

AT&T INC.  
Form 11-K  
June 17, 2011

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

Financial Statements, Supplemental Schedules and Exhibit

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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, 2010 and 2009, and the related statement of changes in net assets available for benefits for each of the Plans for the year ended December 31, 2010. 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, 2010 and 2009, and the changes in their net assets available for benefits for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audits were performed 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, 2010, 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, as amended. These supplemental schedules are the responsibility of the Plans' management. The supplemental schedules have 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 17, 2011

/s/ Ernst & Young LLP



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

	December 31, 2010		December 31, 2009	
	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and SavingsPlan	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Assets				
Investment in AT&T Savings Master Trust, at fair value (Note 4)	\$1,163,153	\$876	\$1,120,281	\$808
Receivables:				
Notes receivable from participants	31,148	75	30,540	80
Employer contribution receivable	412	1	-	-
Participant contribution receivable	895	2	-	-
Net assets reflecting investments at fair value	1,195,608	954	1,150,821	888
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(27,077 )	(23 )	(11,746 )	(9 )
Net Assets Available for Benefits	\$1,168,531	\$931	\$1,139,075	\$879

See Notes to Financial Statements.

Statements of Changes in Net Assets Available For Benefits  
For the Year Ended December 31, 2010  
(Dollars in Thousands)

	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Net Assets Available for Benefits, December 31, 2009	\$ 1,139,075	\$ 879
Additions to Net Assets		
Contributions:		
Participant contributions	27,860	47
Employer contributions	11,578	23
Investment Income:		
Net income from investment in AT&T Savings Master Trust	91,049	57
Interest income on notes receivable from participants	1,281	4
Total Additions	131,768	131
Deductions from Net Assets		
Administrative Expenses	156	4
Distributions	102,045	75
Total Deductions	102,201	79
Net increase before transfers	29,567	52
Net transfers to affiliated plans (Note 1)	(111 )	-
Net Assets Available for Benefits, December 31, 2010	\$ 1,168,531	\$ 931

See Notes to Financial Statements.



Notes to Financial Statements (Continued)  
(Dollars in Thousands)

1. Plan Description

The following descriptions provide only general information. Detailed provisions covering participant eligibility, participant allotments from pay, participant withdrawals, participant loans, employer contributions and related vesting of contributions and plan expenses are provided in the plan texts and prospectuses. 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) are defined contribution plans and are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The AT&T Long Term Savings and Security Plan (LTSSP) was originally established by AT&T Corp. (ATTC) to provide a convenient way for eligible non-management employees of participating ATTC companies to save on a regular and long-term basis. In November 2005, ATTC was acquired by AT&T Inc. (AT&T or the Company).

The AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan (LTSSP-PR) was originally established by AT&T of Puerto Rico, Inc., (ATTC later replaced AT&T of Puerto Rico, Inc. as the plan sponsor and administrator) to provide a convenient way for eligible non-management employees of participating ATTC companies to save on a regular and long-term basis.

All savings plans sponsored by AT&T allow for the transfer of participant balances between plans as participants transfer between positions within AT&T subsidiaries.

The Plans participate in the AT&T Savings Master Trust (Master Trust) for certain participant investment fund options as described below. The Master Trust invests in the AT&T Savings Group Investment Trust (Group Trust) for the remaining participant investment fund options. The Bank of New York Mellon Corporation (BNY Mellon) serves as trustee for both the Master Trust and the Group Trust. With respect to the LTTSP-PR, BNY Mellon serves as a U.S. custodian pursuant to a custodian agreement and, effective April 30, 2010, Oriental Bank and Trust serves as local trustee for this plan. Prior to April 30, 2010, Eurobank served as local bank for this plan. Fidelity Investments Institutional Operations Company, Inc. (Fidelity) serves as recordkeeper for the Plans.

During 2010, participants could invest their contributions in one or more of 26 funds in 10% increments for future contributions and 5% increments for fund exchanges:

- AT&T Total Return Bond Fund\*
- AT&T U.S. Stock Fund\*
- AT&T International Stock Fund\*
- AT&T Stable Value Fund\*
- Vanguard Windsor II Admin\*\*
- Vanguard US Growth Admin\*\*
- T Rowe Price Small Cap Stock\*\*
- US Bond Market Index\*\*
- S&P 500 Index Fund\*\*
- Fidelity Magellan\*\*
- Fidelity Equity Income\*\*
- Fidelity Low Price Stock\*\*
- Fidelity Diversified International\*\*
- T Rowe Price Mid Cap Growth\*\*
- Capital World Growth and Income\*\*
- Morgan Stanley International Equity\*\*
- Legg Mason Value Trust Inst\*\*
- Asset Allocation Strategy Growth\*\*
- Asset Allocation Strategy Balanced\*\*
- Asset Allocation Strategy Income\*\*
- Total US Stock Market Index\*\*
- Extended US Stock Market\*\*
- International Stock Market Index\*\*
- Fidelity Dividend Growth\*\*
- Fidelity High Income\*\*
- AT&T Shares Fund\*\*



\* Investment fund option of the Group Trust.

\*\* Investment fund option of the Master Trust.

Participants contribute to the Plans through payroll allotments. The Company contributes to the Plans by matching the participants' contributions based on the provisions of the Plans. All contributions are participant-directed.

Each participant is entitled to exercise voting rights attributable to the AT&T shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. Subject to the fiduciary provisions of ERISA, the trustee will not vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion it votes as those shares that were allocated to the extent the proportionate vote is consistent with the trustee's fiduciary obligation under ERISA. Participants have the same voting rights in the event of a tender or exchange offer.