

AT&T INC.
Form 11-K
June 22, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-8610

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND
SECURITY PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

AT&T INC.

208 S. Akard, Dallas, Texas 75202

AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

Financial Statements, Supplemental Schedules and Exhibit

Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010	2
Statements of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011	3
Notes to Financial Statements	4
Supplemental Schedules:	
Schedule H, Line 4(i) – Schedules of Assets (Held at End of Year) as of December 31, 2011	27
Exhibit:	
23 – Consent of Independent Registered Public Accounting Firm	30

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Plan Administrator

of the AT&T Long Term Savings and Security Plan and AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan

We have audited each of the accompanying statements of net assets available for benefits of the AT&T Long Term Savings and Security Plan and AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan (collectively referred to as the Plans) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for each of the Plans for the year ended December 31, 2011. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements for each of the Plans referred to above present fairly, in all material respects, the net assets available for benefits for each of the Plans at December 31, 2011 and 2010, and the changes in their net assets available for benefits for the year ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements for each of the Plans taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2011, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plans' management. The information has been subjected to auditing procedures applied in our audits of the financial statements for each of the Plans, and in our opinion, are fairly stated in all material respects in relation to the financial statements for each of the Plans taken as a whole.

Dallas, Texas
June 22, 2012

/s/ Ernst & Young LLP

Statements of Net Assets Available For Benefits
(Dollars in Thousands)

	December 31, 2011		December 31, 2010	
	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan
Assets				
Investment in AT&T Savings Master Trust, at fair value (Note 4)	\$ 1,114,139	\$ 912	\$ 1,163,153	\$ 876
Receivables:				
Notes receivable from participants	30,588	40	31,148	75
Employer contribution receivable	398	1	412	1
Participant contribution receivable	878	1	895	2
Net assets reflecting investments at fair value	1,146,003	954	1,195,608	954
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(31,575)	(28)	(27,077)	(23)
Net Assets Available for Benefits	\$ 1,114,428	\$ 926	\$ 1,168,531	\$ 931

See Notes to Financial Statements.

Statements of Changes in Net Assets Available For Benefits
 For the Year Ended December 31, 2011
 (Dollars in Thousands)

	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan
Net Assets Available for Benefits, December 31, 2010	\$1,168,531	\$931
Additions to Net Assets		
Contributions:		
Participant contributions	25,900	37
Employer contributions	10,716	17
Investment Income:		
Net income from investment in AT&T Savings Master Trust	14,557	3
Interest income on notes receivable from participants	1,044	3
Total Additions	52,217	60
Deductions from Net Assets		
Administrative Expenses	145	-
Distributions	106,286	65
Total Deductions	106,431	65
Net decrease before transfers	(54,214)	(5)
Transfer from affiliated plan (Note 1)	111	-