPENSES) (5,208,545)

INCOME BEFORE TAXES (11,944,230)

Income taxes (4,769,000)

NET INCOME (LOSS) **\$ (7,175,230)**