

VIRGIN ISLANDS TELEPHONE CORPORATION  
 Proforma Accounting Entries at Closing  
 Excluding Fair Value Analysis  
 (\$000s)

			TOC Accounting Entries			
	9/30/09 Balance	Preferred Dividend Accrual	Adjusted Pre-TOC Balance Sheet	Pension loan and payment	Cancel Bankrupt Intercompany Accounts	Cancel Unidentifie Intercompan Account
	----- (1)	----- (2)	-----	-----	----- (3)	----- (4)
<b>CURRENT ASSETS:</b>						
1. Cash/Interest Bearing Investments	\$ 4,800		\$ 4,800			
Accounts receivable						
2. Telecommunications accounts receivable	\$ 2,756		\$ 2,756			
3. Accounts receivable allowance	(29,604)		(29,604)		\$ 28,500	
4. Notes Receivable Belize Telecom	28,500		28,500		(28,500)	
5. Other accounts receivable	3,483		3,483			
6. Subscription Receivable	0		0			
7. Accounts receivable allowance - other	0		0			
8. Accounts receivable, net	----- \$ 5,135		----- \$ 5,135		----- \$ 0	
9. Subscriptions Receivable	\$ 0		\$ 0			
10. Receivable from insurance company	0		0			
11. Material and supplies	3,477		3,477			
12. Prepayments and other current assets	3,159		3,159			
13. Total Current Assets	----- \$ 16,571		----- \$ 16,571		----- \$ 0	
14. TELEPHONE PLANT, at original cost	\$ 324,665		\$ 324,665			
15. Less accumulated depreciation	(287,116)		(287,116)			
16. Net Telephone Plant	----- \$ 37,549		----- \$ 37,549			

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<b>DUE FROM AFFILIATES</b>						
17. Interco Tele Serv Reclass	\$ 0		\$ 0		\$ 0	
18. Accrued interest rec - ICC	1,351		1,351		(1,351)	
19. N/R - ICC	11,383		11,383		(11,383)	
20. New ICC	0		0		0	
21. Pension Plan Salaried	(4,745)		(4,745)	\$ 8,000		
22. Pension Plan Hourly	(6,868)		(6,868)			
23. Post Ret. Med. Ben. Sal	(1,520)		(1,520)			
24. Post Ret. Med. Ben. Hrly	(2,664)		(2,664)			
25. Due from Vitel Cellular	6,901		6,901		(6,901)	
26. Advisory fees due ICC	(14,699)		(14,699)		14,699	
27. Due from Vitelcom	972		972		(972)	
28. Accrued interest rec - Vitelcom	0		0		0	
29. Due from VI Powernet	8,544		8,544		0	
30. Due from Daily News	0		0		0	
31. Due from St. Thomas Cable TV	2,911		2,911		0	
32. Due from St. Croix Cable TV	4,901		4,901		0	
33. Due from iCC TV2	2,763		2,763		0	
34. Due from ILD	(6,160)		(6,160)		0	
35. Due from ICC	2,389		2,389		(2,389)	
36. Due from AAI	622		622		(622)	
37. Due from VICB Bank	0		0		0	
38. Due from BVI Cable TV	538		538		0	
39. Due from STM Cable TV	716		716		0	
40. Due from Belize	0		0		0	
41. Due from Guadeloupe	0		0		0	
42. Due from Martinique	0		0		0	
43. Due from ECC St. Maarten	4,738		4,738		0	
44. Due from ICC Stockholder (NEW)	0		0		0	
45. Special Medical Insurance						
46. Income tax-related payables						
47. Total intercompany receivables	<u>\$ 12,073</u>		<u>\$ 12,073</u>	<u>\$ 8,000</u>	<u>\$ (8,919)</u>	

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48. Due from Belize Telecomm	0		0			
49. Property Cost Recoverable from Future Revenues	0		0			
50. Other Assets	980		980			
51. Deferred tax asset	32,884		32,884			
52. TOTAL ASSETS	<u>\$ 100,057</u>		<u>\$ 100,057</u>	<u>\$ 8,000</u>	<u>\$ (8,919)</u>	

#### LIABILITIES AND STOCKHOLDER'S EQUITY

##### CURRENT LIABILITIES:

53. Notes payable	\$ 2,524		\$ 2,524			
54. Accounts payable	16,403		16,403			
55. Preferred dividends payable	10,625	\$ 7,125	17,750			
56. Accrued taxes	0		0			
57. Accrued interest	0		0			
58. Advance payments and customer deposits	3,078		3,078			
59. Other current liabilities	0		0			
60. Current portion of long-term debt	4,671		4,671			
61. Total Current Liabilities	<u>\$ 37,301</u>	<u>\$ 7,125</u>	<u>\$ 44,426</u>			
62. DEFERRED INVESTMENT TAX CREDITS	\$ 0		\$ 0			
63. DEFERRED INCOME TAXES	0		0			
64. LONG-TERM DEBT, excluding current portion	47,944		47,944	\$ 8,000		
65. OTHER LONG-TERM LIABILITIES	0		0			
66. Total Liabilities	<u>\$ 47,944</u>		<u>\$ 47,944</u>	<u>\$ 8,000</u>		

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<b>STOCKHOLDER'S EQUITY:</b>						
67. Preferred stock	\$ 85,000		\$ 85,000			
68. Common stock, par value, \$20 per share;	0		0			
69. 250,000 shares authorized and outstanding	5,000		5,000			
70. Capital surplus	15,600		15,600			
71. Retained earnings	(90,788)	(7,125)	(97,913)		\$ (8,919)	
72. Total Stockholder's Equity	\$ 14,812	\$ (7,125)	\$ 7,687		\$ (8,919)	
73. Total Liabilities and Stockholder's Equity	\$ 100,057	\$ 0	\$ 100,057	\$ 8,000	\$ (8,919)	

- (1) PSC Fs09ext.xls.
- (2) Nine months' accrual. Preferred dividends were accrued for 2009, but after the date of the 9/30/09 balance sheet. Preferred dividend accrual is not shown on detailed balance sheet. Amount as of 9/30/09 from Proforma Balance Sheet VITELCO Confidential.pdf."
- (3) Mutual release concept.  
Identified intercompany accounts refers to those accounts identifiable on the monthly statement.
- (4) Unidentified intercompany accounts refers to categories of balances identified on the Trustee-provided "Audit Uncollectible Reserve Analysis."
- (5) 12/31/08 Special medical insurance was \$18,531,477 in the "Audit Uncollectible Reserve Analysis."
- (6) 12/31/08 Income tax-related payables in the "Audit Uncollectible Reserve Analysis" were:

VITELCO receivab.	\$ 31,010,497
VITELCO payable	(81,010,192)
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Net payable	\$ (49,999,696)