Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
TELTRONICS, INC. SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 10/01/1989

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
TELTRONICS, INC.

2511 CORPORATE WAY
PALMETTO, FL 34221

2b Employer Identification Number (EIN)
59-2937938

2c Sponsor's telephone number
941-753-5000

2d Business code (see instructions)
334200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2011	EWEN CAMERON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2011	EWEN CAMERON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

TELTRONICS, INC.

2511 CORPORATE WAY
PALMETTO, FL 34221

3b Administrator's EIN
59-2937938

3c Administrator's telephone number
941-753-5000

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	299
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	239
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	22
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	261
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	261
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	184
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	14
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	2	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613953	261	11/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year			7b	
c	Additions: (1) Contributions deposited during the year	7c(1)	2637		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	66		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	59937		
	▶ OUTSIDE INVESTMENT TRANSFER, LOAN PAYMENT, ROLLOVER				
	(6) Total additions			7c(6)	62640
d	Total of balance and additions (add **b** and **c(6)**)			7d	62640
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	14		
	(2) Administration charge made by carrier	7e(2)	1		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	39903		
	▶ OUTSIDE INVESTMENT TRANSFER				
	(5) Total deductions			7e(5)	39918
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	22722

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	616763	261	11/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	**4**	0
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	**6b**	
c	Premiums due but unpaid at the end of the year	**6c**	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	**6d**	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6) Total additions			**7c(6)**	
d	Total of balance and additions (add **b** and **c(6)**)			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract **e(5)** from **d**)			**7f**	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	577	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name: GARCIA & ORTIZ	**b** EIN:	59-3410694
c	Position: ACCOUNTANT		
d	Address: 888 EXECUTIVE CENTER DRIVE WEST SUITE 101 ST. PETERSBURG, FL 33702	**e** Telephone:	727-576-1245

Explanation: CHOSE NEW ACCOUNTING FIRM BASED ON COSTS.

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN;	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN;	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE III SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-022	P	339306

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-016	P	2047

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP GROWTH I SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-066	P	416109

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN REAL ESTATE SECS SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-095	P	88089

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM BALANCED SEP ACCT-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-105	P	674591

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM CONS BALANCED SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-106	P	41595

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM CONS GROWTH SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-107	P	112416

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM FLEXIBLE INCOME SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-108	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 187807

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM STRAT GROWTH SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-109	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5808

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INCOME SEP ACCT-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-118	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 622056

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CAPITAL APPR SA-R5

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-119	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 389393

a Name of MTIA, CCT, PSA, or 103-12 IE: HARTFORD ADVANTAGE TK2

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE CO

c EIN-PN 06-0974148-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT K2

b Name of sponsor of entity listed in (a): HARFORD LIFE INSURANCE CO

c EIN-PN 06-0974148-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: SEI STABLE ASSET

b Name of sponsor of entity listed in (a): TELTRONICS, INC.

c EIN-PN 23-7654996-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	16228	34590
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	4828	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	301942	245237
(9) Value of interest in common/collective trusts	1c(9)	872531	0
(10) Value of interest in pooled separate accounts	1c(10)	0	2879217
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5910868	3980254
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	22722
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	723329	47473
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	7829726	7209493
	Liabilities			
g	Benefit claims payable	1g	0	
h	Operating payables	1h	0	
i	Acquisition indebtedness	1i	0	
j	Other liabilities	1j	0	
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7829726	7209493

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	0	
	(B) Participants	2a(1)(B)	439280	
	(C) Others (including rollovers)	2a(1)(C)	64893	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		504173
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	17125	
	(F) Other	2b(1)(F)	66	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		17191
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	16557	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		16557
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	634263	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-634263

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1289
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		79457
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		581055
c Other income	2c		17888
d Total income. Add all **income** amounts in column (b) and enter total	2d		583347
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1191363	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1191363
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	577	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	11640	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		12217
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1203580
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-620233
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MAYER HOFFMAN MCCANN P.C. **(2)** EIN: 43-1947695

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		233616
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
TELTRONICS, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
TELTRONICS, INC.

D Employer Identification Number (EIN)
59-2937938

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

TELTRONICS, INC. SAVINGS PLAN

Financial Statements and
Supplemental Schedules

December 31, 2010 and 2009
(With Independent Auditors' Report Thereon)

TELTRONICS, INC. SAVINGS PLAN

INDEX

	Page
Independent Auditors' Report	1
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 13
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions	14
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	15

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Independent Auditors' Report

Plan Administrator
Teltronics, Inc. Savings Plan:

We were engaged to audit the financial statements and supplemental schedules of Teltronics, Inc. Savings Plan (Plan) as of December 31, 2010, and for the year then ended, as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management. The financial statements of Teltronics, Inc. Savings Plan as of December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Hartford Life Insurance Company, the custodian of the Plan. Their report dated October 5, 2010, indicated that (a) because of the significance of the information they did not audit, they were unable to, and did not, express an opinion on the 2009 financial statements taken as a whole and (b) the form and content of the information included in the 2009 financial statements other than that derived from the information certified by the custodian, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income and Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Hartford Life Insurance Company and Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company, a member of the Principal Financial Group, the custodian and trustee of the Plan, except for comparing such information with the related information included in the 2010 financial statements and supplemental schedule. We have been informed by the Plan Administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the custodian and trustee as of December 31, 2010 and for the year then ended, that the information provided to the plan administrator by the custodian and trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedules, other than that derived from the information certified by the custodian and trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mayer Hoffman McCann P.C.

October 12, 2011
Clearwater, Florida

TELTRONICS, INC. SAVINGS PLAN

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

		2010	2009
Investments, at fair value:			
Participant-directed:			
Registered investment companies	$	3,980,254	6,783,399
Pooled separate accounts		2,879,217	-
Guaranteed investment contract		22,722	-
Nonparticipant-directed:			
Teltronics, Inc. common stock		47,473	723,329
Total investments, at fair value		6,929,666	7,506,728
Receivables:			
Participant contributions		34,590	16,228
Notes receivable from participants		245,237	301,942
Total receivables		279,827	318,170
Cash		-	4,828
Net assets available for plan benefits	$	7,209,493	7,829,726

See accompanying independent auditors' report and notes to financial statements.

TELTRONICS, INC. SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2010

Additions to net assets attributed to:		
Investment income:		
Net realized and unrealized appreciation in fair value of investments	$	27,538
Interest and dividends		16,623
Interest income on notes receivable from participants		17,125
Other income		17,888
Total investment income		79,174
Contributions:		
Participant		439,280
Other		64,893
Total contributions		504,173
Total additions		583,347
Deductions from net assets attributed to:		
Benefit payments		1,191,363
Administrative expenses		12,217
Total deductions		1,203,580
Net decrease		(620,233)
Net assets available for plan benefits:		
Beginning of year		7,829,726
End of year	$	7,209,493

(1) Description of Plan

The following description of the Teltronics, Inc. Savings Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement or Summary Plan Description for a more complete description of the Plan's provisions.

(a) General

The Plan was established on October 1, 1989 as a defined contribution plan covering all eligible employees of Teltronics, Inc, (Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan has been previously amended and restated to reflect regulatory and legislative changes. The Plan, as operating during year ended December 31, 2010 and 2009, was amended and restated effective January 1, 2008.

Effective November 1, 2010, the Plan was formally restated to name Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company (Principal), a member of the Principal Financial Group, the trustee of the Plan. As a result, the assets of the Plan were transferred to Principal from Hartford Life Insurance Company (Hartford), the former custodian of the Plan. The trustee and former custodian are responsible for maintaining the investments of the Plan and reporting on the earnings and investments of the Plan.

(b) Eligibility

Employees who are at least eighteen years of age and have completed ninety days of service are eligible to participate in the Plan.

(c) Contributions

Participants may contribute to the Plan, on a pretax basis, up to 100% of their annual compensation, subject to a maximum annual contribution as determined by the Internal Revenue Code. Participants who reach age fifty (50) before the end of the Plan year are also eligible to make catch-up contributions, subject to annual limits as determined by the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions).

Participants direct the investment of their contributions into various investment options offered by the Plan. The Company, at its discretion, may make matching contributions and qualified non-elective contributions in accordance with the Plan. The Company made one discretionary matching contribution in January 2009 and suspended discretionary matching contributions for the remainder of the year. No discretionary matching contributions were made during 2010.

(1) Description of Plan – Continued

(d) Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of (a) Company contributions and (b) Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(e) Vesting

Participants are immediately vested in their elective deferral contributions plus actual earnings thereon. Vesting in Company contributions and related earnings is based on years of continuous service as follows:

Years of Service	Vested Percentage
After 1 year	33%
After 2 years	66%
After 3 or more years	100%

Participants also become 100% vested upon attainment of normal retirement age, death, or disability.

(f) Benefit Payments

A participant with an account balance of $1,000 or less receives his/her account balance in a lump sum distribution immediately upon retirement or termination of employment. Upon termination, retirement, or disability, a participant with an account balance greater than $1,000 may elect to receive his/her account balance in a lump sum distribution. If a participant dies, a death benefit equal to his/her account balance is paid to the participant's beneficiary.

Generally, the Plan must begin minimum distributions of vested balances to participants reaching age 70½.

(g) In-Service Withdrawals

The Plan allows for in-service withdrawals of a participant’s vested account balance in the event of financial need (hardship withdrawal), as defined by the Internal Revenue Service. The Plan also allows for in-service withdrawals of a participant’s vested account balance upon attainment of age 59 ½. Participants are allowed to withdraw amounts from their rollover contributions at any time.

(1) Description of Plan – Continued

(h) Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to the lesser of one-half of their vested account balance, or $50,000. The loans are secured by the remaining balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the plan administrator (ranging from 4.0% to 10.5% at December 31, 2010). Principal and interest are paid ratably through bi-weekly payroll deductions.

(i) Forfeitures

Participants withdrawing from the Plan with partially vested account balances forfeit the non-vested portion of their account. Forfeitures are first used to pay administrative expenses of the Plan. Any forfeitures not used to pay Plan expenses may be used to reduce future Company contributions. Approximately $9,000 of forfeitures were used to offset administrative expenses during 2010. Forfeitures available at December 31, 2010 and 2009 were $1,022 and $281, respectively.

(j) Administrative Expenses

The Company absorbs most of the costs of maintaining and administering the Plan. Custodial and third party administrator fees are paid out of Plan assets.

(2) Summary of Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis of accounting and present net assets available for benefits and changes in net assets available for benefits in accordance with accounting principles generally accepted in the United States of America.

(b) Investment Valuation and Income Recognition

The Plan’s investments are stated at fair value. Fair values of registered investment companies are based on quoted market prices. Fair values of pooled separate accounts are based on quoted market prices of the underlying assets used in calculating the net asset value of shares held by the Plan. The fair value of the guaranteed investment contract approximates contract value, which represents the present value of the amount available upon withdrawal or transfer of funds from the Plan.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(2) Summary of Accounting Policies – Continued

(c) Risks and Uncertainties

The Plan provides for various investment options in any combination of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts report in the statement of net assets available for benefits.

(d) Use of Estimates

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

(e) Payment of Benefits

Benefits are recorded when paid.

(f) Investment Contracts

Accounting principles generally accepted in the United States of America define the circumstances in which an investment contract is considered fully benefit-responsive and provide certain reporting and disclosure requirements for fully benefit-responsive investment contracts in defined contribution plans.

Fully benefit-responsive investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Principal has identified the guaranteed investment contract in which the Plan invests as of December 31, 2010 to be fully benefit-responsive. This investment is stated at fair value, which approximates contract value, in the accompanying statements of net assets available for benefits (see Note 7).

(2) Summary of Accounting Policies – Continued

(g) New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, "*Improving Disclosures about Fair Value Measurements"* (ASU 2010-06) which is an update to Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures.* This update establishes further disclosure requirements regarding transfers in and out of levels 1 and 2, and activity in Level 3 fair value measurements. In addition, plans will be required to disclose quantitative information about the inputs used in determining fair values. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the new Level 3 disclosures, which will become effective for reporting periods beginning after December 15, 2010. The Plan adopted ASU 2010-06 on January 1, 2010, and the adoption had no impact on the Plan's financial position or results as it only amends required disclosures.

In September 2010, FASB issued Accounting Standards Update 2010-25, "*Reporting Loans to Participants by Defined Contribution Pension Plans"* (ASU 2010-25). ASU 2010-25 is an update on how loans to participants should be classified and measured by defined contribution pension benefit plans. The amendments in this update require that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. ASU 2010-25 became effective for fiscal years ending after December 15, 2010 and has been applied retrospectively to all prior periods presented.

(3) Income Tax Status

The Plan obtained its latest determination letter on July 31, 2006, in which the Internal Revenue Service stated that the Plan, as then designed and amended, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. In March 2011, the Plan obtained a new determination letter documenting compliance with the Internal Revenue Code.

(4) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan at any time subject to provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

(5) Investments

Participant-directed investments which individually comprise greater than 5% net assets available for plan benefits are as follows:

	2010	2009
Registered investment companies:		
Oppenheimer Value A Fund	$ 360,775	
PIMCO Real Return A Fund	522,395	*
Prudential Jennison Midcap Growth A Fund	745,911	*
SEI Stable Value Fund	703,267	*
SEI Stable Asset	*	872,531
PIMCO Total Return	*	723,182
Hartford MidCap HLS	*	683,394
PIMCO Real Return	*	502,531
American Funds Growth Fund	*	453,852
Mutual Global Discovery	*	286,283
Pooled separate accounts:		
Principal Capital Appreciation Separate Account		
Principal Income Separate Account	622,056	*
Principal Large Cap Growth I Separate Account	416,109	*
Sam Balanced Separate Account	674,591	*

* This investment did not represent 5% or more of the Plan's net assets available for benefits.

During 2010, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows:

Participant-directed investments:	
Registered investment companies	$ 582,344
Pooled separate accounts	79,457
Nonparticipant-directed investment:	
Teltronics, Inc. common stock	(634,263)
	$ 27,538

Changes in the Plan’s nonparticipant-directed investment in Teltronics, Inc. common stock included in the accompanying statement of changes in net assets are as follows:

Balance, beginning of year	$ 723,329
Net realized and unrealized depreciation in fair value of investment	(634,263)
Benefit payments	(46,301)
Other	4,708
Balance, end of year	$ 47,473

(6) Information Certified by Trustee and Former Custodian (Unaudited)

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Accordingly, Principal and Hartford, the trustee and former custodian have certified that the following data included in the accompanying financial statements is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2010 and 2009.

- Investment income and related investment activity, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2010.

- The schedule of assets (held at end of year) as of December 31, 2010 included in the supplemental schedule.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in these financial statements.

(7) Guaranteed Investment Contract

Principal has identified the Principal Fixed Income Guaranteed Option (PFGIO), the guaranteed investment contract in which the Plan invests at December 31, 2010, to be fully benefit-responsive. PFGIO is a general-account backed, group annuity contract issued by the Principal Life Insurance Company (PLIC) to Principal Trust Company as custodian. The PFIGO can provide the conservative foundation for a retirement program as it offers stability of principal, a declared interest rate, and no transfer charges. The contract pays a rate of interest guaranteed by PLIC. Participant account balances are credited with a net crediting rate after deducting 0.45% for fees for administrative and recordkeeping services provided to the Plan. The net crediting rate on participant accounts is 2.40% at December 31, 2010. The rate is reset semiannually in May and December. Changes in future interest crediting rates will not affect the fair value reported on the statement of net assets available for benefits for the portion of net assets attributable to fully benefit-responsive investment contracts. Fair value approximates contract value and is considered the book value of the PFIGO less an early withdrawal charge.

The average yield earned by the Plan is the yield earned (i.e. interest credited) on the group annuity contract. The average yield earned by the PFIGO and the average yield earned by the PFIGO with an adjustment to reflect the actual interest rate credited to participants are each 2.85% at December 31, 2010.

By definition, the PFIGO group annuity contract is an insurance contract. As a result, the Plan may transact according to the terms defined in the contract at any time. Benefit payments from the PFIGO are made at book value (i.e. no market value adjustment or surrender charge adjustments) for Plan benefit events including retirement, death, disability, termination of employment, loans, withdrawals, and Plan termination.

(7) Guaranteed Investment Contract – Continued

If the Plan provides access to the PFIGO and other competing Plan investment options, such as other guaranteed options, or fixed income, money market, or bond funds with an average duration of three years or less, participant transfers to such competing Plan investment options will generally be subject to an equity wash. An equity wash requires that transfers must be directed to a non-competing investment option under the Plan for ninety dates before such transferred amounts may be directed to any other competing Plan investment option.

An employer-level surrender of the Plan's interest in the PFIGO or an employer initiated transfer will be subject to either a twelve month irrevocable advance notice or a 5% surrender charge at the option of the employer.

(8) Related Party Transactions

During 2010 and 2009, the majority of the Plan's investments were managed by Principal and Hartford, the trustee and former custodian of the Plan. Transactions in these investments qualify as party-in-interest transactions. Participant loans also qualify as party-in-interest transactions.

The Plan holds a nonparticipant-directed investment in the common stock of Teltronics, Inc., the Plan Sponsor. Transactions within these investments qualify as party-in-interest transactions.

(9) Fair Value Measurements

The Plan has adopted the provisions of Accounting Standards Codification 820, *Fair Value Measurements* (ASC 820). ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The categorization of an asset or liability within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets within the Plan measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy.

(9) Fair Value Measurements – Continued

Registered Investment Companies

The fair value of registered investment companies are based on quoted market prices available in an active market.

Pooled Separate Accounts

Pooled separate accounts invest in mutual funds and domestic stocks. The fair value of the mutual funds and domestic stocks are based on quoted market prices and used in determining the net asset value (NAV) of the pooled separate account, which is not publicly quoted.

Guaranteed Investment Contract

The fair value of the Plan's guaranteed investment contract is the amount the Plan Sponsor would receive currently if they were to withdraw or transfer funds within the Plan prior to maturity. This fair value represents discontinuation value or contract value time 95% (total less a 5% withdrawal charge).

Teltronics, Inc. Common Stock

The Company's common stock is publicly traded in an active market and valued according to quoted market prices.

Plan assets have been classified in their entirety within a level of the fair value hierarchy based on the lowest level of input that is significant to the estimated fair value measurement, as set forth below:

		Fair Value Measurements at Report Date Using:			
		Assets Measured at Fair Value at December 31, 2010	Observable Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Registered investment companies:					
Fixed income	$	782,726	782,726	-	-
International equity		443,793	443,793	-	-
Large U.S. equity		370,043	370,043	-	-
Other		434,823	434,823	-	-
Short-term fixed income		703,267	703,267	-	-
Small/Mid U.S. Equity		1,245,602	1,245,602	-	-
Pooled separate accounts:					
Balanced/asset allocation		1,022,217	-	1,022,217	-
Fixed income		622,056	-	622,056	-
Large U.S. equity		807,549	-	807,549	-
Small/Mid U.S. Equity		427,395	-	427,395	-
Guaranteed investment contract					
Short-term fixed income		22,722	-	-	22,722
Teltronics, Inc. common stock		47,473	47,473	-	-
Total investments at fair value	$	6,929,666	4,027,727	2,879,217	22,722

(9) Fair Value Measurements – Continued

	Fair Value Measurements at Report Date Using:			
	Assets Measured at Fair Value at December 31, 2009	Observable Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Registered investment companies:				
Balanced/asset allocation	$ 587,405	587,405	-	-
Fixed income	502,531	502,531	-	-
International equity	947,873	947,873	-	-
Large U.S. equity	1,239,784	1,239,784	-	-
Other	492,474	492,474	-	-
Short-term fixed income	1,595,713	1,595,713	-	-
Small/Mid U.S. Equity	1,417,619	1,417,619	-	-
Teltronics, Inc. common stock	723,329	723,329	-	-
Total investments at fair value	$ 7,506,728	7,506,728	-	-

In November 2010, approximately $2,900,000 of certain registered investment companies (Level 1 assets) were transferred to pooled separate accounts (Level 2 assets) as a result of the transfer of assets from Hartford to Principal as discussed in Note 1(a).

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2010:

	Guaranteed Investment Contract
Balance, beginning of year	$ -
Gains, net	1,136
Interest credited	66
Purchases, sales, issuance, transfers and settlements (net)	21,520
Balance, end of year	$ 22,722

(10) Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 12, 2011, the date that the financial statements were available to be issued.

On June 27, 2011, Teltronics, Inc., the Plan sponsor, filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court for the Middle District of Florida. Continuation of the Plan is subject to successful execution of the Plan sponsor's reorganization plan. In the event the Plan sponsor elects to terminate the Plan, participants will become 100% vested in their accounts.

TELTRONICS, INC. SAVINGS PLAN

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions

Plan: 001

EIN# 59-2937938

December 31, 2010

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions			
Check Here if Late Participant Loan Repayments are included: ☑	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$ 233,616	$ 59,503	$ 174,113	$ -	$ -

TELTRONICS, INC. SAVINGS PLAN

Schedule H, Line 4(i) – Schedule of Assets Held at End of Year

Plan: 001

EIN# 59-2937938

December 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, if applicable	(e) Current value
	Registered investment companies:		
	Alger	Alger Capital Appreciation Institutional I Fund	$ 3,578
	Alliance Funds, Inc.	Allianbern Global Bond Fund	260,331
	Aston Asset Management	Aston/Fairpointe Mid Cap N Fund	168,454
	Columbia Funds	Columbia Small Cap Core A Fund	314,052
	Heartland Funds	Heartland Value Fund	2,501
	AIM Investments	Invesco Global Health Care A Fund	178,449
	Van Kampen Investor Services	Invesco Van Kampen Comstock A Fund	5,690
	Oppenheimer	Oppen Global Opportunity A Fund	346,826
	Oppenheimer	Oppenheimer Value A Fund	360,775
	PIMCO Funds	PIMCO Real Return A Fund	522,395
	Jennison Dryden	Prudential Jennison Midcap Growth A Fund	745,911
	Jennison Dryden	Prudential Jennison National Reserve A Fund	256,374
	Jennison Dryden	Prudential Jennison Small Cap A Fund	14,684
	SEI Trust Company	SEI Stable Value Fund	703,267
	Franklin Templeton Investments	Templeton Foreign R Fund	96,967
	Pooled separate accounts:		
*	Principal Life Insurance Company	Capital Appreciation Separate Account	389,393
*	Principal Life Insurance Company	Income Separate Account	622,056
*	Principal Life Insurance Company	Largecap Growth I Separate Account	416,109
*	Principal Life Insurance Company	Largecap S&P 500 Index Separate Account	2,047
*	Principal Life Insurance Company	Midcap Value III Separate Account	339,306
*	Principal Life Insurance Company	Real Estate Securities Separate Account	88,089
*	Principal Life Insurance Company	Sam Balanced Separate Account	674,591
*	Principal Life Insurance Company	Sam Cons Balanced Separate Account	41,595
*	Principal Life Insurance Company	Sam Cons Growth Separate Account	112,416
*	Principal Life Insurance Company	Sam Flex Income Separate Account	187,807
*	Principal Life Insurance Company	Sam Strat Growth Separate Account	5,808
	Guaranteed investment contract:		
*	Principal Life Insurance Company	Fixed Income Guaranteed Option	22,722
*	Teltronics, Inc.	Teltronics Company Stock	47,473
*	Participants loans	4.0% to 10.5%	245,237
			$ 7,174,903

* Party-in-interest

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

T, I. S P

EIN 59 2937938
PLAN NUMBER 001
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Alger	Registered Investment Company ALGER CAPITAL APPREC INST FUND	$ 0.00	$ 3,578.17
	Alliance Funds, Inc.	Registered Investment Company ALLIANBERN GLBL BOND FUND	$ 0.00	$ 260,331.15
	Aston Asset Management	Registered Investment Company ASTON/OPTIMUM MID CAP N FUND	$ 0.00	$ 168,453.62
	Columbia Funds	Registered Investment Company COLUMBIA SMALL CAP CORE A FD	$ 0.00	$ 314,052.13
	Heartland Funds	Registered Investment Company HEARTLAND VALUE FUND	$ 0.00	$ 2,501.08
	AIM Investments	Registered Investment Company INVESCO GLOB HEALTH CARE A FD	$ 0.00	$ 178,449.38
	Van Kampen Investor Services	Registered Investment Company INVESCO VAN KAM COMSTOCK A FD	$ 0.00	$ 5,689.94
	Oppenheimer	Registered Investment Company OPPEN GLOBAL OPPOR A FUND	$ 0.00	$ 346,826.07
	Oppenheimer	Registered Investment Company OPPENHEIMER VALUE A FUND	$ 0.00	$ 360,774.80
	PIMCO Funds	Registered Investment Company PIMCO REAL RETURN A FUND	$ 0.00	$ 522,394.87
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN CAPITAL APPR SA-R5	$ 0.00	$ 389,393.33
*	Principal Life Insurance Company	Insurance Company General PRIN FIXED INC GUAR OPTION	$ 0.00	$ 22,722.22
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN INCOME SEP ACCT-R5	$ 0.00	$ 622,056.26
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN LARGECAP GROWTH I SA-R5	$ 0.00	$ 416,109.33
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN LGCAP S&P 500 INDEX SA-R5	$ 0.00	$ 2,046.91

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

T, I. S P

EIN 59 2937938
PLAN NUMBER 001
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN MIDCAP VALUE III SA-R5	$ 0.00	$ 339,305.95
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN REAL ESTATE SECS SA-R5	$ 0.00	$ 88,088.59
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SAM BALANCED SEP ACCT-R5	$ 0.00	$ 674,590.84
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SAM CONS BALANCED SA-R5	$ 0.00	$ 41,595.05
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SAM CONS GROWTH SA-R5	$ 0.00	$ 112,416.08
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SAM FLEXIBLE INCOME SA-R5	$ 0.00	$ 187,806.95
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SAM STRAT GROWTH SA-R5	$ 0.00	$ 5,807.67
	Jennison Dryden	Registered Investment Company PRUDENTIAL JENN MDCP GR A FUND	$ 0.00	$ 745,911.08
	Jennison Dryden	Registered Investment Company PRUDENTIAL JENN NAT RES A FD	$ 0.00	$ 256,374.37
	Jennison Dryden	Registered Investment Company PRUDENTIAL JENN SM CO A FUND	$ 0.00	$ 14,684.28
	SEI Trust Company	Registered Investment Company SEI STABLE VALUE FUND	$ 0.00	$ 703,266.86
*	Teltronics Inc	Employer Security Teltronics Company Stock	$ 0.00	$ 685,583.00
	Franklin Templeton Investments	Registered Investment Company TEMPLETON FOREIGN R FUND	$ 0.00	$ 96,966.51
	Participant Loans	Range of Interest Rates Rates Range From 4.00% To 10.25%	$ 0.00	$ 245,237.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)