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Telecommunication Industry (Total)
Comparative Balance Sheet
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$65,465	\$60,171	\$61,157	\$517,920	\$533,202
2 Accounts Receivable (Net)	1,036,254	1,120,578	1,401,781	1,184,599	1,278,897
3 Current Deferred Income Taxes	254	237	245	243	219
4 Other Current Assets	146,126	199,214	287,668	255,199	260,535
5 Total Current Assets	1,248,099	1,380,200	1,750,852	1,957,961	2,072,854
NON-CURRENT ASSETS					
6 Investments	802,586	944,851	758,183	707,400	635,480
7 Unamortized Debt Issuance Costs	6,221	7,127	8,077	10,867	12,137
8 Deferred Charges	88,453	94,788	95,126	124,777	171,962
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	10,841	10,176	9,971	10,392	14,376
11 Other Non-Current Assets	681,504	701,548	710,355	682,100	624,682
12 Total Non-Current Assets	1,589,605	1,758,490	1,581,712	1,535,536	1,458,637
REGULATED PLANT					
13 Total Telecommunications Plant	33,438,798	35,018,621	34,198,295	33,691,214	33,754,697
14 Less: Accumulated Depr and Amort.	21,903,048	23,483,253	22,712,098	22,112,044	21,927,813
15 Net Regulated Plant	11,535,750	11,535,368	11,486,197	11,579,170	11,826,884
16 Total Assets & Other Debits	\$14,373,455	\$14,674,058	\$14,818,761	\$15,072,667	\$15,358,375
CURRENT LIABILITIES					
17 Accounts Payable	\$643,386	\$612,501	\$992,314	\$957,424	\$883,372
18 Notes Payable	3,624,800	3,304,644	2,852,143	2,066,512	3,628,674
19 Advanced Billings	172,707	165,838	169,299	170,288	174,493
20 Customer Deposits	8,032	7,539	6,937	7,879	7,874
21 Current Maturities - Long-Term Debt	7,428	404,696	4,798	255,437	5,362
22 Current Deferred Income Taxes	(103,617)	(96,204)	(118,183)	33,392	38,633
23 Other Current Liabilities	433,939	558,153	614,490	634,606	652,249
24 Total Current Liabilities	4,786,675	4,957,166	4,521,798	4,125,537	5,390,657
LONG-TERM DEBT					
25 Long-Term Debt	2,269,733	2,277,240	2,680,811	2,688,367	2,943,851
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	16,787	17,369	19,181	21,113	23,270
27 Non-Current Deferred Taxes	475,260	288,277	164,494	197,547	549,279
28 Other Deferred Credits	296,659	268,442	168,191	319,192	244,076
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	6,115,302	4,636,671	4,560,810	4,130,901	3,706,415
31 Total Other Liab. and Def. Credits	6,904,008	5,210,758	4,912,676	4,668,753	4,523,040
STOCKHOLDER'S EQUITY					
32 Common Stock	29,554	29,554	29,554	29,566	29,566
33 Preferred Stock	924	925	927	927	927
34 Other Paid in Capital	4,793,164	5,331,487	5,691,371	5,694,225	2,683,867
35 Retained Earnings	(4,410,604)	(3,133,073)	(3,018,377)	(2,134,708)	(213,532)
36 Total Stockholder's Equity	413,039	2,228,893	2,703,476	3,590,010	2,500,828
37 Total Liab. and Stockholder's Equity	\$14,373,455	\$14,674,058	\$14,818,761	\$15,072,667	\$15,358,375

Telecommunication Industry (Total)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,970,127	\$2,244,511	\$2,535,741	\$2,752,108	\$2,964,835	1
Network Access Services	2,409,357	2,435,233	2,488,242	2,552,088	2,496,956	2
Long Distance Network Services	115,138	134,534	143,167	148,407	155,158	3
Miscellaneous Revenues	1,260,356	1,195,125	1,154,240	914,672	1,147,550	4
Less: Uncollectible Revenues	62,502	77,107	71,296	69,034	43,201	5
Total Operating Revenues	5,692,476	5,932,296	6,250,093	6,298,242	6,721,298	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	5,281	7,777	23,522	17,153	19,928	7
General Support Expenses	418,046	430,005	457,941	438,264	486,098	8
Central Office Switching	213,156	241,990	233,124	252,478	262,220	9
Operator Systems Expense	580	419	429	654	739	10
Central Office Transmission	148,719	149,932	136,578	141,796	137,523	11
Info. Origination/Termination	810,540	641,188	520,660	381,404	309,824	12
Cable & Wire Facilities	962,250	1,242,393	974,917	1,071,522	1,119,694	13
Total Plant Specific Operations	2,558,572	2,713,704	2,347,173	2,303,269	2,336,026	14
Other Plant, Property & Equipment	1,317	11,972	12,154	9,168	10,030	15
Network Operations	1,697,530	644,529	795,879	822,624	867,448	16
Access Expense	104,748	125,674	129,210	142,516	172,510	17
Depreciation and Amortization	1,371,267	1,386,223	1,498,255	1,580,776	1,703,876	18
Total Plant Non-Specific Operations	3,174,862	2,168,398	2,435,498	2,555,085	2,753,863	19
Marketing Expense	332,279	351,263	365,012	408,004	324,353	20
Services Expense	620,900	628,213	643,442	661,534	699,909	21
Total Customer Operations	953,179	979,476	1,008,454	1,069,538	1,024,263	22
Executive & Planning	50,112	64,370	74,158	40,897	43,363	23
General & Administrative	1,051,937	897,524	892,287	1,114,168	1,073,459	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,102,048	961,894	966,445	1,155,066	1,116,822	27
Total Operations Expense	7,788,662	6,823,473	6,757,570	7,082,958	7,230,973	28
Other Operating Income & Expenses	66,455	37,430	46,282	87,379	138,559	29
State & Local Income Taxes	(12,250)	(8,646)	198	189	5,104	30
Other Taxes	465,409	501,179	517,954	530,981	577,345	31
Net Operating Income Before FIT	(2,482,891)	(1,346,280)	(979,347)	(1,228,507)	(953,565)	32
Investment Tax Credits - Net	582	1,811	1,932	2,152	2,211	33
Federal Income Taxes	(1,071,347)	(758,638)	(295,259)	(205,715)	(286,281)	34
Provision - Def. Operating Income Taxes - Net	119,566	139,176	(174,300)	(245,982)	(90,539)	35
Net Operating Income	(\$1,530,527)	(\$725,007)	(\$507,856)	(\$774,659)	(\$574,534)	36

Table 3 T

Telecommunication Industry (Total)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
37 Net Operating Income	(1,530,527)	(725,007)	(507,856)	(774,659)	(574,534)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	263	84	132	482	83
39 Interest Income	4,991	9,514	32,287	49,619	44,204
40 Income - Sinking and Other Funds					236
41 Allowance for Funds Used During Construction	14,457	16,666	18,512	19,854	21,504
42 Gains/Losses - Disposal of Property	143	97	31	80	1,072
43 Equity in Earnings of Affiliated Companies	488,620	564,083	64,146	32,058	31,343
44 Other Non-Operating Income	(7,221)	(8,899)	14,477	19,610	22,851
45 Special Charges	11,184	8,982	8,451	10,782	15,150
46 Total Non-Operating Income & Expenses	490,068	572,563	121,135	110,921	106,155
NON-OPERATING TAXES					
47 Federal Income Taxes	12,447	15,531	12,318	13,903	14,690
48 Other	4,073	3,873	4,953	2,051	6,024
49 Total Non-Operating Taxes	16,519	19,404	17,271	15,954	20,713
50 Income Available Before Interest Charges	(1,056,979)	(171,848)	(403,992)	(679,691)	(489,091)
INTEREST CHARGES					
51 Interest on Funded Debt	171,443	187,818	190,731	204,603	205,713
52 Other Interest Expense	181,736	117,754	114,093	174,339	193,388
53 Total Interest Charges	353,179	305,572	304,823	378,942	399,101
54 Income Before Extraordinary & Nonreg Items	(1,410,157)	(477,419)	(708,815)	(1,058,633)	(888,192)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items			547	19	622
56 Nonregulated Revenues	54,577	51,727	60,828	384,640	234,735
57 Total Extraordinary & Nonregulated Items	53,846	51,727	61,376	384,659	235,356
58 Net Income	(\$135,604)	(\$42,561)	(\$64,731)	(\$67,384)	(\$65,271)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$3,601,060)	(\$3,226,267)	(\$2,285,501)	(\$334,009)	(\$19,211)
60 Transferred from Income	(1,901,650)	(1,036,964)	(769,325)	(763,015)	(684,546)
61 Appropriations			(1,140)		720
Dividends Declared:					
62 Preferred Stock	48	49	2,049	3,149	180
63 Common Stock	261,348	159,860	176,194	211,985	26,851
64 Adjustments	984,392	822,080	5,662	(973,699)	(396,875)
65 Ending Year Balance	(4,779,715)	(3,601,060)	(3,226,267)	(2,285,857)	(334,009)
66 Appropriated/Undistr Affiliate Retained Earnings	369,111	467,987	207,890	151,149	120,477
67 Total Retained Earnings	(\$4,410,604)	(\$3,133,073)	(\$3,018,377)	(\$2,134,708)	(\$213,532)

Table 1 WT

Telecommunication Industry (Without New York Telephone)
Comparative Balance Sheet
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$65,465	\$59,912	\$59,926	\$50,246	\$50,089
2 Accounts Receivable (Net)	189,603	235,984	195,279	199,495	202,276
3 Current Deferred Income Taxes	254	237	245	243	219
4 Other Current Assets	22,001	22,803	27,969	27,300	27,925
5 Total Current Assets	277,323	318,937	283,420	277,284	280,509
NON-CURRENT ASSETS					
6 Investments	365,873	413,010	391,849	366,026	296,209
7 Unamortized Debt Issuance Costs	118	164	202	259	308
8 Deferred Charges	5,221	4,951	5,446	5,366	5,342
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	10,841	10,176	9,971	10,392	14,376
11 Other Non-Current Assets	209,955	211,031	210,599	211,874	207,967
12 Total Non-Current Assets	592,008	639,332	618,068	593,916	524,202
REGULATED PLANT					
13 Total Telecommunications Plant	3,753,128	3,699,667	3,656,191	3,606,646	3,543,404
14 Less: Accumulated Depr and Amort.	2,776,922	2,643,249	2,509,407	2,376,998	2,221,730
15 Net Regulated Plant	976,206	1,056,418	1,146,783	1,229,648	1,321,674
16 Total Assets & Other Debits	\$1,845,538	\$2,014,687	\$2,048,271	\$2,100,848	\$2,126,385
CURRENT LIABILITIES					
17 Accounts Payable	\$127,032	\$113,736	\$124,209	\$137,420	\$95,997
18 Notes Payable	6,146	4,174	3,365	3,078	2,883
19 Advanced Billings	13,362	12,851	13,073	13,871	14,637
20 Customer Deposits	71	134	124	189	227
21 Current Maturities - Long-Term Debt	6,150	3,574	3,666	3,770	3,826
22 Current Deferred Income Taxes	(2)	(65)	(44)	(44)	(18)
23 Other Current Liabilities	19,155	15,765	13,727	18,369	27,213
24 Total Current Liabilities	171,913	150,170	158,122	176,654	144,764
LONG-TERM DEBT					
25 Long-Term Debt	18,998	26,138	31,123	37,207	43,479
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	0	0	0	13	20
27 Non-Current Deferred Taxes	205,539	201,427	184,922	185,659	209,441
28 Other Deferred Credits	13,234	15,323	18,217	29,330	27,716
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	170,012	163,367	156,211	146,564	143,095
31 Total Other Liab. and Def. Credits	388,785	380,117	359,350	361,567	380,273
STOCKHOLDER'S EQUITY					
32 Common Stock	28,554	28,554	28,554	28,566	28,566
33 Preferred Stock	924	925	927	927	927
34 Other Paid in Capital	547,836	547,629	546,904	549,765	548,720
35 Retained Earnings	688,528	881,154	923,293	946,164	979,656
36 Total Stockholder's Equity	1,265,842	1,458,263	1,499,677	1,525,421	1,557,869
37 Total Liab. and Stockholder's Equity	\$1,845,538	\$2,014,687	\$2,048,271	\$2,100,848	\$2,126,385

Table 2 WT

Telecommunication Industry (Without New York Telephone)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$239,194	\$267,908	\$296,370	\$315,834	\$326,776	1
Network Access Services	300,196	314,452	314,328	344,285	357,159	2
Long Distance Network Services	2,270	4,261	5,580	5,771	6,867	3
Miscellaneous Revenues	176,840	180,216	190,036	196,544	192,191	4
Less: Uncollectible Revenues	8,369	10,498	9,527	10,458	6,714	5
Total Operating Revenues	710,131	756,339	796,787	851,977	876,280	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,516	1,181	732	1,245	1,115	7
General Support Expenses	37,917	33,733	37,222	35,100	39,852	8
Central Office Switching	21,385	23,370	25,688	26,612	27,485	9
Operator Systems Expense	370	281	246	283	340	10
Central Office Transmission	13,649	13,693	13,653	13,222	13,832	11
Info. Origination/Termination	16,471	19,401	18,904	21,002	21,675	12
Cable & Wire Facilities	54,042	53,608	56,357	55,746	56,626	13
Total Plant Specific Operations	145,350	145,267	152,802	153,210	160,925	14
Other Plant, Property & Equipment	241	530	80	189	309	15
Network Operations	44,216	41,657	50,178	54,059	54,126	16
Access Expense	15,004	15,311	16,575	17,567	23,382	17
Depreciation and Amortization	153,300	157,223	164,789	176,518	177,803	18
Total Plant Non-Specific Operations	212,761	214,721	231,623	248,333	255,621	19
Marketing Expense	25,326	24,133	22,795	26,562	24,187	20
Services Expense	59,844	61,211	62,766	70,303	72,555	21
Total Customer Operations	85,170	85,344	85,561	96,865	96,742	22
Executive & Planning	20,157	15,784	15,504	17,830	19,124	23
General & Administrative	85,447	69,822	59,416	53,894	66,186	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	105,605	85,606	74,920	71,724	85,310	27
Total Operations Expense	548,886	530,938	544,906	570,132	598,597	28
Other Operating Income & Expenses	10	24	23	41	622	29
State & Local Income Taxes	196	186	195	175	5,104	30
Other Taxes	45,332	50,487	51,411	49,854	52,976	31
Net Operating Income Before FIT	115,728	174,752	200,298	231,856	220,224	32
Investment Tax Credits - Net			12	2	7	33
Federal Income Taxes	(5,443)	35,079	62,673	82,711	78,451	34
Provision - Def. Operating Income Taxes - Net	27,459	12,195	7,306	(4,095)	(2,947)	35
Net Operating Income	\$93,711	\$127,477	\$130,331	\$153,242	\$144,728	36

Table 3 WT

Telecommunication Industry (Without New York Telephone)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
37 Net Operating Income	\$93,711	\$127,477	\$130,331	\$153,242	\$144,728
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	749	9,102	26,595	26,590	20,491
40 Income - Sinking and Other Funds					236
41 Allowance for Funds Used During Construction	465	540	954	975	934
42 Gains/Losses - Disposal of Property	143	97	31	82	1,072
43 Equity in Earnings of Affiliated Companies	(181)	122	3,982	1,510	388
44 Other Non-Operating Income	7,565	5,378	12,662	19,031	20,257
45 Special Charges	3,096	949	1,269	1,043	3,240
46 Total Non-Operating Income & Expenses	5,645	14,290	42,955	47,145	40,138
NON-OPERATING TAXES					
47 Federal Income Taxes	13,445	17,213	12,143	7,764	7,722
48 Other	127	69	205	1,396	1,248
49 Total Non-Operating Taxes	13,572	17,282	12,347	9,159	8,970
50 Income Available Before Interest Charges	85,784	124,484	160,939	191,228	175,896
INTEREST CHARGES					
51 Interest on Funded Debt	1,534	1,648	2,068	2,676	3,607
52 Other Interest Expense	10,501	9,165	7,219	8,046	6,998
53 Total Interest Charges	12,036	10,813	9,287	10,723	10,606
54 Income Before Extraordinary & Nonreg Items	73,749	113,671	151,652	180,505	165,290
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items			547	19	622
56 Nonregulated Revenues	54,577	51,727	60,828	56,535	(39)
57 Total Extraordinary & Nonregulated Items	54,577	51,727	61,376	56,554	583
58 Net Income	\$128,325	\$165,398	\$213,027	\$237,059	\$165,873
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$876,005	\$915,589	\$935,392	\$968,652	\$830,879
60 Transferred from Income	71,320	118,171	151,439	179,049	165,213
61 Appropriations			(1,140)		720
Dividends Declared:					
62 Preferred Stock	48	49	2,049	3,149	180
63 Common Stock	261,348	159,860	176,194	211,985	26,851
64 Adjustments	1,198	2,153	5,860	2,470	312
65 Ending Year Balance	687,126	876,005	915,589	935,037	968,652
66 Appropriated/Undistr Affiliate Retained Earnings	1,401	5,149	7,703	11,127	11,004
67 Total Retained Earnings	\$688,528	\$881,154	\$923,293	\$946,164	\$979,656

Table 1 AT

Telecommunication Industry (Class A)
Comparative Balance Sheet
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,720	\$1,090	\$1,771	\$464,346	\$483,628
2 Accounts Receivable (Net)	952,831	1,041,877	1,327,972	1,119,158	1,214,152
3 Current Deferred Income Taxes					
4 Other Current Assets	131,060	183,973	273,110	241,073	246,577
5 Total Current Assets	1,085,611	1,226,940	1,602,853	1,824,577	1,944,357
NON-CURRENT ASSETS					
6 Investments	564,885	731,794	571,274	521,416	455,644
7 Unamortized Debt Issuance Costs	6,103	6,963	7,874	10,608	11,829
8 Deferred Charges	83,248	89,853	89,952	119,515	166,557
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	655,779	674,913	684,317	654,951	601,605
12 Total Non-Current Assets	1,310,015	1,503,522	1,353,417	1,306,491	1,235,635
REGULATED PLANT					
13 Total Telecommunications Plant	32,330,870	33,927,127	33,117,466	32,626,339	32,703,913
14 Less: Accumulated Depr and Amort.	21,103,326	22,714,222	21,978,483	21,415,686	21,273,212
15 Net Regulated Plant	11,227,545	11,212,905	11,138,984	11,210,654	11,430,701
16 Total Assets & Other Debits	\$13,623,171	\$13,943,367	\$14,095,254	\$14,341,722	\$14,610,693
CURRENT LIABILITIES					
17 Accounts Payable	\$585,422	\$564,829	\$936,334	\$919,815	\$849,901
18 Notes Payable	3,618,654	3,300,470	2,848,778	2,063,434	3,625,792
19 Advanced Billings	168,697	162,321	165,239	165,303	170,446
20 Customer Deposits	7,962	7,406	6,778	7,674	7,628
21 Current Maturities - Long-Term Debt	1,278	401,122	1,131	251,667	1,536
22 Current Deferred Income Taxes	(103,615)	(96,139)	(118,139)	33,435	38,651
23 Other Current Liabilities	422,168	550,412	609,883	625,335	635,009
24 Total Current Liabilities	4,700,566	4,890,419	4,450,005	4,066,664	5,328,963
LONG-TERM DEBT					
25 Long-Term Debt	2,250,736	2,251,103	2,649,688	2,651,160	2,900,372
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	16,787	17,369	19,181	21,100	23,250
27 Non-Current Deferred Taxes	423,450	235,257	115,648	149,429	494,426
28 Other Deferred Credits	274,466	245,324	144,127	285,588	276,926
29 Other Jurisdictional Differences - Net					13,082
30 Other Liabilities	6,079,175	4,598,826	4,522,372	4,094,940	3,667,511
31 Total Other Liab. and Def. Credits	6,793,878	5,096,776	4,801,326	4,551,057	4,475,195
STOCKHOLDER'S EQUITY					
32 Common Stock	1,001	1,001	1,001	1,001	1,001
33 Preferred Stock					
34 Other Paid in Capital	4,696,565	5,235,094	5,595,704	5,595,697	2,586,383
35 Retained Earnings	(4,819,575)	(3,531,027)	(3,402,471)	(2,523,858)	(604,338)
36 Total Stockholder's Equity	(122,009)	1,705,068	2,194,235	3,072,840	1,983,046
37 Total Liab. and Stockholder's Equity	\$13,623,171	\$13,943,367	\$14,095,254	\$14,341,722	\$14,610,693

Table 2 AT

Telecommunication Industry (Class A)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,899,104	\$2,167,692	\$2,455,141	\$2,665,193	\$2,871,445	1
Network Access Services	2,294,666	2,313,506	2,359,086	2,411,631	2,353,678	2
Long Distance Network Services	113,257	131,498	139,473	144,025	150,050	3
Miscellaneous Revenues	1,204,976	1,146,267	1,103,206	860,186	1,090,278	4
Less: Uncollectible Revenues	60,688	75,480	68,841	66,706	41,978	5
Total Operating Revenues	5,451,315	5,683,483	5,988,066	6,014,329	6,423,471	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,901	7,495	23,071	16,379	19,161	7
General Support Expenses	401,985	416,935	444,746	425,303	471,827	8
Central Office Switching	202,269	229,971	220,134	239,894	249,365	9
Operator Systems Expense	528	380	399	625	704	10
Central Office Transmission	141,713	142,635	128,847	134,630	131,217	11
Info. Origination/Termination	805,327	635,766	514,547	374,961	303,431	12
Cable & Wire Facilities	946,619	1,226,260	957,357	1,055,007	1,103,337	13
Total Plant Specific Operations	2,503,341	2,659,442	2,289,102	2,246,798	2,279,044	14
Other Plant, Property & Equipment	1,075	11,669	12,087	8,979	9,717	15
Network Operations	1,681,557	628,811	779,192	805,436	850,229	16
Access Expense	98,506	118,785	121,844	134,708	163,980	17
Depreciation and Amortization	1,326,501	1,337,827	1,446,423	1,525,445	1,647,147	18
Total Plant Non-Specific Operations	3,107,639	2,097,092	2,359,546	2,474,567	2,671,074	19
Marketing Expense	323,777	342,615	355,757	397,809	316,365	20
Services Expense	601,642	607,399	621,484	635,422	672,652	21
Total Customer Operations	925,419	950,014	977,241	1,033,231	989,017	22
Executive & Planning	38,415	53,475	62,673	28,329	30,182	23
General & Administrative	1,022,111	866,979	862,147	1,083,253	1,036,997	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,060,526	920,454	924,820	1,111,582	1,067,179	27
Total Operations Expense	7,596,925	6,627,002	6,550,709	6,866,178	7,006,313	28
Other Operating Income & Expenses	66,444	37,405	46,259	87,339	137,938	29
State & Local Income Taxes	(12,446)	(8,832)	3	14	4,815	30
Other Taxes	450,923	484,621	501,523	513,725	559,430	31
Net Operating Income Before FIT	(2,517,642)	(1,381,903)	(1,017,910)	(1,278,249)	(1,009,149)	32
Investment Tax Credits - Net	582	1,811	1,920	2,150	2,204	33
Federal Income Taxes	(1,071,342)	(773,288)	(311,015)	(228,919)	(310,768)	34
Provision - Def. Operating Income Taxes - Net	109,245	138,736	(176,283)	(242,781)	(85,565)	35
Net Operating Income	(\$1,554,963)	(\$745,539)	(\$528,692)	(\$804,399)	(\$610,611)	36

Table 3 AT

Telecommunication Industry (Class A)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$1,554,963)	(\$745,539)	(\$528,692)	(\$804,399)	(\$610,611)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	4,242	5,559	21,554	38,101	29,802
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	14,414	16,598	18,390	19,554	21,277
42 Gains/Losses - Disposal of Property			18	5	97
43 Equity in Earnings of Affiliated Companies	488,801	563,961	60,165	30,548	30,955
44 Other Non-Operating Income	(18,678)	(18,857)	(2,077)	(3,827)	(1,899)
45 Special Charges	8,254	8,336	7,555	10,014	13,839
46 Total Non-Operating Income & Expenses	480,525	558,925	90,496	74,367	66,394
NON-OPERATING TAXES					
47 Federal Income Taxes	9,230	13,793	7,505	10,826	5,155
48 Other	3,946	3,804	4,748	655	4,776
49 Total Non-Operating Taxes	13,176	17,597	12,253	11,481	9,931
50 Income Available Before Interest Charges	(1,087,615)	(204,212)	(450,449)	(741,513)	(554,148)
INTEREST CHARGES					
51 Interest on Funded Debt	169,909	186,170	188,662	201,926	202,106
52 Other Interest Expense	180,289	116,792	114,302	173,017	192,450
53 Total Interest Charges	350,198	302,962	302,965	374,943	394,556
54 Income Before Extraordinary & Nonreg Items	(1,437,813)	(507,173)	(753,414)	(1,116,456)	(948,704)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	47,212	46,659	60,126	384,689	234,773
57 Total Extraordinary & Nonregulated Items	47,212	46,659	60,126	384,689	234,773
58 Net Income	(\$1,390,600)	(\$460,514)	(\$693,288)	(\$731,768)	(\$713,931)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$3,993,866)	(\$3,602,657)	(\$2,663,880)	(\$713,812)	(\$366,112)
60 Transferred from Income	(1,926,613)	(1,071,134)	(813,579)	(818,900)	(744,886)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	250,000	140,000	125,000	155,000	
64 Adjustments	983,194	819,926	(199)	(976,169)	(397,187)
65 Ending Year Balance	(5,187,285)	(3,993,866)	(3,602,657)	(2,663,880)	(1,508,185)
66 Appropriated/Undistr Affiliate Retained Earnings	367,710	462,839	200,187	140,022	109,474
67 Total Retained Earnings	(\$4,819,575)	(\$3,531,027)	(\$3,402,471)	(\$2,523,858)	(\$604,338)

Table 1 BT

Telecommunication Industry (Class B)
Comparative Balance Sheet
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$63,745	\$59,081	\$59,386	\$53,574	\$49,574
2 Accounts Receivable (Net)	83,423	78,701	73,809	65,441	64,745
3 Current Deferred Income Taxes	254	237	245	243	219
4 Other Current Assets	15,066	15,241	14,558	14,126	13,958
5 Total Current Assets	162,488	153,261	147,998	133,384	128,497
NON-CURRENT ASSETS					
6 Investments	237,701	213,057	186,909	185,984	179,836
7 Unamortized Debt Issuance Costs	118	164	202	259	308
8 Deferred Charges	5,205	4,935	5,174	5,262	5,405
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	10,841	10,176	9,971	10,392	14,376
11 Other Non-Current Assets	25,725	26,636	26,039	27,148	23,077
12 Total Non-Current Assets	279,590	254,968	228,295	229,045	223,002
REGULATED PLANT					
13 Total Telecommunications Plant	1,107,927	1,091,494	1,080,828	1,064,875	1,050,784
14 Less: Accumulated Depr and Amort.	799,722	769,031	733,615	696,358	654,601
15 Net Regulated Plant	308,205	322,463	347,213	368,517	396,183
16 Total Assets & Other Debits	\$750,284	\$730,691	\$723,507	\$730,946	\$747,682
CURRENT LIABILITIES					
17 Accounts Payable	\$57,964	\$47,672	\$55,979	\$37,609	\$33,471
18 Notes Payable	6,146	4,174	3,365	3,078	2,883
19 Advanced Billings	4,010	3,517	4,060	4,985	4,047
20 Customer Deposits	70	132	159	205	246
21 Current Maturities - Long-Term Debt	6,150	3,574	3,666	3,770	3,826
22 Current Deferred Income Taxes	(2)	(65)	(44)	(44)	(18)
23 Other Current Liabilities	11,771	7,741	4,606	9,271	17,240
24 Total Current Liabilities	86,109	66,746	71,793	58,873	61,693
LONG-TERM DEBT					
25 Long-Term Debt	18,998	26,138	31,123	37,207	43,479
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	0	0	0	13	20
27 Non-Current Deferred Taxes	51,810	53,020	48,847	48,118	54,853
28 Other Deferred Credits	22,193	23,117	24,064	33,604	(32,850)
29 Other Jurisdictional Differences - Net					(13,082)
30 Other Liabilities	36,126	37,845	38,438	35,961	38,904
31 Total Other Liab. and Def. Credits	110,129	113,982	111,350	117,696	124,728
STOCKHOLDER'S EQUITY					
32 Common Stock	28,553	28,553	28,553	28,565	28,565
33 Preferred Stock	924	925	927	927	927
34 Other Paid in Capital	96,599	96,393	95,667	98,528	97,484
35 Retained Earnings	408,971	397,954	384,094	389,150	390,806
36 Total Stockholder's Equity	535,048	523,825	509,241	517,170	517,782
37 Total Liab. and Stockholder's Equity	\$750,284	\$730,691	\$723,507	\$730,946	\$747,682

Telecommunication Industry (Class B)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

2006

INCOME STATEMENT**TELEPHONE OPERATING REVENUES**

Local Network Services	\$71,022	\$76,819	\$80,599	\$86,915	\$93,390	1
Network Access Services	114,691	121,727	129,156	140,457	143,279	2
Long Distance Network Services	1,881	3,036	3,693	4,382	5,109	3
Miscellaneous Revenues	55,380	48,858	51,034	54,486	57,272	4
Less: Uncollectible Revenues	1,814	1,628	2,455	2,328	1,223	5
Total Operating Revenues	241,160	248,813	262,027	283,913	297,827	6

TELEPHONE OPERATING EXPENSES

Network Support Expenses	380	282	451	774	767	7
General Support Expenses	16,062	13,070	13,195	12,961	14,271	8
Central Office Switching	10,886	12,019	12,990	12,584	12,854	9
Operator Systems Expense	51	39	29	29	34	10
Central Office Transmission	7,006	7,297	7,731	7,166	6,306	11
Info. Origination/Termination	5,214	5,422	6,113	6,443	6,393	12
Cable & Wire Facilities	15,632	16,133	17,560	16,514	16,357	13
Total Plant Specific Operations	55,231	54,262	58,071	56,471	56,982	14
Other Plant, Property & Equipment	242	303	67	189	313	15
Network Operations	15,973	15,718	16,688	17,188	17,218	16
Access Expense	6,243	6,888	7,366	7,809	8,530	17
Depreciation and Amortization	44,766	48,396	51,832	55,332	56,729	18
Total Plant Non-Specific Operations	67,224	71,306	75,952	80,518	82,790	19
Marketing Expense	8,502	8,648	9,254	10,195	7,988	20
Services Expense	19,258	20,814	21,959	26,113	27,257	21
Total Customer Operations	27,760	29,463	31,213	36,308	35,246	22
Executive & Planning	11,697	10,895	11,485	12,568	13,181	23
General & Administrative	29,825	30,545	30,140	30,915	36,462	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	41,522	41,440	41,625	43,483	49,643	27
Total Operations Expense	191,737	196,470	206,861	216,780	224,661	28
Other Operating Income & Expenses	10	24	23	41	622	29
State & Local Income Taxes	196	186	195	175	290	30
Other Taxes	14,486	16,558	16,431	17,256	17,915	31
Net Operating Income Before FIT	34,751	35,623	38,564	49,742	55,584	32
Investment Tax Credits - Net			12	2	7	33
Federal Income Taxes	(5)	14,650	15,756	23,204	24,487	34
Provision - Def. Operating Income Taxes - Net	10,321	440	1,984	(3,200)	(4,974)	35
Net Operating Income	\$24,436	\$20,532	\$20,836	\$29,740	\$36,078	36

Table 3 BT

Telecommunication Industry (Class B)
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,
(\$000s)

	2010	2009	2008	2007	2006
37 Net Operating Income	\$24,436	\$20,532	\$20,836	\$29,740	\$36,078
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	263	84	132	482	83
39 Interest Income	749	3,955	10,732	11,518	14,402
40 Income - Sinking and Other Funds					236
41 Allowance for Funds Used During Construction	43	69	122	300	227
42 Gains/Losses - Disposal of Property	143	97	13	75	975
43 Equity in Earnings of Affiliated Companies	(181)	122	3,982	1,510	388
44 Other Non-Operating Income	11,456	9,958	16,554	23,437	24,750
45 Special Charges	2,930	646	896	768	1,311
46 Total Non-Operating Income & Expenses	9,543	13,639	30,639	36,555	39,762
NON-OPERATING TAXES					
47 Federal Income Taxes	3,216	1,738	4,813	3,077	9,535
48 Other	127	69	205	1,396	1,248
49 Total Non-Operating Taxes	3,343	1,807	5,018	4,473	10,782
50 Income Available Before Interest Charges	30,636	32,364	46,457	61,822	65,057
INTEREST CHARGES					
51 Interest on Funded Debt	1,534	1,648	2,068	2,676	3,607
52 Other Interest Expense	1,446	962	(210)	1,322	938
53 Total Interest Charges	2,981	2,610	1,858	3,999	4,545
54 Income Before Extraordinary & Nonreg Items	27,655	29,754	44,599	57,823	60,512
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items			547	19	622
56 Nonregulated Revenues	7,364	5,068	702	(49)	(39)
57 Total Extraordinary & Nonregulated Items	6,634	5,068	1,250	(30)	583
58 Net Income	\$34,289	\$34,822	\$45,848	\$57,793	\$61,095
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$392,805	\$376,391	\$378,379	\$379,803	\$346,902
60 Transferred from Income	24,964	34,170	44,254	55,885	60,340
61 Appropriations			(1,140)		720
Dividends Declared:					
62 Preferred Stock	48	49	2,049	3,149	180
63 Common Stock	11,348	19,860	51,194	56,985	26,851
64 Adjustments	1,198	2,153	5,860	2,470	312
65 Ending Year Balance	407,570	392,805	376,391	378,023	379,803
66 Appropriated/Undistr Affiliate Retained Earnings	1,401	5,149	7,703	11,127	11,004
67 Total Retained Earnings	\$408,971	\$397,954	\$384,094	\$389,150	\$390,806

ALLTEL New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$29,119,453	\$26,645,968	\$29,008,854	\$19,797,189	\$4,686,925
2 Accounts Receivable (Net)	4,434,796	3,612,095	3,577,382	4,615,554	5,687,632
3 Current Deferred Income Taxes					
4 Other Current Assets	2,017,154	2,598,819	1,209,688	678,024	526,257
5 Total Current Assets	35,571,403	32,856,882	33,795,924	25,090,767	10,900,814
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	484,446	613,142	752,341	837,230	808,573
12 Total Non-Current Assets	484,446	613,142	752,341	837,230	808,573
REGULATED PLANT					
13 Total Telecommunications Plant	219,783,008	213,305,524	210,477,351	207,552,726	207,245,247
14 Less: Accumulated Depr and Amort.	161,406,175	153,324,053	145,782,209	137,844,672	129,620,859
15 Net Regulated Plant	58,376,833	59,981,471	64,695,142	69,708,054	77,624,388
16 Total Assets & Other Debits	\$94,432,682	\$93,451,495	\$99,243,407	\$95,636,051	\$89,333,775
CURRENT LIABILITIES					
17 Accounts Payable	\$2,255,870	\$362,274	\$6,003,318	\$1,946,825	\$4,107,084
18 Notes Payable					
19 Advanced Billings	307,659	369,506	553,202	1,677,086	1,154,898
20 Customer Deposits	878	1,600	1,063	4,950	21,082
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,587,876	1,413,201	2,053,624	2,012,036	4,036,705
24 Total Current Liabilities	4,152,283	2,146,581	8,611,207	5,640,897	9,319,769
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	12,443,877	13,903,899	13,210,630	13,211,798	14,643,756
28 Other Deferred Credits	1,356,691	1,365,341	1,393,238	1,442,113	1,803,130
29 Other Jurisdictional Differences - Net					
30 Other Liabilities			285,074	285,074	346,381
31 Total Other Liab. and Def. Credits	13,800,568	15,269,240	14,888,942	14,938,985	16,793,267
STOCKHOLDER'S EQUITY					
32 Common Stock	16,705,393	16,705,393	16,705,393	16,705,393	16,705,393
33 Preferred Stock					
34 Other Paid in Capital	7,310,322	7,310,813	7,310,813	7,310,813	7,310,813
35 Retained Earnings	52,464,116	52,019,468	51,727,052	51,039,963	39,204,533
36 Total Stockholder's Equity	76,479,831	76,035,674	75,743,258	75,056,169	63,220,739
37 Total Liab. and Stockholder's Equity	\$94,432,682	\$93,451,495	\$99,243,407	\$95,636,051	\$89,333,775

ALLTEL New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$15,657,419	\$16,874,261	\$17,842,159	\$18,502,938	\$21,929,075	1
Network Access Services	18,080,383	17,865,333	21,465,736	24,277,114	22,673,630	2
Long Distance Network Services	643,455	755,583	941,151	1,077,001	1,440,859	3
Miscellaneous Revenues	5,626,395	5,824,857	4,491,842	5,203,497	6,018,559	4
Less: Uncollectible Revenues	438,410	501,526	637,848	430,589	360,629	5
Total Operating Revenues	39,569,242	40,818,508	44,103,040	48,629,961	51,701,494	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,435	(15,005)	88,545	354,345	333,635	7
General Support Expenses	1,549,636	1,758,329	1,786,159	1,798,798	2,159,767	8
Central Office Switching	1,786,925	2,098,093	2,357,170	1,737,536	1,972,798	9
Operator Systems Expense						10
Central Office Transmission	1,392,894	1,436,086	1,332,331	973,909	1,026,668	11
Info. Origination/Termination	2,792	1,457	33,051	209,048	226,510	12
Cable & Wire Facilities	2,868,052	3,031,883	3,370,732	3,471,088	3,440,480	13
Total Plant Specific Operations	7,601,734	8,310,843	8,967,988	8,544,724	9,159,858	14
Other Plant, Property & Equipment	58,004	56,201	(62,532)	(9,927)	7,225	15
Network Operations	2,765,330	2,592,418	2,919,776	3,161,450	3,059,637	16
Access Expense	935,437	1,607,186	1,972,877	1,583,898	1,657,259	17
Depreciation and Amortization	8,767,317	8,385,425	8,815,437	10,218,267	9,887,642	18
Total Plant Non-Specific Operations	12,526,088	12,641,230	13,645,558	14,953,688	14,611,763	19
Marketing Expense	2,472,060	2,537,508	3,119,092	3,706,999	2,301,812	20
Services Expense	1,557,923	1,759,852	1,876,246	2,597,376	2,547,742	21
Total Customer Operations	4,029,983	4,297,360	4,995,338	6,304,375	4,849,554	22
Executive & Planning	422,852	459,516	525,022	481,060	433,640	23
General & Administrative	2,702,381	3,904,901	3,497,249	3,340,394	6,020,856	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	3,125,233	4,364,417	4,022,271	3,821,454	6,454,496	27
Total Operations Expense	27,283,038	29,613,850	31,631,155	33,624,241	35,075,671	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	3,568,859	3,884,753	3,299,330	4,540,725	4,538,931	31
Net Operating Income Before FIT	8,717,344	7,319,905	9,172,555	10,464,995	12,086,892	32
Investment Tax Credits - Net						33
Federal Income Taxes	3,753,385	1,220,776	3,499,570	5,014,799	5,523,446	34
Provision - Def. Operating Income Taxes - Net	(1,460,022)	693,274	(1,171)	(1,356,320)	(1,279,903)	35
Net Operating Income	\$6,423,981	\$5,405,855	\$5,674,156	\$6,806,516	\$7,843,349	36

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ALLTEL New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$6,423,981	\$5,405,855	\$5,674,156	\$6,806,516	\$7,843,349
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	244,188	276,609	813,610	318,779	365,835
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	13,332	15,342	18,680	57,469	72,179
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(2,436,786)	(2,155,833)	(19,130)	11,661,169	(2,264,554)
45 Special Charges					
46 Total Non-Operating Income & Expenses	(2,179,266)	(1,863,882)	813,160	12,037,417	(1,826,540)
NON-OPERATING TAXES					
47 Federal Income Taxes				111,573	(1,074,815)
48 Other					
49 Total Non-Operating Taxes				111,573	(1,074,815)
50 Income Available Before Interest Charges	4,244,715	3,541,973	6,487,316	18,732,360	7,091,624
INTEREST CHARGES					
51 Interest on Funded Debt					622,045
52 Other Interest Expense	67	91	227	219,468	130,058
53 Total Interest Charges	67	91	227	219,468	752,103
54 Income Before Extraordinary & Nonreg Items	4,244,648	3,541,882	6,487,089	18,512,892	6,339,521
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$4,244,648	\$3,541,882	\$6,487,089	\$18,512,892	\$6,339,521
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$52,019,468	\$51,727,052	\$51,039,963	\$39,204,533	\$38,517,012
60 Transferred from Income	4,244,648	3,541,882	6,487,089	18,512,892	6,339,521
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	3,800,000	3,249,466	5,800,000	6,677,462	5,652,000
64 Adjustments					
65 Ending Year Balance	52,464,116	52,019,468	51,727,052	51,039,963	39,204,533
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$52,464,116	\$52,019,468	\$51,727,052	\$51,039,963	\$39,204,533

**Armstrong Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,182,733	\$1,042,906	\$829,465	\$1,031,414	\$1,361,588
2 Accounts Receivable (Net)	549,569	619,220	671,539	693,712	694,029
3 Current Deferred Income Taxes	21,720	20,966	20,081	19,044	17,602
4 Other Current Assets	143,925	165,648	177,511	165,881	132,105
5 Total Current Assets	1,897,947	1,848,740	1,698,595	1,910,052	2,205,324
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	7,124	7,124	7,124	7,124	7,124
11 Other Non-Current Assets					
12 Total Non-Current Assets	7,124	7,124	7,124	7,124	7,124
REGULATED PLANT					
13 Total Telecommunications Plant	14,047,791	14,116,636	14,156,777	13,931,518	13,558,568
14 Less: Accumulated Depreciation and Amort.	9,858,109	9,474,784	8,993,217	8,305,193	7,673,029
15 Net Regulated Plant	4,189,682	4,641,852	5,163,560	5,626,325	5,885,538
16 Total Assets & Other Debits	\$6,094,752.2	\$6,497,716	\$6,869,279	\$7,543,501	\$8,097,987
CURRENT LIABILITIES					
17 Accounts Payable	\$192,455	\$308,230	\$269,796	\$412,574	\$330,602
18 Notes Payable					
19 Advanced Billings	98,165	92,663	96,828	94,520	112,556
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	2,860,965	162,585	154,691	149,402	145,072
22 Current Deferred Income Taxes					
23 Other Current Liabilities	186,460	181,468	132,220	188,412	340,074
24 Total Current Liabilities	3,338,045	744,946	653,535	844,908	928,304
LONG-TERM DEBT					
25 Long-Term Debt	24,550	2,887,691	3,052,654	3,207,377	3,353,937
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					4,973
27 Non-Current Deferred Taxes	504,534	561,833	693,465	718,566	921,379
28 Other Deferred Credits	61,690	59,538	57,087	54,126	50,007
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	566,225	621,370	750,552	772,692	976,359
STOCKHOLDER'S EQUITY					
32 Common Stock	243,000	243,000	243,000	243,000	243,000
33 Preferred Stock					
34 Other Paid in Capital	21,000	21,000	21,000	21,000	21,000
35 Retained Earnings	1,901,933	1,979,709	2,148,538	2,454,523	2,575,386
36 Total Stockholder's Equity	2,165,933	2,243,709	2,412,538	2,718,523	2,839,386
37 Total Liab. and Stockholder's Equity	\$6,094,752.9	\$6,497,716	\$6,869,279	\$7,543,501	\$8,097,987

Armstrong Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$608,287	\$632,668	\$623,872	\$692,079	\$821,620	1
Network Access Services	3,553,063	3,299,090	3,212,572	3,311,468	3,220,005	2
Long Distance Network Services	3,277	2,383	2,860	13,910	26,703	3
Miscellaneous Revenues	449,743	493,057	515,521	646,532	681,570	4
Less: Uncollectible Revenues	8,570	(232)	40,083	38,627	28,500	5
Total Operating Revenues	4,605,800	4,427,430	4,314,742	4,625,362	4,721,398	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses						7
General Support Expenses	75,940	82,053	103,710	128,038	103,555	8
Central Office Switching	171,184	227,766	270,798	257,248	273,672	9
Operator Systems Expense						10
Central Office Transmission	443,813	331,483	293,840	261,258	167,069	11
Info. Origination/Termination	370,149	349,749	404,516	422,733	363,009	12
Cable & Wire Facilities	292,130	332,740	372,716	421,934	417,102	13
Total Plant Specific Operations	1,353,215	1,323,792	1,445,580	1,491,212	1,324,407	14
Other Plant, Property & Equipment						15
Network Operations	377,298	363,015	308,795	368,788	329,855	16
Access Expense	25,516	22,209	21,082	24,106	24,142	17
Depreciation and Amortization	757,128	933,528	940,595	897,049	913,896	18
Total Plant Non-Specific Operations	1,159,942	1,318,752	1,270,473	1,289,942	1,267,892	19
Marketing Expense	15,901	18,160	16,566	25,761	14,748	20
Services Expense	437,099	411,089	330,077	306,258	313,076	21
Total Customer Operations	453,000	429,249	346,644	332,018	327,824	22
Executive & Planning	486,146	488,541	478,809	470,641	456,653	23
General & Administrative	799,898	826,561	909,632	873,062	815,705	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,286,045	1,315,102	1,388,441	1,343,703	1,272,358	27
Total Operations Expense	4,252,203	4,386,895	4,451,138	4,456,876	4,192,482	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	262,254	260,360	239,112	226,146	263,071	31
Net Operating Income Before FIT	91,344	(219,825)	(375,507)	(57,660)	265,844	32
Investment Tax Credits - Net						33
Federal Income Taxes	17,345	(172,316)	(220,981)	(83,823)	32,190	34
Provision - Def. Operating Income Taxes - Net						35
Net Operating Income	\$73,999	(\$47,509)	(\$154,526)	\$26,163	\$233,654	36

Armstrong Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$73,999	(\$47,509)	(\$154,526)	\$26,163	\$233,654
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	1,750	4,303	17,147	33,381	37,425
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	3,019	55,262			1,360
45 Special Charges	685	780	1,100	2,360	2,425
46 Total Non-Operating Income & Expenses	4,084	58,785	16,047	31,021	36,360
NON-OPERATING TAXES					
47 Federal Income Taxes	7,457	23,606	3,388	6,704	5,400
48 Other					
49 Total Non-Operating Taxes	7,457	23,606	3,388	6,704	5,400
50 Income Available Before Interest Charges	70,626	(12,330)	(141,867)	50,480	264,614
INTEREST CHARGES					
51 Interest on Funded Debt	148,400	156,500	164,118	171,343	178,319
52 Other Interest Expense					
53 Total Interest Charges	148,400	156,500	164,118	171,343	178,319
54 Income Before Extraordinary & Nonreg Items	(77,775)	(168,829)	(305,985)	(120,863)	86,295
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$77,775)	(\$168,829)	(\$305,985)	(\$120,863)	\$86,295
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,979,709	\$2,148,538	\$2,454,523	\$2,575,386	\$2,620,091
60 Transferred from Income	(77,775)	(168,829)	(305,985)	(120,863)	86,295
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					131,000
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,901,934	1,979,709	2,148,538	2,454,523	2,575,386
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,901,934	\$1,979,709	\$2,148,538	\$2,454,523	\$2,575,386

**Berkshire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$9,862	\$14,731	\$34,411	\$15,234	\$105,268
2 Accounts Receivable (Net)	357,716	675,666	723,286	908,139	1,026,179
3 Current Deferred Income Taxes	11,370	11,048	13,350	18,699	6,227
4 Other Current Assets	74,636	66,610	97,133	28,461	186,340
5 Total Current Assets	453,585	768,055	868,180	970,534	1,324,014
NON-CURRENT ASSETS					
6 Investments	1,274,854	1,419,038	1,661,433	1,515,456	1,217,352
7 Unamortized Debt Issuance Costs				16,749	19,540
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		2,224	2,224	660,959	646,615
11 Other Non-Current Assets	650,616	649,664	646,226	634,459	630,408
12 Total Non-Current Assets	1,925,470	2,070,926	2,309,883	2,827,623	2,513,915
REGULATED PLANT					
13 Total Telecommunications Plant	17,265,764	16,965,175	16,919,304	15,966,007	15,437,328
14 Less: Accumulated Depr and Amort.	11,232,232	10,989,317	10,780,015	10,418,868	9,364,592
15 Net Regulated Plant	6,033,532	5,975,858	6,139,289	5,547,139	6,072,735
16 Total Assets & Other Debits	\$8,412,585	\$8,814,839	\$9,317,352	\$9,345,295	\$9,910,665
CURRENT LIABILITIES					
17 Accounts Payable	(1,237,179)	(\$932,014)	(\$138,293)	(\$1,259,152)	(\$404,582)
18 Notes Payable					
19 Advanced Billings	34,397	14,591			
20 Customer Deposits					
21 Current Maturities - Long-Term Debt				141,576	132,997
22 Current Deferred Income Taxes					
23 Other Current Liabilities	56,764	33,327	(619,912)	183,299	1,000,473
24 Total Current Liabilities	(1,146,018)	(884,096)	(758,205)	(934,277)	728,888
LONG-TERM DEBT					
25 Long-Term Debt				958,620	1,100,196
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,111,299	1,018,013	873,945	797,027	985,823
28 Other Deferred Credits		6,355	6,355	1,888,454	1,977,624
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	103,173	171,142		10,000	30,000
31 Total Other Liab. and Def. Credits	1,214,472	1,195,510	880,300	2,695,481	2,993,447
STOCKHOLDER'S EQUITY					
32 Common Stock	81,160	81,160	81,160	81,160	81,160
33 Preferred Stock					
34 Other Paid in Capital	(984,000)	(803,000)	195,000	1,140,000	
35 Retained Earnings	9,246,971	9,225,265	8,919,098	5,404,311	5,006,975
36 Total Stockholder's Equity	8,344,131	8,503,425	9,195,258	6,625,471	5,088,135
37 Total Liab. and Stockholder's Equity	\$8,412,585	\$8,814,839	\$9,317,353	\$9,345,295	\$9,910,665

Berkshire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$941,131	\$948,908	\$1,015,144	\$1,177,147	\$1,206,253	1
Network Access Services	1,852,527	2,074,998	2,076,863	2,671,872	2,460,939	2
Long Distance Network Services	4,434	5,144	9,254	10,428	11,427	3
Miscellaneous Revenues	307,061	346,701	356,005	416,541	405,532	4
Less: Uncollectible Revenues	50,475	63,625	78,821	65,299	(12,006)	5
Total Operating Revenues	3,054,678	3,312,126	3,378,445	4,210,689	4,096,157	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	35			1	5,866	7
General Support Expenses	766,161	275,477	231,365	304,074	426,438	8
Central Office Switching	238,567	305,905	310,021	234,816	172,157	9
Operator Systems Expense						10
Central Office Transmission	6,817	7,700	16,446	15,852	13,418	11
Info. Origination/Termination					61,503	12
Cable & Wire Facilities	293,203	355,880	274,076	176,994	258,456	13
Total Plant Specific Operations	1,304,783	944,962	831,908	731,736	937,838	14
Other Plant, Property & Equipment			2,213	426		15
Network Operations	197,173	245,134	258,969	254,011	143,280	16
Access Expense	96,680	80,184	78,621	114,959	46,724	17
Depreciation and Amortization	751,497	814,390	838,322	1,051,085	965,242	18
Total Plant Non-Specific Operations	1,045,350	1,139,708	1,178,125	1,420,482	1,155,246	19
Marketing Expense	80,936	86,203	44,192	61,971	69,394	20
Services Expense	327,171	360,619	388,593	654,312	654,030	21
Total Customer Operations	408,107	446,822	432,785	716,283	723,424	22
Executive & Planning	142,979	150,010	202,666	226,660	138,567	23
General & Administrative	380,627	641,404	519,519	495,619	514,222	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	523,606	791,414	722,186	722,279	652,789	27
Total Operations Expense	3,281,846	3,322,906	3,165,004	3,590,779	3,469,297	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	196,345	179,120	239,717	204,183	551,392	31
Net Operating Income Before FIT	(423,512)	(189,900)	(26,276)	415,727	75,468	32
Investment Tax Credits - Net						33
Federal Income Taxes	(102,247)	(24,946)	(657,800)	426,046	133,601	34
Provision - Def. Operating Income Taxes - Net	(86,184)	(233,176)	108,237	(306,502)	(449,400)	35
Net Operating Income	(\$235,081)	\$68,222	\$523,287	\$296,183	\$391,267	36

Berkshire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$235,081)	\$68,222	\$523,287	\$296,183	\$391,267
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				3,329	8,256
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property				21,093	971,482
43 Equity in Earnings of Affiliated Companies	(27,184)			176,028	179,164
44 Other Non-Operating Income					
45 Special Charges			191,660	575	835
46 Total Non-Operating Income & Expenses	(27,184)		(191,660)	199,875	1,158,067
NON-OPERATING TAXES					
47 Federal Income Taxes	205,948	406,505	646,479		(142,595)
48 Other				(98,125)	943,725
49 Total Non-Operating Taxes	205,948	406,505	646,479	(98,125)	801,130
50 Income Available Before Interest Charges	(468,213)	(338,283)	(314,852)	594,183	748,204
INTEREST CHARGES					
51 Interest on Funded Debt			18,039	94,820	114,546
52 Other Interest Expense			7,405	99,882	3,722
53 Total Interest Charges			25,444	194,702	118,268
54 Income Before Extraordinary & Nonreg Items	(468,213)	(338,283)	(340,296)	399,481	629,936
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items			1,764,323		
56 Nonregulated Revenues	462,736	644,450	(1,146,937)	(2,145)	
57 Total Extraordinary & Nonregulated Items	462,736	644,450	617,386	(2,145)	
58 Net Income	(\$5,477)	\$306,167	\$277,090	\$397,336	\$629,936

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,225,265	\$8,919,098	\$5,404,311	\$4,827,811	\$4,800,039
60 Transferred from Income	21,707	306,167	277,090	221,308	450,772
61 Appropriations			(1,140,000)		
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					423,000
64 Adjustments			2,097,698		
65 Ending Year Balance	9,246,972	9,225,265	8,919,098	5,049,119	4,827,811
66 Appropriated/Undistributed Affiliated Retained Earnings				355,192	179,164
67 Total Retained Earnings	\$9,246,972	\$9,225,265	\$8,919,098	\$5,404,311	\$5,006,975

**Cassadaga Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,114	\$4,172	\$4,397	\$1,044	\$2,718
2 Accounts Receivable (Net)	57,093	48,574	59,672	59,655	83,767
3 Current Deferred Income Taxes	4,833	4,471	4,098	3,714	3,300
4 Other Current Assets	724,184	566,601	400,478	395,558	274,136
5 Total Current Assets	787,224	623,818	468,645	459,971	363,921
NON-CURRENT ASSETS					
6 Investments	24,454	(2,372)	(20,665)	(9,565)	23,598
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	73,581	73,463	73,193	56,665	56,552
11 Other Non-Current Assets					
12 Total Non-Current Assets	98,035	71,091	52,528	47,100	80,150
REGULATED PLANT					
13 Total Telecommunications Plant	3,040,109	2,985,022	2,882,205	2,743,380	2,704,137
14 Less: Accumulated Depr and Amort.	1,879,152	1,768,048	1,659,158	1,518,940	1,379,314
15 Net Regulated Plant	1,160,957	1,216,974	1,223,047	1,224,440	1,324,823
16 Total Assets & Other Debits	\$2,046,216	\$1,911,883	\$1,744,220	\$1,731,511	\$1,768,894
CURRENT LIABILITIES					
17 Accounts Payable	\$15,274	\$56,888	\$1,886	\$40,321	\$33,292
18 Notes Payable					
19 Advanced Billings			1,600		
20 Customer Deposits	760	930	1,620	3,157	4,295
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	29,297	3,784	17,953	15,435	15,208
24 Total Current Liabilities	45,331	61,602	23,059	58,913	52,795
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	311,318	316,514	300,113	280,128	293,305
28 Other Deferred Credits	20,998	19,935	18,838	17,708	16,492
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	332,316	336,449	318,951	297,836	309,797
STOCKHOLDER'S EQUITY					
32 Common Stock	27,800	27,800	27,800	27,800	27,800
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,640,769	1,486,032	1,374,410	1,346,962	1,378,502
36 Total Stockholder's Equity	1,668,569	1,513,832	1,402,210	1,374,762	1,406,302
37 Total Liab. and Stockholder's Equity	\$2,046,216	\$1,911,883	\$1,744,220	\$1,731,511	\$1,768,894

Cassadaga Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$240,503	\$248,406	\$242,278	\$230,917	\$233,149	1
Network Access Services	570,446	587,503	601,950	618,505	672,025	2
Long Distance Network Services	416	569	649	982	1,360	3
Miscellaneous Revenues	63,512	80,811	83,658	88,929	96,524	4
Less: Uncollectible Revenues	2,208	1,287	1,371	2,958	1,617	5
Total Operating Revenues	872,669	916,002	927,164	936,375	1,001,441	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	30					7
General Support Expenses	58,081	59,762	90,713	73,539	73,355	8
Central Office Switching	30,115	20,436	22,734	19,958	29,509	9
Operator Systems Expense						10
Central Office Transmission	62,442	44,698	102,039	55,247	58,289	11
Info. Origination/Termination						12
Cable & Wire Facilities	40,440	43,053	53,904	48,304	35,250	13
Total Plant Specific Operations	191,108	167,949	269,390	197,048	196,403	14
Other Plant, Property & Equipment	5,369	5,583	3,755	492	519	15
Network Operations	64,039	54,900	56,067	102,118	97,917	16
Access Expense	20,407	19,072	17,514	10,690	11,147	17
Depreciation and Amortization	145,691	142,181	154,886	157,022	154,594	18
Total Plant Non-Specific Operations	235,506	221,736	232,222	270,322	264,177	19
Marketing Expense	36,228	36,421	26,725	21,977	18,810	20
Services Expense	72,721	121,131	105,461	112,680	102,574	21
Total Customer Operations	108,949	157,552	132,186	134,657	121,384	22
Executive & Planning	83,695	163,320	158,766	259,537	307,928	23
General & Administrative	59,890	60,547	66,869	67,969	67,203	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	143,585	223,867	225,636	327,506	375,131	27
Total Operations Expense	679,148	771,104	859,434	929,533	957,095	28
Other Operating Income & Expenses	(5,435)	7,879	754	28	10	29
State & Local Income Taxes						30
Other Taxes	31,073	36,053	36,987	37,189	38,692	31
Net Operating Income Before FIT	157,013	116,724	31,497	(30,319)	5,664	32
Investment Tax Credits - Net						33
Federal Income Taxes	71,067	31,754	16,827	7,719	6,242	34
Provision - Def. Operating Income Taxes - Net	(5,679)	15,758	3,073	(13,703)	(9,322)	35
Net Operating Income	\$91,625	\$69,212	\$11,597	(\$24,335)	\$8,744	36

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Cassadaga Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$91,625	\$69,212	\$11,597	(\$24,335)	\$8,744
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction		(256)	4,155	1,415	212
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	26,826	18,293	(11,100)	(33,163)	23,079
44 Other Non-Operating Income					
45 Special Charges					
46 Total Non-Operating Income & Expenses	26,826	18,037	(6,945)	(31,748)	23,291
NON-OPERATING TAXES					
47 Federal Income Taxes					16,593
48 Other					
49 Total Non-Operating Taxes					16,593
50 Income Available Before Interest Charges	118,451	87,249	4,652	(56,083)	15,442
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	(36,286)	(24,373)	(22,796)	(24,543)	(12,161)
53 Total Interest Charges	(36,286)	(24,373)	(22,796)	(24,543)	(12,161)
54 Income Before Extraordinary & Nonreg Items	154,737	111,622	27,448	(31,540)	27,603
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$154,737	\$111,622	\$27,448	(\$31,540)	\$27,603
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,268,404	\$1,175,075	\$1,136,527	\$1,134,904	\$1,130,380
60 Transferred from Income	127,911	93,329	38,548	1,623	4,524
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,396,315	1,268,404	1,175,075	1,136,527	1,134,904
66 Appropriated/Undistr Affiliate Retained Earnings	244,454	217,628	199,335	210,435	243,598
67 Total Retained Earnings	\$1,640,769	\$1,486,032	\$1,374,410	\$1,346,962	\$1,378,502

**Champlain Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$145,988	\$183,884	\$21,253	\$373,204	\$343,955
2 Accounts Receivable (Net)	2,335,548	2,019,210	2,109,981	1,582,393	1,442,987
3 Current Deferred Income Taxes	26,188	24,240	22,493	20,781	19,143
4 Other Current Assets	272,604	309,513	308,386	307,411	363,814
5 Total Current Assets	2,780,328	2,536,847	2,462,113	2,283,789	2,169,899
NON-CURRENT ASSETS					
6 Investments	147,767	25,514	87,598	135,293	204,274
7 Unamortized Debt Issuance Costs	6,881	8,329	9,778	11,227	12,676
8 Deferred Charges			105,846	114,681	
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,250,905	1,235,684	1,147,334	1,125,066	1,144,134
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,405,553	1,269,527	1,350,556	1,386,267	1,361,084
REGULATED PLANT					
13 Total Telecommunications Plant	13,030,151	13,139,928	12,997,999	13,114,657	13,250,749
14 Less: Accumulated Depr and Amort.	8,297,599	8,075,363	7,619,496	7,415,128	7,262,420
15 Net Regulated Plant	4,732,552	5,064,565	5,378,503	5,699,529	5,988,329
16 Total Assets & Other Debits	\$8,918,433	\$8,870,939	\$9,191,172	\$9,369,585	\$9,519,312
CURRENT LIABILITIES					
17 Accounts Payable	\$779,815	\$584,874	\$676,871	\$306,169	\$224,650
18 Notes Payable					
19 Advanced Billings	20,625	11,175	2,964	188	9,429
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	162,081	162,081	154,313	146,747	139,634
22 Current Deferred Income Taxes					
23 Other Current Liabilities	920,574	19,043	564,128	653,397	755,190
24 Total Current Liabilities	1,883,095	777,173	1,398,276	1,106,501	1,128,903
LONG-TERM DEBT					
25 Long-Term Debt	739,918	902,033	1,064,069	1,218,363	1,365,121
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	808,105	813,441	821,868	809,217	816,813
28 Other Deferred Credits	2,434,271	2,428,542	2,423,297	2,418,261	2,413,443
29 Other Jurisdictional Differences - Net					
30 Other Liabilities		790,918			
31 Total Other Liab. and Def. Credits	3,242,376	4,032,901	3,245,165	3,227,478	3,230,256
STOCKHOLDER'S EQUITY					
32 Common Stock	210,000	210,000	210,000	210,000	210,000
33 Preferred Stock	137,350	137,350	138,850	138,850	138,850
34 Other Paid in Capital	77,519	(26,533)	13,410		
35 Retained Earnings	2,628,175	2,838,015	3,121,402	3,468,393	3,446,182
36 Total Stockholder's Equity	3,053,044	3,158,832	3,483,662	3,817,243	3,795,032
37 Total Liab. and Stockholder's Equity	\$8,918,433	\$8,870,939	\$9,191,172	\$9,369,585	\$9,519,312

Champlain Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,108,748	\$1,183,604	\$1,274,564	\$1,430,372	\$1,469,448	1
Network Access Services	3,564,053	3,808,154	3,916,389	3,927,767	4,399,797	2
Long Distance Network Services						3
Miscellaneous Revenues	80,429	76,382	98,081	101,451	115,968	4
Less: Uncollectible Revenues	3,000	5,000	17,500	15,671	5,704	5
Total Operating Revenues	4,750,230	5,063,140	5,271,534	5,443,919	5,979,509	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	32,733	27,253	31,963	17,979	20,975	7
General Support Expenses	450,234	484,858	534,876	523,414	563,802	8
Central Office Switching	314,484	273,560	315,912	364,025	370,039	9
Operator Systems Expense						10
Central Office Transmission	413,642	436,826	342,015	386,224	334,362	11
Info. Origination/Termination						12
Cable & Wire Facilities	326,912	289,525	342,644	389,926	342,411	13
Total Plant Specific Operations	1,538,005	1,512,022	1,567,410	1,681,568	1,631,589	14
Other Plant, Property & Equipment						15
Network Operations	305,945	237,271	316,828	405,440	449,958	16
Access Expense	74,451	63,261	69,040	67,418	46,009	17
Depreciation and Amortization	516,505	551,547	586,952	657,119	764,954	18
Total Plant Non-Specific Operations	896,901	852,079	972,820	1,129,977	1,260,921	19
Marketing Expense	29,460	24,839	21,727	14,489	17,423	20
Services Expense	165,373	284,543	292,067	315,613	300,395	21
Total Customer Operations	194,833	309,382	313,794	330,102	317,818	22
Executive & Planning	801,741	804,857	837,057	566,073	554,667	23
General & Administrative	1,416,647	1,507,239	1,614,598	1,153,665	1,171,471	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,218,388	2,312,096	2,451,655	1,719,738	1,726,138	27
Total Operations Expense	4,848,127	4,985,579	5,305,679	4,861,385	4,936,466	28
Other Operating Income & Expenses	7	(5)			5	29
State & Local Income Taxes						30
Other Taxes	225,068	235,312	250,060	245,339	253,108	31
Net Operating Income Before FIT	(322,958)	(157,756)	(284,205)	337,195	789,940	32
Investment Tax Credits - Net						33
Federal Income Taxes	(38,292)	12,015	(94,881)	109,878	372,699	34
Provision - Def. Operating Income Taxes - Net	(76,002)	(77,943)	(18,275)	10,255	(115,322)	35
Net Operating Income	(\$208,664)	(\$91,828)	(\$171,049)	\$217,062	\$532,563	36

1 Restated in 2001

Champlain Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$208,664)	(\$91,828)	(\$171,049)	\$217,062	\$532,563
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	763	645	2,587	17,162	10,733
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	122,253	(62,084)	(47,695)	(68,981)	55,544
44 Other Non-Operating Income	22,600	18,100	27,100	22,600	20,800
45 Special Charges	29,497	24,241	22,145	16,512	28,656
46 Total Non-Operating Income & Expenses	116,119	(67,580)	(40,153)	(45,731)	58,421
NON-OPERATING TAXES					
47 Federal Income Taxes	(2,086)	(1,930)	2,575	7,905	978
48 Other					
49 Total Non-Operating Taxes	(2,086)	(1,930)	2,575	7,905	978
50 Income Available Before Interest Charges	(90,459)	(157,478)	(213,777)	163,426	590,006
INTEREST CHARGES					
51 Interest on Funded Debt	48,019	55,672	62,876	70,869	77,685
52 Other Interest Expense	2,547	1,422	1,426	1,434	1,436
53 Total Interest Charges	50,566	57,094	64,302	72,303	79,121
54 Income Before Extraordinary & Nonreg Items	(141,025)	(214,572)	(278,079)	91,123	510,885
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$141,025)	(\$214,572)	(\$278,079)	\$91,123	\$510,885
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,900,099	\$3,121,402	\$3,468,393	\$3,446,182	\$3,004,209
60 Transferred from Income	(263,278)	(152,488)	(278,079)	91,123	510,885
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	8,927	8,927	9,024	9,024	9,024
63 Common Stock	59,888	59,888	59,888	59,888	59,888
64 Adjustments					
65 Ending Year Balance	2,568,006	2,900,099	3,121,402	3,468,393	3,446,182
66 Appropriated/Undistr Affiliate Retained Earnings	60,169	(62,084)			
67 Total Retained Earnings	\$2,628,175	\$2,838,015	\$3,121,402	\$3,468,393	\$3,446,182

Chautauqua & Erie Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$4,447	\$5,206	\$17,435	\$19,101	\$19,476
2 Accounts Receivable (Net)	1,518,873	2,206,483	2,677,555	1,943,218	2,493,500
3 Current Deferred Income Taxes	21,551	24,283	30,606	16,611	22,138
4 Other Current Assets	398,013	381,199	415,888	404,808	522,228
5 Total Current Assets	1,942,884	2,617,171	3,141,484	2,383,738	3,057,342
NON-CURRENT ASSETS					
6 Investments	594,017	559,414	480,003	481,516	440,285
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	3,678	8,220	15,032	19,883	26,927
11 Other Non-Current Assets					
12 Total Non-Current Assets	597,695	567,634	495,035	501,399	467,212
REGULATED PLANT					
13 Total Telecommunications Plant	30,068,775	30,186,736	30,093,303	29,778,357	30,017,308
14 Less: Accumulated Depr and Amort.	21,065,138	21,355,773	21,054,799	20,553,791	19,094,657
15 Net Regulated Plant	9,003,637	8,830,963	9,038,504	9,224,566	10,922,651
16 Total Assets & Other Debits	\$11,544,216	\$12,015,768	\$12,675,023	\$12,109,704	\$14,447,205
CURRENT LIABILITIES					
17 Accounts Payable	\$1,985,618	\$1,806,703	\$2,938,731	\$1,225,301	\$1,597,395
18 Notes Payable				257,500	312,500
19 Advanced Billings	38,064	22,745	24,555	22,448	(2,710)
20 Customer Deposits			31,988	50,821	55,485
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	107,861	45,666	11,892	213,937	176,116
24 Total Current Liabilities	2,131,543	1,875,114	3,007,165	1,770,007	2,138,786
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,993,234	1,835,934	1,646,981	1,461,296	1,751,686
28 Other Deferred Credits					-
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	112,263	671,194			-
31 Total Other Liab. and Def. Credits	2,105,497	2,507,128	1,646,981	1,461,296	1,751,686
STOCKHOLDER'S EQUITY					
32 Common Stock	775,320	775,320	775,320	775,320	775,320
33 Preferred Stock					-
34 Other Paid in Capital	3,922,500	3,922,500	3,922,500	3,922,500	3,922,500
35 Retained Earnings	2,609,356	2,935,706	3,323,057	4,180,581	5,858,913
36 Total Stockholder's Equity	7,307,176	7,633,526	8,020,877	8,878,401	10,556,733
37 Total Liab. and Stockholder's Equity	\$11,544,216	\$12,015,768	\$12,675,023	\$12,109,704	\$14,447,205

Chautauqua & Erie Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,579,064	\$1,688,714	\$1,858,345	\$2,022,737	\$2,034,378	1
Network Access Services	4,406,378	4,233,122	4,198,127	5,075,334	5,003,427	2
Long Distance Network Services	27,548	24,825	44,319	54,317	108,102	3
Miscellaneous Revenues	402,446	425,296	465,094	476,177	484,235	4
Less: Uncollectible Revenues	28,114	30,805	52,123	60,518	13,120	5
Total Operating Revenues	6,387,322	6,341,152	6,513,762	7,568,047	7,617,022	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses		(3,739)		3,266	11,406	7
General Support Expenses	1,284,237	510,716	466,712	489,826	515,165	8
Central Office Switching	360,405	405,279	475,244	547,078	509,823	9
Operator Systems Expense						10
Central Office Transmission	441	611		64		11
Info. Origination/Termination						12
Cable & Wire Facilities	556,364	660,826	643,382	655,235	735,587	13
Total Plant Specific Operations	2,201,447	1,573,693	1,585,338	1,695,469	1,771,981	14
Other Plant, Property & Equipment		16,189	27,656	41,254		15
Network Operations	360,965	334,600	382,461	394,895	418,601	16
Access Expense	130,210	175,313	178,346	215,413	168,122	17
Depreciation and Amortization	1,434,453	1,895,781	1,805,397	1,856,946	1,867,543	18
Total Plant Non-Specific Operations	1,925,628	2,421,883	2,393,860	2,508,508	2,454,266	19
Marketing Expense	210,933	337,724	325,930	426,837	346,966	20
Services Expense	423,575	487,027	595,655	761,798	869,502	21
Total Customer Operations	634,508	824,751	921,585	1,188,635	1,216,468	22
Executive & Planning	92,519	214,718	235,011	252,859	354,528	23
General & Administrative	1,033,566	1,294,337	1,363,437	1,345,051	1,493,492	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,126,085	1,509,055	1,598,448	1,597,910	1,848,020	27
Total Operations Expense	5,887,668	6,329,382	6,499,231	6,990,522	7,290,735	28
Other Operating Income & Expenses					5,889	29
State & Local Income Taxes			14,832	5,739	16,130	30
Other Taxes	463,633	549,868	458,928	473,935	434,972	31
Net Operating Income Before FIT	36,021	(538,098)	(459,229)	97,850	(118,926)	32
Investment Tax Credits - Net						33
Federal Income Taxes	182,759	108,325	52,313	299,143	240,390	34
Provision - Def. Operating Income Taxes - Net	(211,802)	(730,068)	176,540	(277,819)	(275,601)	35
Net Operating Income	\$65,064	\$83,645	(\$688,082)	\$76,527	(\$83,715)	36

Chautauqua & Erie Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$65,064	\$83,645	(\$688,082)	\$76,527	(\$83,715)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				893	71
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	419,603		297,486	303,232	109,538
44 Other Non-Operating Income				(8,137)	31,504
45 Special Charges	220	100	154	6,568	8,509
46 Total Non-Operating Income & Expenses	419,383	(100)	297,332	289,420	132,604
NON-OPERATING TAXES					
47 Federal Income Taxes	415,041	966,097	988	(883)	
48 Other					
49 Total Non-Operating Taxes	415,041	966,097	988	(883)	
50 Income Available Before Interest Charges	69,406	(882,552)	(391,738)	366,830	48,889
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	(327)	4,607	9,566	17,018	19,316
53 Total Interest Charges	(327)	4,607	9,566	17,018	19,316
54 Income Before Extraordinary & Nonreg Items	69,733	(887,159)	(401,304)	349,812	29,573
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	1,064,917	1,884,807	1,123,778	(11,145)	
57 Total Extraordinary & Nonregulated Items	1,064,917	1,884,807	1,123,778	(11,145)	
58 Net Income	\$1,134,650	\$997,648	\$722,474	\$338,667	\$29,573
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$7,917,706	\$5,554,240	\$5,129,250	\$5,093,814	\$5,893,779
60 Transferred from Income	715,047	997,650	424,990	35,436	(79,965)
61 Appropriations					720,000
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments		1,365,816			
65 Ending Year Balance	8,632,753	7,917,706	5,554,240	5,129,250	5,093,814
66 Appropriated/Undistr Affiliate Retained Earnings	(6,023,397)	(4,982,000)	(2,231,183)	(948,669)	765,099
67 Total Retained Earnings	\$2,609,356	\$2,935,706	\$3,323,057	\$4,180,581	\$5,858,913

Chazy & Westport Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$78,789	\$79,646	\$87,115	\$65,002	\$21,953
2 Accounts Receivable (Net)	4,189,509	3,591,585	3,288,247	3,333,165	3,285,401
3 Current Deferred Income Taxes					
4 Other Current Assets	326,075	237,686	220,056	250,653	204,119
5 Total Current Assets	4,594,373	3,908,917	3,595,418	3,648,820	3,511,473
NON-CURRENT ASSETS					
6 Investments	(744,313)	(217,922)	230,666	(122,801)	1,332,446
7 Unamortized Debt Issuance Costs		16	579	1,144	1,709
8 Deferred Charges				3,000	6,000
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	283,170	323,438	464,748	534,698	616,937
11 Other Non-Current Assets	581,450	724,589	750,968	747,071	743,382
12 Total Non-Current Assets	120,307	830,121	1,446,961	1,163,112	2,700,474
REGULATED PLANT					
13 Total Telecommunications Plant	14,816,718	14,796,329	14,733,864	14,559,988	13,548,280
14 Less: Accumulated Depr and Amort.	10,594,616	9,962,878	9,336,635	8,740,535	8,102,282
15 Net Regulated Plant	4,222,102	4,833,451	5,397,229	5,819,453	5,445,998
16 Total Assets & Other Debits	\$8,936,782	\$9,572,489	\$10,439,608	\$10,631,385	\$11,657,945
CURRENT LIABILITIES					
17 Accounts Payable	\$388,121	\$574,709	\$403,005	\$605,667	\$497,131
18 Notes Payable	287,769	322,908	430,000	250,000	53,584
19 Advanced Billings	17,431	14,282	25,037	16,766	14,561
20 Customer Deposits	680	2,055	3,485	4,361	4,111
21 Current Maturities - Long-Term Debt	140,268	133,447	164,736	200,540	190,825
22 Current Deferred Income Taxes					
23 Other Current Liabilities	327,133	(38,109)	(97,334)	59,473	568,039
24 Total Current Liabilities	1,161,402	1,009,292	928,929	1,136,807	1,328,251
LONG-TERM DEBT					
25 Long-Term Debt	182,621	322,906	456,362	621,098	821,643
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,033,362	1,101,569	1,114,803	1,055,341	1,095,146
28 Other Deferred Credits	452,453	632,665	1,012,262	1,389,249	1,608,125
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	412,000	349,000	385,000	215,000	238,000
31 Total Other Liab. and Def. Credits	1,897,815	2,083,234	2,512,065	2,659,590	2,941,271
STOCKHOLDER'S EQUITY					
32 Common Stock	62,100	62,100	62,100	62,100	62,100
33 Preferred Stock	130,000	130,000	130,000	130,000	130,000
34 Other Paid in Capital	994	9,834	(11,832)	22,502	18,577
35 Retained Earnings	5,501,850	5,955,123	6,361,984	5,999,288	6,356,103
36 Total Stockholder's Equity	5,694,944	6,157,057	6,542,252	6,213,890	6,566,780
37 Total Liab. and Stockholder's Equity	\$8,936,782	\$9,572,489	\$10,439,608	\$10,631,385	\$11,657,945

Chazy & Westport Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$908,165	\$808,304	\$838,183	\$850,846	\$991,676	1
Network Access Services	1,353,941	1,495,528	1,581,152	1,655,074	1,680,438	2
Long Distance Network Services	39,275	42,420	23,605	30,128	31,377	3
Miscellaneous Revenues	308,532	527,103	516,186	424,289	277,114	4
Less: Uncollectible Revenues	5,748	4,150	10,275	8,611	452	5
Total Operating Revenues	2,604,165	2,869,205	2,948,851	2,951,726	2,980,153	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	7,827	9,226	11,261	11,183	10,115	7
General Support Expenses	96,213	93,461	100,568	106,406	100,114	8
Central Office Switching	203,822	206,718	191,309	201,688	203,186	9
Operator Systems Expense						10
Central Office Transmission	8,210	1,802	4,721	6,357	7,150	11
Info. Origination/Termination						12
Cable & Wire Facilities	254,760	258,441	361,286	309,814	309,159	13
Total Plant Specific Operations	570,832	569,648	669,145	635,448	629,724	14
Other Plant, Property & Equipment						15
Network Operations	127,657	92,917	80,791	68,906	72,218	16
Access Expense	56,147	58,926	54,519	37,798	37,173	17
Depreciation and Amortization	664,108	662,117	651,777	654,875	669,185	18
Total Plant Non-Specific Operations	847,912	813,960	787,087	761,579	778,576	19
Marketing Expense	34,461	55,402	50,597	33,499	34,475	20
Services Expense	223,544	231,083	264,877	282,160	315,319	21
Total Customer Operations	258,005	286,485	315,474	315,659	349,794	22
Executive & Planning	299,446	321,995	331,780	346,419	402,573	23
General & Administrative	512,780	493,569	621,443	454,700	555,160	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	812,226	815,564	953,223	801,119	957,733	27
Total Operations Expense	2,488,975	2,485,657	2,724,929	2,513,805	2,715,827	28
Other Operating Income & Expenses	172	787	762	402	800	29
State & Local Income Taxes						30
Other Taxes	141,410	152,487	155,134	160,113	203,986	31
Net Operating Income Before FIT	(26,048)	231,848	69,550	278,210	61,140	32
Investment Tax Credits - Net						33
Federal Income Taxes	18,303	(47,527)	(115,923)	23,843	77,175	34
Provision - Def. Operating Income Taxes - Net	(23,411)	116,913	147,100	40,412	(400,577)	35
Net Operating Income	(\$20,940)	\$162,462	\$38,373	\$213,955	\$384,542	36

Chazy & Westport Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$20,940)	\$162,462	\$38,373	\$213,955	\$384,542
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	481	1,261	1,853	3,255	4,185
39 Interest Income	3,954	884	570	16,548	25,768
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(410,448)	(472,409)	402,374	(495,557)	(595,833)
44 Other Non-Operating Income	17,032	(11,451)	2,400	30,783	487,626
45 Special Charges	3,261	42,289	13,585	11,887	12,314
46 Total Non-Operating Income & Expenses	(392,242)	(524,004)	393,612	(456,858)	(90,568)
NON-OPERATING TAXES					
47 Federal Income Taxes	5,270	(8,639)	(8,689)	11,088	460,968
48 Other					
49 Total Non-Operating Taxes	5,270	(8,639)	(8,689)	11,088	460,968
50 Income Available Before Interest Charges	(418,452)	(352,903)	440,674	(253,991)	(166,994)
INTEREST CHARGES					
51 Interest on Funded Debt	19,864	26,761	36,466	46,197	55,974
52 Other Interest Expense	8,457	20,697	35,012	50,127	44,344
53 Total Interest Charges	28,321	47,458	71,478	96,324	100,318
54 Income Before Extraordinary & Nonreg Items	(446,773)	(400,361)	369,196	(350,315)	(267,312)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$446,773)	(\$400,361)	\$369,196	(\$350,315)	(\$267,312)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,749,570	\$6,684,022	\$6,723,700	\$6,584,958	\$6,262,937
60 Transferred from Income	(36,325)	72,048	(33,178)	145,242	328,521
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	6,500	6,500	6,500	6,500	6,500
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	6,706,745	6,749,570	6,684,022	6,723,700	6,584,958
66 Appropriated/Undistr Affiliate Retained Earnings	(1,204,895)	(794,447)	(322,038)	(724,412)	(228,855)
67 Total Retained Earnings	\$5,501,850	\$5,955,123	\$6,361,984	\$5,999,288	\$6,356,103

Citizens Telephone Company of Hammond, N. Y., Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$113,496	\$168,716	\$183,372	\$266,635	\$631,881
2 Accounts Receivable (Net)	1,122,839	1,431,543	1,307,947	1,280,142	1,009,617
3 Current Deferred Income Taxes					
4 Other Current Assets	180,376	178,985	189,162	229,888	356,390
5 Total Current Assets	1,416,711	1,779,244	1,680,482	1,776,665	1,997,887
NON-CURRENT ASSETS					
6 Investments	5,706,852	5,280,425	4,867,074	4,703,415	4,588,743
7 Unamortized Debt Issuance Costs	57,371	62,178	66,985	71,793	75,420
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,274,531	1,227,805	1,116,178	958,202	835,987
11 Other Non-Current Assets			233,077	245,344	
12 Total Non-Current Assets	7,038,754	6,570,408	6,283,315	5,978,754	5,500,150
REGULATED PLANT					
13 Total Telecommunications Plant	9,306,939	8,907,927	8,626,657	9,287,377	10,276,429
14 Less: Accumulated Depr and Amort.	5,308,379	4,813,494	4,534,233	5,026,316	6,046,415
15 Net Regulated Plant	3,998,560	4,094,433	4,092,423	4,261,061	4,230,014
16 Total Assets & Other Debits	\$12,454,024	\$12,444,085	\$12,056,220	\$12,016,480	\$11,728,051
CURRENT LIABILITIES					
17 Accounts Payable	\$99,532	\$138,213	\$199,367	\$373,829	\$494,643
18 Notes Payable	18,213	124,209	124,642		
19 Advanced Billings	678	17,555	15,864	14,540	14,934
20 Customer Deposits	3,435	3,610	2,754	2,238	2,229
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(175,947)	(238,353)	(285,083)	(262,742)	357,773
24 Total Current Liabilities	(54,089)	45,233	57,544	127,865	869,579
LONG-TERM DEBT					
25 Long-Term Debt	3,182,227	3,399,939	3,222,938	3,250,063	2,645,159
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	412,835	408,160	571,541	545,993	449,349
28 Other Deferred Credits	1,249,755	1,261,177	1,257,660	1,280,358	1,204,576
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	2,299,555	2,092,480	1,746,745	1,639,820	1,325,936
31 Total Other Liab. and Def. Credits	3,962,145	3,761,817	3,575,946	3,466,171	2,979,861
STOCKHOLDER'S EQUITY					
32 Common Stock	42,000	42,000	42,000	42,000	42,000
33 Preferred Stock	23,000	23,000	23,000	23,000	23,000
34 Other Paid in Capital	(213,662)	(213,409)	(23,130)	(9,359)	(18,984)
35 Retained Earnings	5,512,403	5,385,505	5,157,922	5,116,741	5,187,436
36 Total Stockholder's Equity	5,363,741	5,237,096	5,199,792	5,172,382	5,233,452
37 Total Liab. and Stockholder's Equity	\$12,454,024	\$12,444,085	\$12,056,220	\$12,016,480	\$11,728,051

Citizens Telephone Company Of Hammond, N. Y., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$228,957	\$238,376	\$216,047	\$188,739	\$191,946	1
Network Access Services	1,513,418	1,731,528	1,938,080	2,174,427	2,337,694	2
Long Distance Network Services						3
Miscellaneous Revenues	98,080	135,773	191,976	179,337	251,657	4
Less: Uncollectible Revenues		17,655	3,393	6,804	4,000	5
Total Operating Revenues	1,840,455	2,088,021	2,342,709	2,535,700	2,777,297	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	581	1,484	185	1,023	12,040	7
General Support Expenses	149,561	140,093	181,412	172,168	164,790	8
Central Office Switching	119,702	117,926	115,572	134,532	95,398	9
Operator Systems Expense						10
Central Office Transmission	94,055	102,581	130,013	184,740	132,030	11
Info. Origination/Termination	4,850	31,106	71,066	70,219	111,708	12
Cable & Wire Facilities	86,966	81,135	94,022	107,791	90,334	13
Total Plant Specific Operations	455,715	474,324	592,271	670,473	606,299	14
Other Plant, Property & Equipment			194	880	904	15
Network Operations	100,921	121,952	198,800	311,362	281,884	16
Access Expense	56,372	42,833	37,814	32,589	38,045	17
Depreciation and Amortization	451,396	454,800	462,908	488,380	506,548	18
Total Plant Non-Specific Operations	608,689	619,585	699,716	833,211	827,380	19
Marketing Expense	12,792	38,734	43,875	15,334	2,194	20
Services Expense	177,591	164,662	165,063	157,343	151,647	21
Total Customer Operations	190,383	203,396	208,938	172,677	153,840	22
Executive & Planning	180,361	322,389	264,745	380,720	327,134	23
General & Administrative	424,251	529,983	420,925	436,751	484,020	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	604,611	852,372	685,670	817,471	811,154	27
Total Operations Expense	1,859,398	2,149,678	2,186,595	2,493,832	2,398,673	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	154,190	124,650	121,120	107,149	135,104	31
Net Operating Income Before FIT	(173,133)	(186,306)	34,994	(65,281)	243,519	32
Investment Tax Credits - Net						33
Federal Income Taxes	(28,277)	(23,696)	(52,214)	(105,975)	264,234	34
Provision - Def. Operating Income Taxes - Net	(53,915)	(110,334)	1,275	(7,344)	(270,598)	35
Net Operating Income	(\$90,941)	(\$52,277)	\$85,933	\$48,038	\$249,884	36

Citizens Telephone Company Of Hammond, N. Y., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$90,941)	(\$52,277)	\$85,933	\$48,038	\$249,884
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	1,262	1,334	2,036	73,953	2,600
39 Interest Income	11,824	17,588	1,876	21,806	31,373
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	372,462	377,303	298,936	153,934	226,115
44 Other Non-Operating Income	42,890	31,544	43,331	38,793	512,565
45 Special Charges	21,172	24,112	25,498	31,324	83,183
46 Total Non-Operating Income & Expenses	407,267	403,657	320,680	257,163	689,470
NON-OPERATING TAXES					
47 Federal Income Taxes	11,864	7,635	9,148	(3,706)	185,822
48 Other					13,888
49 Total Non-Operating Taxes	11,864	7,635	9,148	(3,706)	199,710
50 Income Available Before Interest Charges	304,462	343,745	397,465	308,907	739,644
INTEREST CHARGES					
51 Interest on Funded Debt	147,461	153,643	146,627	142,411	208,504
52 Other Interest Expense	30,102	30,528	93,047	132,194	99,163
53 Total Interest Charges	177,564	184,171	239,674	274,605	307,667
54 Income Before Extraordinary & Nonreg Items	126,898	159,574	157,791	34,302	431,977
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$126,898	\$159,574	\$157,791	\$34,302	\$431,977

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,707,343	\$2,931,385	\$3,076,530	\$3,301,159	\$3,226,524
60 Transferred from Income	(245,564)	(217,728)	(141,145)	(119,629)	205,862
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			4,000	105,000	117,350
64 Adjustments		(6,314)			(13,877)
65 Ending Year Balance	2,461,780	2,707,343	2,931,385	3,076,530	3,301,159
66 Appropriated/Undistr Affiliate Retained Earnings	3,050,623	2,678,162	2,226,537	2,040,211	1,886,276
67 Total Retained Earnings	\$5,512,403	\$5,385,505	\$5,157,922	\$5,116,741	\$5,187,436

Citizens Telecommunications Co. of New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$43,783)	(\$340,535)	\$222,711	(\$459,460)	(\$336,353)
2 Accounts Receivable (Net)	45,784,963	48,208,798	51,438,832	55,456,335	55,823,061
3 Current Deferred Income Taxes					
4 Other Current Assets	189,809	206,468	145,834	170,341	794,258
5 Total Current Assets	45,930,988	48,074,730	51,807,377	55,167,216	56,280,965
NON-CURRENT ASSETS					
6 Investments	(191,013,924)	(9,485,289)	49,707,378	23,768,275	181,733
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	(273)	(273)	(273)	(272)	272
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	(191,014,197)	(9,485,561)	49,707,105	23,768,003	182,005
REGULATED PLANT					
13 Total Telecommunications Plant	1,149,821,862	1,130,417,135	1,112,226,721	1,093,941,478	1,072,072,204
14 Less: Accumulated Depr and Amort.	852,975,688	811,820,320	772,302,675	729,927,311	674,970,125
15 Net Regulated Plant	296,846,174	318,596,815	339,924,046	364,014,166	397,102,079
16 Total Assets & Other Debits	\$151,762,966	\$357,185,984	\$441,438,528	\$442,949,385	\$453,565,049
CURRENT LIABILITIES					
17 Accounts Payable	26,095,176	\$24,568,387	\$27,104,192	\$27,068,974	\$26,932,459
18 Notes Payable					
19 Advanced Billings	5,719,758	5,685,693	5,585,884	5,481,313	6,876,667
20 Customer Deposits	537	1,326	(45,609)	(41,013)	(45,634)
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	3,387,986	2,618,047	1,003,343	656,770	645,750
24 Total Current Liabilities	35,203,457	32,873,453	33,647,809	33,166,044	34,409,242
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	88,029,223	83,981,515	78,617,888	77,332,883	76,882,873
28 Other Deferred Credits	12,947,091	12,138,498	12,637,181	13,277,822	13,081,722
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	100,976,314	96,120,014	91,255,069	90,610,705	89,964,595
STOCKHOLDER'S EQUITY					
32 Common Stock	1,000	1,000	1,000	1,000	1,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	15,582,195	228,191,518	316,534,650	319,171,636	329,190,212
36 Total Stockholder's Equity	15,583,195	228,192,518	316,535,650	319,172,636	329,191,212
37 Total Liab. and Stockholder's Equity	\$151,762,966	\$357,185,984	\$441,438,528	\$442,949,385	\$453,565,049

Citizens Telecommunications Co. of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$65,157,082	\$70,604,566	\$75,647,441	\$79,879,509	\$83,627,655	1
Network Access Services	87,642,700	98,342,953	103,808,177	115,702,130	123,465,712	2
Long Distance Network Services	(279)	(1,225)	(187)	(1,234)	23,830	3
Miscellaneous Revenues	55,223,661	55,310,576	57,020,390	54,868,078	50,102,105	4
Less: Uncollectible Revenues	2,844,290	4,015,728	3,399,801	3,570,242	2,572,319	5
Total Operating Revenues	205,178,874	220,241,142	233,076,020	246,878,241	254,646,983	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	246,869	274	3,050	114,040	70	7
General Support Expenses	9,180,239	9,293,831	9,642,927	8,509,642	9,647,177	8
Central Office Switching	4,808,606	5,340,714	5,489,499	5,459,255	5,576,544	9
Operator Systems Expense	137,974	104,852	75,603	70,763	84,272	10
Central Office Transmission	1,894,671	1,551,583	1,524,627	1,354,382	1,764,539	11
Info. Origination/Termination	6,874,290	7,586,948	7,627,496	8,997,864	8,770,477	12
Cable & Wire Facilities	13,763,790	13,493,068	13,179,094	13,050,063	12,513,541	13
Total Plant Specific Operations	36,906,438	37,371,272	37,542,296	37,556,010	38,356,620	14
Other Plant, Property & Equipment	81	2,952	5,511	114	(3,461)	15
Network Operations	12,965,097	11,937,482	12,338,571	11,901,558	13,082,148	16
Access Expense	3,410,336	2,925,071	3,335,015	3,566,861	4,948,370	17
Depreciation and Amortization	39,334,183	38,865,922	44,313,834	52,523,570	51,662,661	18
Total Plant Non-Specific Operations	55,709,696	53,731,427	59,992,931	67,992,103	69,689,718	19
Marketing Expense	6,370,452	5,890,245	5,169,752	4,928,176	4,947,708	20
Services Expense	10,422,336	9,611,905	8,590,711	9,369,908	10,327,717	21
Total Customer Operations	16,792,788	15,502,150	13,760,463	14,298,084	15,275,425	22
Executive & Planning	3,947,146	2,188,101	1,568,990	2,130,842	2,396,019	23
General & Administrative	19,322,816	12,411,503	11,520,889	7,847,813	12,874,622	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	23,269,961	14,599,604	13,089,879	9,978,655	15,270,640	27
Total Operations Expense	132,678,883	121,204,454	124,385,569	129,824,852	138,592,403	28
Other Operating Income & Expenses						29
State & Local Income Taxes					4,814,704	30
Other Taxes	10,569,920	12,843,386	14,296,918	12,402,373	13,620,315	31
Net Operating Income Before FIT	61,930,071	86,193,302	94,393,534	104,651,015	97,619,561	32
Investment Tax Credits - Net						33
Federal Income Taxes	16,146,331	16,110,067	20,118,945	27,925,867	34,012,116	34
Provision - Def. Operating Income Taxes - Net	(4,432,530)	5,017,032	4,047,714	1,384,645	154,730	35
Net Operating Income	\$50,216,270	\$65,066,203	\$70,226,875	\$75,340,503	\$63,452,715	36

Citizens Telecommunications Co. of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$50,216,270	\$65,066,203	\$70,226,875	\$75,340,503	\$63,452,715
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	222,854	277,840	396,990	222,445	193,844
42 Gains/Losses - Disposal of Property			18,750	7,028	96,607
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(5,849,773)	(5,849,773)	(5,849,531)	(5,849,773)	(5,804,389)
45 Special Charges	116,904	45,944	100,309	42,085	1,543,723
46 Total Non-Operating Income & Expenses	(5,743,823)	(5,617,877)	(5,534,100)	(5,662,386)	(7,057,660)
NON-OPERATING TAXES					
47 Federal Income Taxes	7,081,653	7,791,409	7,329,536	4,686,248	(1,812,598)
48 Other					
49 Total Non-Operating Taxes	7,081,653	7,791,409	7,329,536	4,686,248	(1,812,598)
50 Income Available Before Interest Charges	37,390,794	51,656,917	57,363,239	64,991,869	58,207,652
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	115	49	225	10,446	3,112
53 Total Interest Charges	115	49	225	10,446	3,112
54 Income Before Extraordinary & Nonreg Items	37,390,679	51,656,868	57,363,014	64,981,423	58,204,540
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	28,228,259	25,829,921	25,345,935	20,906,695	
57 Total Extraordinary & Nonregulated Items	28,228,259	25,829,921	25,345,935	20,906,695	
58 Net Income	\$65,618,938	\$77,486,789	\$82,708,949	\$85,888,118	\$58,204,540

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$228,191,518	\$316,534,650	\$319,171,636	\$329,190,212	\$270,985,666
60 Transferred from Income	37,390,680	51,656,868	57,363,014	64,981,423	58,204,546
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	250,000,000	140,000,000	60,000,000	75,000,000	
64 Adjustments					
65 Ending Year Balance	15,582,198	228,191,518	316,534,650	319,171,636	329,190,212
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$15,582,198	\$228,191,518	\$316,534,650	\$319,171,636	\$329,190,212

Crown Point Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$102,638	\$98,230	\$142,995	\$221,030	\$451,870
2 Accounts Receivable (Net)	271,542	243,661	278,929	250,546	277,162
3 Current Deferred Income Taxes					
4 Other Current Assets	172,828	190,364	230,120	178,025	200,869
5 Total Current Assets	547,008	532,256	652,043	649,601	929,901
NON-CURRENT ASSETS					
6 Investments	178,795	153,052	185,856	357,622	552,642
7 Unamortized Debt Issuance Costs	2,599	3,034	3,470	3,905	4,341
8 Deferred Charges				7,118	14,235
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	537,260	579,580	534,390	551,415	499,193
11 Other Non-Current Assets					
12 Total Non-Current Assets	718,653	735,666	723,715	920,060	1,070,411
REGULATED PLANT					
13 Total Telecommunications Plant	7,075,526	7,052,722	6,925,292	7,090,646	6,995,763
14 Less: Accumulated Depr and Amort.	4,484,663	4,193,212	3,919,591	3,811,220	3,592,390
15 Net Regulated Plant	2,590,863	2,859,510	3,005,701	3,279,427	3,403,373
16 Total Assets & Other Debits	\$3,856,525	\$4,127,431	\$4,381,459	\$4,849,087	\$5,403,686
CURRENT LIABILITIES					
17 Accounts Payable	\$354,071	\$325,706	\$176,996	\$118,722	\$60,542
18 Notes Payable	10,495	11,036	11,669	29,972	62,041
19 Advanced Billings	4,400	4,400	4,400	4,400	4,400
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	74,070	3,095	2,513	4,337	169,941
24 Total Current Liabilities	443,035	344,236	195,578	157,430	296,924
LONG-TERM DEBT					
25 Long-Term Debt	3,069,017	3,226,266	3,387,032	3,540,007	3,685,523
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	445,588	480,057	508,425	543,896	512,180
28 Other Deferred Credits			1	5,790	11,566
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	445,588	480,057	508,426	549,686	523,746
STOCKHOLDER'S EQUITY					
32 Common Stock	24,300	24,300	24,300	24,300	24,300
33 Preferred Stock					
34 Other Paid in Capital	38,594	29,158	23,383	44,124	4,863
35 Retained Earnings	(164,011)	23,414	242,740	533,540	868,330
36 Total Stockholder's Equity	(101,117)	76,872	290,423	601,964	897,493
37 Total Liab. and Stockholder's Equity	\$3,856,523	\$4,127,431	\$4,381,459	\$4,849,087	\$5,403,686

Crown Point Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$262,754	\$262,493	\$222,565	\$272,122	\$283,501	1
Network Access Services	979,498	914,400	1,265,206	1,287,337	1,304,166	2
Long Distance Network Services	236,063	160,140	189,833	193,664	224,796	3
Miscellaneous Revenues	60,959	85,437	74,932	57,360	43,362	4
Less: Uncollectible Revenues	3,000	6,600	3,000	6,600	3,000	5
Total Operating Revenues	1,536,275	1,415,870	1,749,536	1,803,883	1,852,826	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,018	3,365	7,905	6,042	8,810	7
General Support Expenses	45,001	55,631	64,716	105,091	97,744	8
Central Office Switching	104,322	116,631	110,594	137,053	100,150	9
Operator Systems Expense						10
Central Office Transmission	84,770	63,393		19,853	21,982	11
Info. Origination/Termination	15,513	11,307	12,286	1,605	955	12
Cable & Wire Facilities	209,868	176,179	230,788	272,100	342,999	13
Total Plant Specific Operations	461,493	426,507	426,288	541,742	572,639	14
Other Plant, Property & Equipment						15
Network Operations	78,190	61,246	28,546	102,682	100,375	16
Access Expense	30,083	29,099	12,462	15,413	25,268	17
Depreciation and Amortization	299,899	291,226	292,991	250,138	243,880	18
Total Plant Non-Specific Operations	408,172	381,571	333,999	368,234	369,523	19
Marketing Expense	8,546	9,737	77,235	8,161	8,059	20
Services Expense	139,205	201,837	181,096	165,726	178,862	21
Total Customer Operations	147,751	211,574	258,331	173,887	186,921	22
Executive & Planning	232,096	190,481	238,338	130,256	134,010	23
General & Administrative	242,936	283,329	319,997	440,502	489,902	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	475,032	473,810	558,336	570,758	623,912	27
Total Operations Expense	1,492,447	1,493,462	1,576,954	1,654,621	1,752,994	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	69,237	72,289	94,215	103,477	111,019	31
Net Operating Income Before FIT	(25,409)	(149,881)	78,367	45,784	(11,187)	32
Investment Tax Credits - Net						33
Federal Income Taxes			2,233	924	222,725	34
Provision - Def. Operating Income Taxes - Net	3,006	(71,421)	(7,761)	(40,731)	(296,320)	35
Net Operating Income	(\$28,415)	(\$78,460)	\$83,895	\$85,591	\$62,408	36

Crown Point Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$28,415)	(\$78,460)	\$83,895	\$85,591	\$62,408
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	5,088				
39 Interest Income	11		239	4,232	237
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	11,446	(41,555)	(178,528)	(220,663)	(218,405)
44 Other Non-Operating Income		29	12	3,259	629,000
45 Special Charges	9,603	(70,071)	14,891	17,763	672,865
46 Total Non-Operating Income & Expenses	6,942	28,545	(193,168)	(230,935)	(262,034)
NON-OPERATING TAXES					
47 Federal Income Taxes	(16)	(5,113)	(2,233)	(924)	(12,265)
48 Other					
49 Total Non-Operating Taxes	(16)	(5,113)	(2,233)	(924)	(12,265)
50 Income Available Before Interest Charges	(21,457)	(44,802)	(107,039)	(144,420)	(187,361)
INTEREST CHARGES					
51 Interest on Funded Debt	162,741	171,467	179,469	189,876	199,694
52 Other Interest Expense	3,227	3,058	4,292	494	316
53 Total Interest Charges	165,968	174,525	183,761	190,370	200,010
54 Income Before Extraordinary & Nonreg Items	(187,425)	(219,326)	(290,800)	(334,790)	(387,371)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$187,425)	(\$219,326)	(\$290,800)	(\$334,790)	(\$387,371)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,127,806	\$4,305,577	\$4,417,849	\$4,531,976	\$4,700,942
60 Transferred from Income	(198,871)	(177,771)	(112,272)	(114,127)	(168,966)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments				(1)	
65 Ending Year Balance	3,928,935	4,127,806	4,305,577	4,417,849	4,531,976
66 Appropriated/Undistr Affiliate Retained Earnings	(4,092,946)	(4,104,392)	(4,062,836)	(3,884,309)	(3,663,646)
67 Total Retained Earnings	(\$164,011)	\$23,414	\$242,740	\$533,540	\$868,330

Delhi Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$960,142	\$2,609,211	\$3,953,902	\$3,259,823	\$4,314,475
2 Accounts Receivable (Net)	1,278,360	1,560,652	1,290,280	1,377,574	1,558,425
3 Current Deferred Income Taxes	6,078	5,252	4,360	3,523	2,751
4 Other Current Assets	380,987	257,979	296,706	185,089	193,760
5 Total Current Assets	2,625,567	4,433,094	5,545,248	4,826,009	6,069,410
NON-CURRENT ASSETS					
6 Investments	699,668	632,665	622,768	604,976	651,046
7 Unamortized Debt Issuance Costs	984	1,722	2,460	3,198	3,936
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,103,999	791,252	833,346	769,849	793,346
11 Other Non-Current Assets	335,257	311,883	288,533	338,097	292,392
12 Total Non-Current Assets	2,139,908	1,737,522	1,747,107	1,716,120	1,740,721
REGULATED PLANT					
13 Total Telecommunications Plant	17,729,715	16,315,770	15,374,007	14,169,524	13,153,512
14 Less: Accumulated Depr and Amort.	8,996,691	8,833,557	8,423,174	8,067,525	7,501,545
15 Net Regulated Plant	8,733,024	7,482,213	6,950,833	6,101,999	5,651,967
16 Total Assets & Other Debits	\$13,498,500	\$13,652,829	\$14,243,187	\$12,644,128	\$13,462,098
CURRENT LIABILITIES					
17 Accounts Payable	\$146,086	\$367,624	1,221,368	140,967	598,092
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	168,328	192,312	22,800	200,841	366,726
24 Total Current Liabilities	314,414	559,936	1,244,168	341,808	964,818
LONG-TERM DEBT					
25 Long-Term Debt	315,529	504,479	679,981	842,829	994,030
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,550,511	1,142,937	964,861	709,704	757,352
28 Other Deferred Credits	1,338,328	1,491,675	1,623,459	1,731,476	1,775,879
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	802,403	792,106	789,564	467,217	492,368
31 Total Other Liab. and Def. Credits	3,691,242	3,426,718	3,377,884	2,908,397	3,025,599
STOCKHOLDER'S EQUITY					
32 Common Stock	110,000	110,000	110,000	110,000	110,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	9,067,315	9,051,696	8,831,155	8,441,094	8,367,651
36 Total Stockholder's Equity	9,177,315	9,161,696	8,941,155	8,551,094	8,477,651
37 Total Liab. and Stockholder's Equity	\$13,498,500	\$13,652,829	\$14,243,187	\$12,644,128	\$13,462,098

Delhi Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$869,519	\$821,714	\$818,758	\$864,799	\$972,861	1
Network Access Services	2,427,266	2,538,140	2,615,096	2,380,807	2,405,024	2
Long Distance Network Services	2,338	2,402	2,838	4,135	5,383	3
Miscellaneous Revenues	279,347	302,552	368,707	426,945	439,723	4
Less: Uncollectible Revenues	4,999	4,802	34,288	7,025	3,500	5
Total Operating Revenues	3,573,471	3,660,006	3,771,111	3,669,661	3,819,491	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,570	3,094	1,352	2,528	92	7
General Support Expenses	166,962	164,704	206,818	225,782	207,133	8
Central Office Switching	142,490	163,450	167,561	164,176	173,627	9
Operator Systems Expense						10
Central Office Transmission	82,015	63,127	121,664	83,011	61,284	11
Info. Origination/Termination	28,332	13,937	22,838	23,905	26,355	12
Cable & Wire Facilities	233,542	231,422	233,661	256,294	245,279	13
Total Plant Specific Operations	654,912	639,735	753,895	755,697	713,769	14
Other Plant, Property & Equipment	16,655	47,391	(42,454)	2,211	(198)	15
Network Operations	523,878	453,592	483,374	461,169	338,251	16
Access Expense	67,696	66,457	54,019	51,200	62,817	17
Depreciation and Amortization	791,281	641,075	732,581	741,306	681,327	18
Total Plant Non-Specific Operations	1,399,510	1,208,515	1,227,520	1,255,885	1,082,196	19
Marketing Expense	34,044	26,562	26,120	40,099	24,658	20
Services Expense	427,100	431,357	438,946	427,420	467,540	21
Total Customer Operations	461,144	457,918	465,066	467,519	492,198	22
Executive & Planning	216,519	167,894	206,292	255,073	379,303	23
General & Administrative	466,767	414,720	753,329	530,630	593,180	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	683,285	582,614	959,621	785,703	972,482	27
Total Operations Expense	3,198,852	2,888,782	3,406,101	3,264,804	3,260,646	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	217,647	207,138	190,287	206,769	213,259	31
Net Operating Income Before FIT	156,972	564,086	174,722	198,088	345,586	32
Investment Tax Credits - Net						33
Federal Income Taxes	(5,036)	(17,389)	(131,578)	68,316	126,608	34
Provision - Def. Operating Income Taxes - Net	77,570	219,278	190,824	(24,759)	(48,832)	35
Net Operating Income	\$84,437	\$362,197	\$115,476	\$154,531	\$267,810	36

Delhi Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$84,437	\$362,197	\$115,476	\$154,531	\$267,810
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income				113,734	6
39 Interest Income	3,081	11,001	111,779	106,173	158,747
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	67,004	9,897	17,792	(46,070)	82,754
44 Other Non-Operating Income	129		333,439	13,318	728,806
45 Special Charges	1,625	4,760	4,309	10,205	19,931
46 Total Non-Operating Income & Expenses	68,589	16,138	458,701	176,950	950,382
NON-OPERATING TAXES					
47 Federal Income Taxes	15,221	703	7,203	45,116	246,908
48 Other					70,063
49 Total Non-Operating Taxes	15,221	703	7,203	45,116	316,971
50 Income Available Before Interest Charges	137,806	377,632	566,974	286,365	901,221
INTEREST CHARGES					
51 Interest on Funded Debt	31,174	44,709	57,443	69,164	80,185
52 Other Interest Expense	(47,587)	(26,217)	(19,131)	5,158	29,290
53 Total Interest Charges	(16,413)	18,492	38,312	74,322	109,475
54 Income Before Extraordinary & Nonreg Items	154,219	359,140	528,662	212,043	791,746
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$154,219	\$359,140	\$528,662	\$212,043	\$791,746
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,958,979	\$10,748,336	\$10,376,067	\$10,256,554	\$9,686,162
60 Transferred from Income	87,215	349,243	510,869	258,113	708,992
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	138,600	138,600	138,600	138,600	138,600
64 Adjustments					
65 Ending Year Balance	10,907,595	10,958,979	10,748,336	10,376,067	10,256,554
66 Appropriated/Undistr Affiliate Retained Earnings	(1,840,278)	(1,907,283)	(1,917,181)	(1,934,973)	(1,888,903)
67 Total Retained Earnings	\$9,067,315	\$9,051,696	\$8,831,155	\$8,441,094	\$8,367,651

Deposit Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,732,959	\$1,908,693	\$1,394,860	\$1,064,181	\$137,964
2 Accounts Receivable (Net)	1,103,992	1,287,736	1,063,908	1,209,294	1,332,115
3 Current Deferred Income Taxes					
4 Other Current Assets	99,383	169,816	129,995	342,281	320,875
5 Total Current Assets	2,936,334	3,366,245	2,588,763	2,615,756	1,790,954
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	100	100	100	200	
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	100	100	100	200	
REGULATED PLANT					
13 Total Telecommunications Plant	23,605,651	23,745,094	23,814,334	23,283,252	22,610,802
14 Less: Accumulated Depr and Amort.	16,131,593	16,334,925	15,726,378	14,780,352	13,841,774
15 Net Regulated Plant	7,474,058	7,410,168	8,087,956	8,502,900	8,769,028
16 Total Assets & Other Debits	\$10,410,492	\$10,776,514	\$10,676,819	\$11,118,856	\$10,559,982
CURRENT LIABILITIES					
17 Accounts Payable	\$701,282	\$789,437	\$612,539	\$843,210	766,919
18 Notes Payable					
19 Advanced Billings	209,718	228,497	212,287	223,762	154,486
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	6,072	14,846	17,475	7,659	
22 Current Deferred Income Taxes	(12,082)	(30,422)	(13,774)	(14,976)	(7,700)
23 Other Current Liabilities	145,532	221,760	177,656	144,956	170,309
24 Total Current Liabilities	1,050,522	1,224,118	1,006,183	1,204,611	1,084,014
LONG-TERM DEBT					
25 Long-Term Debt	262	6,334	17,772	4,201	11,860
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,524,469	1,414,311	1,419,096	1,468,214	1,617,982
28 Other Deferred Credits	440,954	553,538	666,122	778,706	891,290
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(16,412)	(20,391)	112,540	134,518	176,783
31 Total Other Liab. and Def. Credits	1,949,011	1,947,458	2,197,758	2,381,438	2,686,055
STOCKHOLDER'S EQUITY					
32 Common Stock	322,250	322,250	322,250	322,250	322,250
33 Preferred Stock					
34 Other Paid in Capital	578,183	579,159	493,662	484,753	(26,818)
35 Retained Earnings	6,510,264	6,697,195	6,639,194	6,721,603	6,482,621
36 Total Stockholder's Equity	7,410,697	7,598,604	7,455,106	7,528,606	6,778,053
37 Total Liab. and Stockholder's Equity	\$10,410,492	\$10,776,514	\$10,676,819	\$11,118,856	\$10,559,982

Deposit Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,693,248	\$1,812,188	\$1,952,125	\$2,153,804	\$2,139,268	1
Network Access Services	2,180,745	2,721,622	2,803,728	3,091,417	3,119,434	2
Long Distance Network Services	60	(31)	457	454	502	3
Miscellaneous Revenues	1,662,878	1,522,422	1,390,939	1,079,634	1,011,013	4
Less: Uncollectible Revenues	35,235	59,953	34,765	73,816	22,916	5
Total Operating Revenues	5,501,696	5,996,248	6,112,484	6,251,493	6,247,301	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,249	27,958	22,135	26,958	31,218	7
General Support Expenses	303,678	263,894	38,739	40,279	45,795	8
Central Office Switching	146,809	164,018	174,033	208,690	232,325	9
Operator Systems Expense						10
Central Office Transmission	278,574	335,946	428,271	356,460	302,945	11
Info. Origination/Termination	437,409	327,525	374,206	367,223	400,674	12
Cable & Wire Facilities	610,748	499,072	512,439	408,424	387,724	13
Total Plant Specific Operations	1,789,467	1,618,413	1,549,823	1,408,034	1,400,681	14
Other Plant, Property & Equipment						15
Network Operations	555,926	721,275	694,889	709,092	713,051	16
Access Expense	176,874	166,842	164,301	184,921	150,401	17
Depreciation and Amortization	756,914	1,044,456	1,247,144	1,388,220	1,270,174	18
Total Plant Non-Specific Operations	1,489,714	1,932,573	2,106,334	2,282,233	2,133,626	19
Marketing Expense	360,065	372,459	378,139	371,770	397,005	20
Services Expense	335,555	475,083	513,692	546,025	625,284	21
Total Customer Operations	695,620	847,542	891,831	917,795	1,022,289	22
Executive & Planning	184,246	136,100	107,071	204,656	218,947	23
General & Administrative	992,932	929,949	972,475	1,043,634	1,082,220	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,177,178	1,066,049	1,079,546	1,248,290	1,301,167	27
Total Operations Expense	5,151,979	5,464,577	5,627,534	5,856,352	5,857,763	28
Other Operating Income & Expenses		3,482				29
State & Local Income Taxes	44					30
Other Taxes	195,720	195,708	260,476	185,664	226,678	31
Net Operating Income Before FIT	153,953	339,445	224,474	209,477	162,860	32
Investment Tax Credits - Net						33
Federal Income Taxes	(113,649)	149,824	94,748	145,581	85,962	34
Provision - Def. Operating Income Taxes - Net	130,299	(69,546)	(55,472)	(158,588)	(27,700)	35
Net Operating Income	\$137,303	\$259,167	\$185,198	\$222,484	\$104,598	36

Deposit Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$137,303	\$259,167	\$185,198	\$222,484	\$104,598
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	10,444	4,569	34,362	27,474	25,919
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(1,370)	(1,940)	(715)	2,170	(764)
45 Special Charges	506,769	1,889	2,404	2,658	5,918
46 Total Non-Operating Income & Expenses	(497,695)	740	31,243	26,986	19,237
NON-OPERATING TAXES					
47 Federal Income Taxes	(174,189)	323	10,891	9,420	6,644
48 Other					
49 Total Non-Operating Taxes	(174,189)	323	10,891	9,420	6,644
50 Income Available Before Interest Charges	(186,203)	259,584	205,550	240,050	117,191
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	728	1,582	1,960	1,068	434
53 Total Interest Charges	728	1,582	1,960	1,068	434
54 Income Before Extraordinary & Nonreg Items	(186,931)	258,002	203,590	238,982	116,757
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$186,931)	\$258,002	\$203,590	\$238,982	\$116,757

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,697,195	\$6,639,193	\$6,721,603	\$6,482,621	\$6,365,864
60 Transferred from Income	(186,931)	258,002	203,590	238,982	116,757
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		200,000	286,000		
64 Adjustments					
65 Ending Year Balance	6,510,264	6,697,195	6,639,193	6,721,603	6,482,621
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$6,510,264	\$6,697,195	\$6,639,194	\$6,721,603	\$6,482,621

Dunkirk & Fredonia Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$107,531	\$131,237	\$153,109	\$560,971	\$2,267,270
2 Accounts Receivable (Net)	640,204	190,699	314,173	390,784	389,765
3 Current Deferred Income Taxes	32,992	21,512	19,492	17,369	15,110
4 Other Current Assets	2,104,094	1,979,890	1,883,572	1,698,892	1,580,260
5 Total Current Assets	2,884,821	2,323,338	2,370,346	2,668,016	4,252,405
NON-CURRENT ASSETS					
6 Investments	3,633,024	3,299,010	2,978,339	2,804,325	2,801,877
7 Unamortized Debt Issuance Costs					3,669
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	836,001	812,801	807,840	781,745	768,504
11 Other Non-Current Assets	64,261	64,261	64,261	64,261	64,261
12 Total Non-Current Assets	4,533,286	4,176,072	3,850,440	3,650,331	3,638,311
REGULATED PLANT					
13 Total Telecommunications Plant	18,627,193	18,372,025	18,166,186	17,940,249	17,802,265
14 Less: Accumulated Depr and Amort.	15,075,916	14,747,133	14,147,299	13,594,045	12,479,874
15 Net Regulated Plant	3,551,277	3,624,892	4,018,887	4,346,204	5,322,391
16 Total Assets & Other Debits	\$10,969,384	\$10,124,302	\$10,239,673	\$10,664,551	\$13,213,107
CURRENT LIABILITIES					
17 Accounts Payable	\$253,779	\$141,148	\$312,934	\$135,529	266,662
18 Notes Payable	3,335,000	2,610,000	2,095,000	1,815,000	1,692,027
19 Advanced Billings	180,652	18,190	56,896	37,390	46,990
20 Customer Deposits	3,394	5,349	7,249	6,783	11,783
21 Current Maturities - Long-Term Debt	62,849	33,317	30,019	22,433	195,064
22 Current Deferred Income Taxes					2,495
23 Other Current Liabilities	(28,257)	137,063	440,416	537,500	688,571
24 Total Current Liabilities	3,807,417	2,945,067	2,942,514	2,554,635	2,903,592
LONG-TERM DEBT					
25 Long-Term Debt	144,429	81,964	115,345	120,972	1,545,384
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	992,778	921,915	881,753	220,316	406,023
28 Other Deferred Credits	255,127	249,664	243,725	237,480	230,836
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	497,287	537,246	669,219	2,604,649	2,538,612
31 Total Other Liab. and Def. Credits	1,745,192	1,708,825	1,794,697	3,062,445	3,175,471
STOCKHOLDER'S EQUITY					
32 Common Stock	619,975	619,975	619,975	619,975	619,975
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	4,652,371	4,768,471	4,767,142	4,306,524	4,968,685
36 Total Stockholder's Equity	5,272,346	5,388,446	5,387,117	4,926,499	5,588,660
37 Total Liab. and Stockholder's Equity	\$10,969,384	\$10,124,302	\$10,239,673	\$10,664,551	\$13,213,107

Dunkirk & Fredonia Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,962,382	\$2,030,312	\$2,042,005	\$2,085,575	\$2,140,353	1
Network Access Services	2,731,335	2,887,933	3,015,548	3,595,748	3,703,534	2
Long Distance Network Services	2,760	3,461	4,308	6,073	8,709	3
Miscellaneous Revenues	524,181	768,596	779,124	849,628	861,381	4
Less: Uncollectible Revenues	25,140	6,133	11,530	8,202	13,848	5
Total Operating Revenues	5,195,518	5,684,169	5,829,455	6,528,822	6,700,129	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	76,617	80,644	36,594	49,609	58,532	7
General Support Expenses	502,373	534,923	645,116	575,723	685,732	8
Central Office Switching	118,819	334,508	166,370	84,764	118,359	9
Operator Systems Expense						10
Central Office Transmission	139,895	72,660	304,099	211,639	216,203	11
Info. Origination/Termination						12
Cable & Wire Facilities	149,372	177,998	183,122	166,419	138,182	13
Total Plant Specific Operations	987,076	1,200,733	1,335,301	1,088,154	1,217,008	14
Other Plant, Property & Equipment	60,491	87,896	88,139	15,440	15,689	15
Network Operations	197,450	221,961	221,975	248,423	271,027	16
Access Expense	109,122	106,199	84,359	89,247	65,064	17
Depreciation and Amortization	669,988	709,013	775,534	1,293,672	1,254,787	18
Total Plant Non-Specific Operations	1,037,051	1,125,069	1,170,007	1,646,782	1,606,567	19
Marketing Expense	364,568	389,746	362,014	312,510	329,170	20
Services Expense	606,228	721,284	897,870	846,063	810,070	21
Total Customer Operations	970,796	1,111,030	1,259,884	1,158,573	1,139,240	22
Executive & Planning	1,319,746	1,197,820	1,784,607	1,790,529	1,809,106	23
General & Administrative	1,024,128	1,006,814	1,298,647	1,421,069	1,266,873	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,343,874	2,204,634	3,083,254	3,211,598	3,075,979	27
Total Operations Expense	5,338,797	5,641,466	6,848,446	7,105,107	7,038,794	28
Other Operating Income & Expenses	1,069	483	3,362	32,054	2,720	29
State & Local Income Taxes	(400)			530		30
Other Taxes	298,608	333,532	345,166	351,714	363,389	31
Net Operating Income Before FIT	(440,418)	(290,346)	(1,360,795)	(896,475)	(699,334)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(268,707)	(199,081)	(492,630)	(203,581)	(128,306)	34
Provision - Def. Operating Income Taxes - Net	36,183	33,182	(22,209)	(183,808)	(213,767)	35
Net Operating Income	(\$207,894)	(\$124,447)	(\$845,956)	(\$509,086)	(\$357,261)	36

Dunkirk & Fredonia Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$207,894)	(\$124,447)	(\$845,956)	(\$509,086)	(\$357,261)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	1			492	844
39 Interest Income	10,726	1	3,784	66,842	76,545
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	(4)	(47)	6,443	6,854	3,268
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	367,093	176,484	198,933	62,083	161,892
44 Other Non-Operating Income		(4,036)	(4,341)	(7,326)	(17,366)
45 Special Charges	48,497	28,226	43,390	26,629	17,109
46 Total Non-Operating Income & Expenses	329,319	144,176	161,429	102,316	208,074
NON-OPERATING TAXES					
47 Federal Income Taxes					(335,469)
48 Other					
49 Total Non-Operating Taxes					(335,469)
50 Income Available Before Interest Charges	121,425	19,729	(684,527)	(406,770)	186,282
INTEREST CHARGES					
51 Interest on Funded Debt				38,772	110,719
52 Other Interest Expense	179,442	141,642	29,800	195,038	171,209
53 Total Interest Charges	179,442	141,642	29,800	233,810	281,928
54 Income Before Extraordinary & Nonreg Items	(58,017)	(121,913)	(714,327)	(640,580)	(95,646)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items			(1,216,880)	18,821	621,836
56 Nonregulated Revenues	(58,083)	123,242	(41,935)	(35,559)	(43,246)
57 Total Extraordinary & Nonregulated Items	(58,083)	123,242	(1,258,815)	(16,738)	578,590
58 Net Income	(\$116,100)	\$1,329	(\$1,973,142)	(\$657,318)	\$482,944
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$424,305	\$599,460	\$337,775	\$1,062,019	\$736,416
60 Transferred from Income	(483,193)	(175,155)	261,685	(719,401)	321,052
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments				(4,843)	4,551
65 Ending Year Balance	(58,888)	424,305	599,460	337,775	1,062,019
66 Appropriated/Undistr Affiliate Retained Earnings	4,711,259	4,344,166	4,167,682	3,968,749	3,906,666
67 Total Retained Earnings	\$4,652,371	\$4,768,471	\$4,767,142	\$4,306,524	\$4,968,685

Edwards Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,997,362	\$1,999,537	\$1,571,150	\$1,572,980	\$1,082,726
2 Accounts Receivable (Net)	285,193	410,473	425,032	399,357	401,226
3 Current Deferred Income Taxes					
4 Other Current Assets	64,004	57,245	45,726	102,809	104,170
5 Total Current Assets	2,346,559	2,467,255	2,041,908	2,075,146	1,588,122
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets					
REGULATED PLANT					
13 Total Telecommunications Plant	10,922,943	10,710,287	10,570,252	10,925,922	10,949,455
14 Less: Accumulated Depr and Amort.	8,392,538	7,884,519	7,473,450	7,605,163	7,310,042
15 Net Regulated Plant	2,530,405	2,825,768	3,096,802	3,320,759	3,639,413
16 Total Assets & Other Debits	\$4,876,964	\$5,293,023	\$5,138,710	\$5,395,905	\$5,227,535
CURRENT LIABILITIES					
17 Accounts Payable	\$243,126	\$274,271	\$173,436	\$262,873	\$184,011
18 Notes Payable					
19 Advanced Billings	17,999	17,505	16,399	18,347	12,801
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	1,867	3,733	11,502	9,322	9,322
22 Current Deferred Income Taxes	(5,589)	(6,888)	(4,334)	(4,011)	(3,045)
23 Other Current Liabilities	40,160	76,957	36,719	42,007	31,790
24 Total Current Liabilities	297,563	365,578	233,722	328,538	234,879
LONG-TERM DEBT					
25 Long-Term Debt		1,867	5,601	7,768	17,090
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	352,945	360,544	401,893	125,794	157,588
28 Other Deferred Credits	1,964,017	1,917,805	1,834,309	2,487,817	2,430,166
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(27,450)	(24,551)	(2,575)	39,927	52,793
31 Total Other Liab. and Def. Credits	2,289,512	2,253,798	2,233,627	2,653,538	2,640,547
STOCKHOLDER'S EQUITY					
32 Common Stock	67,600	67,600	67,600	67,600	67,600
33 Preferred Stock					
34 Other Paid in Capital	44,107	44,979	27,316	2,333	(2,677)
35 Retained Earnings	2,178,182	2,559,201	2,570,844	2,336,128	2,270,096
36 Total Stockholder's Equity	2,289,889	2,671,780	2,665,760	2,406,061	2,335,019
37 Total Liab. and Stockholder's Equity	\$4,876,964	\$5,293,023	\$5,138,710	\$5,395,905	\$5,227,535

Edwards Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$390,055	\$409,027	\$509,778	\$592,990	\$587,889	1
Network Access Services	1,107,515	1,280,242	1,253,271	1,389,019	1,486,693	2
Long Distance Network Services						3
Miscellaneous Revenues	691,660	572,091	566,500	337,612	306,740	4
Less: Uncollectible Revenues	15,544	3,445	14,192	2,405	3,733	5
Total Operating Revenues	2,173,686	2,257,915	2,315,357	2,317,216	2,377,589	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	5,765	3,462	8,375	9,831	15,798	7
General Support Expenses	120,036	113,062	46,324	34,883	54,552	8
Central Office Switching	90,347	113,672	93,055	104,349	89,461	9
Operator Systems Expense						10
Central Office Transmission	127,968	135,955	141,058	147,414	63,975	11
Info. Origination/Termination	96,940	87,999	98,969	113,848	68,296	12
Cable & Wire Facilities	318,905	226,534	228,647	117,192	73,679	13
Total Plant Specific Operations	759,961	680,684	616,428	527,517	365,761	14
Other Plant, Property & Equipment						15
Network Operations	185,094	182,560	215,758	223,818	217,616	16
Access Expense	51,607	41,889	53,732	49,468	36,513	17
Depreciation and Amortization	502,669	565,631	568,645	602,925	629,313	18
Total Plant Non-Specific Operations	739,370	790,080	838,135	876,211	883,442	19
Marketing Expense	90,960	95,588	100,589	101,795	108,282	20
Services Expense	103,739	137,353	150,485	173,240	188,468	21
Total Customer Operations	194,699	232,941	251,074	275,035	296,750	22
Executive & Planning	49,434	37,017	28,280	50,622	57,618	23
General & Administrative	272,541	262,767	265,324	300,806	299,261	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	321,975	299,784	293,604	351,428	356,879	27
Total Operations Expense	2,016,005	2,003,489	1,999,241	2,030,191	1,902,832	28
Other Operating Income & Expenses		1,322		945		29
State & Local Income Taxes						30
Other Taxes	167,758	174,037	194,684	169,421	112,726	31
Net Operating Income Before FIT	(10,077)	81,711	121,432	118,549	362,031	32
Investment Tax Credits - Net						33
Federal Income Taxes	(25,644)	44,265	12,069	27,114	97,117	34
Provision - Def. Operating Income Taxes - Net	(4,552)	(55,427)	12,329	(33,457)	38,887	35
Net Operating Income	\$20,119	\$92,873	\$97,034	\$124,892	\$226,027	36

Edwards Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$20,119	\$92,873	\$97,034	\$124,892	\$226,027
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	12,196	15,694	43,578	64,712	55,559
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income			674,480	34,053	258,513
45 Special Charges	254,537	576	753	488	1,727
46 Total Non-Operating Income & Expenses	(242,341)	15,118	717,305	98,277	312,345
NON-OPERATING TAXES					
47 Federal Income Taxes	(84,836)	5,244	240,799	34,256	96,486
48 Other			28,834	24	253
49 Total Non-Operating Taxes	(84,836)	5,244	269,633	34,280	96,739
50 Income Available Before Interest Charges	(137,386)	102,747	544,706	188,889	441,633
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	76,633	114,390	52,990	122,857	69,771
53 Total Interest Charges	76,633	114,390	52,990	122,857	69,771
54 Income Before Extraordinary & Nonreg Items	(214,019)	(11,643)	491,716	66,032	371,862
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$214,019)	(\$11,643)	\$491,716	\$66,032	\$371,862

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,559,201	\$2,570,844	\$2,336,128	\$2,270,096	\$1,898,234
60 Transferred from Income	(214,019)	(11,643)	491,716	66,032	371,862
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	167,000		257,000		
64 Adjustments					
65 Ending Year Balance	2,178,182	2,559,201	2,570,844	2,336,128	2,270,096
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$2,178,182	\$2,559,201	\$2,570,844	\$2,336,128	\$2,270,096

Empire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$998,645	\$679,146	\$555,571	\$1,663,693	\$2,038,111
2 Accounts Receivable (Net)	1,177,314	1,360,129	2,081,281	1,188,207	1,391,896
3 Current Deferred Income Taxes	34,773	38,310	54,328	52,648	52,280
4 Other Current Assets	582,947	704,693	586,951	534,516	553,693
5 Total Current Assets	2,793,679	2,782,278	3,278,131	3,439,064	4,035,980
NON-CURRENT ASSETS					
6 Investments	8,655,793	7,837,697	7,938,646	9,273,984	8,730,531
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	(7,364)	(4,396)	(17,153)	(19,295)	(6,475)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	466,396	512,550	520,326	503,992	478,968
11 Other Non-Current Assets	1,363,120	1,322,776	1,280,429	1,287,703	1,312,792
12 Total Non-Current Assets	10,477,945	9,668,627	9,722,248	11,046,384	10,515,816
REGULATED PLANT					
13 Total Telecommunications Plant	32,677,931	32,300,286	31,674,672	30,737,122	29,488,458
14 Less: Accumulated Depr and Amort.	19,704,497	18,897,880	17,927,835	17,130,464	16,225,603
15 Net Regulated Plant	12,973,434	13,402,406	13,746,837	13,606,658	13,262,855
16 Total Assets & Other Debits	\$26,245,058	\$25,853,311	\$26,747,216	\$28,092,106	\$27,814,651
CURRENT LIABILITIES					
17 Accounts Payable	154,828	\$157,141	\$839,273	\$470,302	\$420,235
18 Notes Payable					
19 Advanced Billings					674
20 Customer Deposits			1,645	2,875	3,915
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(236,721)	(549,908)	(415,984)	(55,002)	61,817
24 Total Current Liabilities	(81,893)	(392,767)	424,934	418,175	486,641
LONG-TERM DEBT					
25 Long-Term Debt	172,691	185,819	304,133	453,362	597,141
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,921,933	2,968,661	2,704,876	2,834,781	2,480,566
28 Other Deferred Credits	1,981,148	2,189,406	2,308,964	2,357,606	2,380,701
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	4,903,081	5,158,067	5,013,840	5,192,387	4,861,267
STOCKHOLDER'S EQUITY					
32 Common Stock	587,737	587,737	587,737	587,737	587,737
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	20,663,442	20,314,455	20,416,572	21,440,445	21,281,865
36 Total Stockholder's Equity	21,251,179	20,902,192	21,004,309	22,028,182	21,869,602
37 Total Liab. and Stockholder's Equity	\$26,245,058	\$25,853,311	\$26,747,216	\$28,092,106	\$27,814,651

Empire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,121,356	\$1,152,545	\$1,177,954	\$1,241,183	\$1,312,756	1
Network Access Services	2,771,743	3,009,872	3,357,621	3,850,028	3,345,765	2
Long Distance Network Services	7,090	8,408	9,557	15,067	14,548	3
Miscellaneous Revenues	556,121	579,719	462,171	318,861	257,907	4
Less: Uncollectible Revenues		4,000	4,000	12,000	12,000	5
Total Operating Revenues	4,456,310	4,746,544	5,003,303	5,413,139	4,918,976	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	46,107	37,606	56,049	47,226	43,121	7
General Support Expenses	272,018	240,911	291,669	206,991	261,575	8
Central Office Switching	424,809	540,351	700,792	781,075	786,177	9
Operator Systems Expense						10
Central Office Transmission	47,927	65,540	65,452	23,738	25,451	11
Info. Origination/Termination	1,260	74	139	10,131	100	12
Cable & Wire Facilities	500,207	466,960	539,576	561,364	522,029	13
Total Plant Specific Operations	1,292,328	1,351,442	1,653,677	1,630,525	1,638,453	14
Other Plant, Property & Equipment	14,904	9				15
Network Operations	658,754	595,989	619,954	518,847	532,011	16
Access Expense	108,754	92,968	73,958	72,540	75,879	17
Depreciation and Amortization	1,244,591	1,209,136	1,176,522	1,192,627	1,414,334	18
Total Plant Non-Specific Operations	2,027,003	1,898,102	1,870,434	1,784,014	2,022,224	19
Marketing Expense	8,776	11,530	15,199	14,314	7,590	20
Services Expense	406,778	444,959	475,005	440,796	483,670	21
Total Customer Operations	415,554	456,489	490,204	455,110	491,260	22
Executive & Planning	256,005	230,195	302,313	237,911	216,017	23
General & Administrative	463,495	548,230	582,951	661,906	695,742	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	719,500	778,425	885,264	899,817	911,759	27
Total Operations Expense	4,454,385	4,484,458	4,899,579	4,769,466	5,063,696	28
Other Operating Income & Expenses	404	800	919	775	(1,390)	29
State & Local Income Taxes	143,432	102,328	113,252	93,600	122,397	30
Other Taxes	295,208	300,975	282,112	368,561	312,436	31
Net Operating Income Before FIT	(436,311)	(140,417)	(290,721)	182,287	(580,943)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(300,655)	(245,552)	(375,104)	(4,329)	(126,647)	34
Provision - Def. Operating Income Taxes - Net	51,466	79,622	154,964	(60,265)	(184,351)	35
Net Operating Income	(\$187,122)	\$25,513	(\$70,581)	\$246,881	(\$269,945)	36

Empire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$187,122)	\$25,513	(\$70,581)	\$246,881	(\$269,945)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	191,894	1,205	1,140	1,425	290
39 Interest Income	230	157	19,814	19,593	39,472
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	32,423	(289,206)	(160,129)	(511,504)	(222,399)
44 Other Non-Operating Income	915,751	14,814	138,459	38,946	677,858
45 Special Charges	17,980	3,313	54,521	82,464	(45,743)
46 Total Non-Operating Income & Expenses	1,122,318	(276,343)	(55,237)	(534,004)	540,964
NON-OPERATING TAXES					
47 Federal Income Taxes	322,365	3,232	51,409	12,565	182,447
48 Other					118,951
49 Total Non-Operating Taxes	322,365	3,232	51,409	12,565	301,398
50 Income Available Before Interest Charges	612,831	(254,062)	(177,227)	(299,688)	(30,379)
INTEREST CHARGES					
51 Interest on Funded Debt	11,100	15,077	22,968	30,465	35,074
52 Other Interest Expense	17,830	48,967	48,040	78,869	8,469
53 Total Interest Charges	28,930	64,044	71,008	109,334	43,543
54 Income Before Extraordinary & Nonreg Items	583,901	(318,106)	(248,235)	(409,022)	(73,922)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$583,901	(\$318,106)	(\$248,235)	(\$409,022)	(\$73,922)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$18,601,784	\$18,630,684	\$18,718,790	\$18,616,308	\$18,467,831
60 Transferred from Income	551,477	(28,900)	(88,106)	102,482	148,477
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	19,153,261	18,601,784	18,630,684	18,718,790	18,616,308
66 Appropriated/Undistr Affiliate Retained Earnings	1,510,181	1,712,671	1,785,888	2,721,655	2,665,557
67 Total Retained Earnings	\$20,663,442	\$20,314,455	\$20,416,572	\$21,440,445	\$21,281,865

Fishers Island Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$145,793	\$125,716	\$102,237	\$47,974	\$71,832
2 Accounts Receivable (Net)	162,865	166,860	140,506	161,816	167,792
3 Current Deferred Income Taxes					
4 Other Current Assets	67,066	68,452	72,812	81,334	111,416
5 Total Current Assets	375,724	361,028	315,555	291,124	351,040
NON-CURRENT ASSETS					
6 Investments	488,600	465,049	516,137	501,938	484,813
7 Unamortized Debt Issuance Costs				304	646
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	488,600	465,049	516,137	502,242	485,459
REGULATED PLANT					
13 Total Telecommunications Plant	2,498,274	2,445,089	2,380,159	2,310,153	2,312,615
14 Less: Accumulated Depr and Amort.	1,556,090	1,451,918	1,345,351	1,289,792	1,228,700
15 Net Regulated Plant	942,184	993,171	1,034,808	1,020,361	1,083,915
16 Total Assets & Other Debits	\$1,806,508	\$1,819,248	\$1,866,500	\$1,813,727	\$1,920,414
CURRENT LIABILITIES					
17 Accounts Payable	\$53,529	\$73,946	\$85,060	\$102,972	\$132,882
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits	2,051	1,550	1,350	1,808	958
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					-
23 Other Current Liabilities	22,745	22,174	29,778	24,478	51,274
24 Total Current Liabilities	78,325	97,670	116,188	129,258	185,114
LONG-TERM DEBT					
25 Long-Term Debt	57,249	78,299	97,276	45,376	54,191
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	82,362	68,657	70,873	75,607	72,563
28 Other Deferred Credits	45,948				
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	128,310	68,657	70,873	75,607	72,563
STOCKHOLDER'S EQUITY					
32 Common Stock	78,518	78,518	78,518	78,518	78,518
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,464,106	1,496,104	1,503,645	1,484,968	1,530,028
36 Total Stockholder's Equity	1,542,624	1,574,622	1,582,163	1,563,486	1,608,546
37 Total Liab. and Stockholder's Equity	\$1,806,508	\$1,819,248	\$1,866,500	\$1,813,727	\$1,920,414

Fishers Island Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$353,418	\$300,397	\$288,818	\$285,135	\$241,073	1
Network Access Services	468,244	516,714	488,414	497,923	443,985	2
Long Distance Network Services						3
Miscellaneous Revenues	659,933	706,505	683,804	610,470	674,591	4
Less: Uncollectible Revenues						5
Total Operating Revenues	1,481,595	1,523,616	1,461,036	1,393,528	1,359,649	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,756					7
General Support Expenses	195,799	174,037	148,878	129,234	102,865	8
Central Office Switching	68,578	73,562	108,833	133,577	153,996	9
Operator Systems Expense						10
Central Office Transmission	32,145	31,514	27,377	35,031	24,298	11
Info. Origination/Termination						12
Cable & Wire Facilities	174,448	133,195	155,424	133,355	152,007	13
Total Plant Specific Operations	472,726	412,308	440,512	431,197	433,166	14
Other Plant, Property & Equipment	10,063	1,050	884	1,610	11,637	15
Network Operations	112,448	117,753	124,818	27,465	98,583	16
Access Expense						17
Depreciation and Amortization	124,197	125,686	123,775	125,232	122,154	18
Total Plant Non-Specific Operations	246,708	244,489	249,477	154,307	232,374	19
Marketing Expense						20
Services Expense	26,900	28,741	32,732	40,290	36,326	21
Total Customer Operations	26,900	28,741	32,732	40,290	36,326	22
Executive & Planning	50,712	50,712	54,348	53,136	67,560	23
General & Administrative	642,214	707,344	608,300	711,252	527,633	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	692,926	758,056	662,648	764,388	595,193	27
Total Operations Expense	1,439,260	1,443,594	1,385,369	1,390,182	1,297,059	28
Other Operating Income & Expenses						29
State & Local Income Taxes	54,730	60,204	55,849	52,873	51,738	30
Other Taxes						31
Net Operating Income Before FIT	(12,395)	19,818	19,818	(49,527)	10,852	32
Investment Tax Credits - Net						33
Federal Income Taxes					7,539	34
Provision - Def. Operating Income Taxes - Net	13,705	(2,216)	(4,734)	3,044	(2,694)	35
Net Operating Income	(\$26,100)	\$22,034	\$24,552	(\$52,571)	\$6,007	36

Fishers Island Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$26,100)	\$22,034	\$24,552	(\$52,571)	\$6,007
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	6,980	10,788	14,369	21,759	37,842
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property			(2,678)		
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges	3,025	26,069			
46 Total Non-Operating Income & Expenses	3,955	(15,281)	11,691	21,759	37,842
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	(22,145)	6,753	36,243	(30,812)	43,849
INTEREST CHARGES					
51 Interest on Funded Debt	9,853	13,933	17,566	14,248	16,498
52 Other Interest Expense		361			
53 Total Interest Charges	9,853	14,294	17,566	14,248	16,498
54 Income Before Extraordinary & Nonreg Items	(31,998)	(7,541)	18,677	(45,060)	27,351
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$31,998)	(\$7,541)	\$18,677	(\$45,060)	\$27,351

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,496,104	\$1,503,645	\$1,484,968	\$1,530,028	\$1,602,677
60 Transferred from Income	(31,998)	(7,541)	18,677	(45,060)	27,351
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					100,000
64 Adjustments					
65 Ending Year Balance	1,464,106	1,496,104	1,503,645	1,484,968	1,530,028
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,464,106	\$1,496,104	\$1,503,645	\$1,484,968	\$1,530,028

**Frontier Communications of AuSable Valley
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$1,355)	(\$2,592)	(\$82,606)	\$10,567	\$4,650
2 Accounts Receivable (Net)	1,097,639	1,221,450	2,137,725	1,386,336	1,518,167
3 Current Deferred Income Taxes					-
4 Other Current Assets	60,007	61,762	97,439	86,438	94,437
5 Total Current Assets	1,156,292	1,280,621	2,152,558	1,483,341	1,617,253
NON-CURRENT ASSETS					
6 Investments	10,312,925	8,910,967	6,398,431	7,317,367	6,526,471
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					12,088
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					73,063
11 Other Non-Current Assets	525,000	525,000	525,000	525,000	525,000
12 Total Non-Current Assets	10,837,925	9,435,967	6,923,431	7,842,367	7,136,622
REGULATED PLANT					
13 Total Telecommunications Plant	23,619,070	23,330,593	22,962,240	22,696,060	22,299,924
14 Less: Accumulated Depr and Amort.	19,015,684	18,077,451	17,116,168	16,335,007	15,439,802
15 Net Regulated Plant	4,603,386	5,253,142	5,846,072	6,361,053	6,860,122
16 Total Assets & Other Debits	\$16,597,602	\$15,969,731	\$14,922,061	\$15,686,761	\$15,613,998
CURRENT LIABILITIES					
17 Accounts Payable	466,521	\$454,128	\$517,959	\$921,275	\$569,246
18 Notes Payable					
19 Advanced Billings	126,548	127,118	141,140	125,541	120,369
20 Customer Deposits	105	100			
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	98,451	83,819	30,138	14,616	1,187
24 Total Current Liabilities	691,626	665,166	689,238	1,061,432	690,802
LONG-TERM DEBT					
25 Long-Term Debt					119,005
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	(298,602)	(115,590)	(98,866)	(783,723)	(298,434)
28 Other Deferred Credits	291,569	290,359	282,033	2,326,442	155,528
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	821,272	903,846	888,554	863,160	839,127
31 Total Other Liab. and Def. Credits	814,240	1,078,615	1,071,721	2,405,879	696,221
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	4,725,630	4,725,630	4,725,630	4,725,630	4,725,630
35 Retained Earnings	10,366,106	9,500,320	8,435,472	7,493,820	9,382,340
36 Total Stockholder's Equity	15,091,736	14,225,950	13,161,102	12,219,450	14,107,970
37 Total Liab. and Stockholder's Equity	\$16,597,602	\$15,969,731	\$14,922,061	\$15,686,761	\$15,613,998

**Frontier Communications of AuSable Valley
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,**

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,719,244	\$1,797,324	\$1,850,394	\$1,873,330	\$1,814,703	1
Network Access Services	2,014,025	2,077,997	2,367,082	2,987,160	2,973,232	2
Long Distance Network Services	(1,726)	11,466	25,455			3
Miscellaneous Revenues	1,423,183	1,381,066	1,331,619	1,383,267	1,227,632	4
Less: Uncollectible Revenues	68,150	121,387	72,232	77,730	53,083	5
Total Operating Revenues	5,086,576	5,146,466	5,502,318	6,166,027	5,962,484	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	6,336	7	75	242	1	7
General Support Expenses	268,961	264,681	271,197	252,729	279,952	8
Central Office Switching	198,828	228,019	218,201	197,208	189,362	9
Operator Systems Expense	3,738	2,719	1,866	1,677	1,866	10
Central Office Transmission	49,776	63,127	49,663	43,691	53,299	11
Info. Origination/Termination	62,688	109,414	73,375	67,398	88,051	12
Cable & Wire Facilities	439,139	508,933	545,400	423,868	455,276	13
Total Plant Specific Operations	1,029,465	1,176,899	1,159,778	986,813	1,067,806	14
Other Plant, Property & Equipment	876	690	892	624	(7)	15
Network Operations	272,959	261,800	274,612	256,163	258,205	16
Access Expense	320,753	308,299	318,789	315,955	322,603	17
Depreciation and Amortization	968,428	948,490	928,253	925,634	1,098,359	18
Total Plant Non-Specific Operations	1,563,017	1,519,280	1,522,545	1,498,376	1,679,160	19
Marketing Expense	156,998	132,235	113,728	124,532	176,480	20
Services Expense	276,892	254,378	211,978	302,247	302,357	21
Total Customer Operations	433,890	386,613	325,706	426,779	478,837	22
Executive & Planning	100,023	54,236	38,452	48,435	53,073	23
General & Administrative	458,036	257,727	248,114	210,203	228,297	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	558,059	311,963	286,567	258,638	281,370	27
Total Operations Expense	3,584,431	3,394,756	3,294,596	3,170,606	3,507,173	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	196,948	306,190	314,869	274,860	283,122	31
Net Operating Income Before FIT	1,305,197	1,445,520	1,892,853	2,720,560	2,172,190	32
Investment Tax Credits - Net						33
Federal Income Taxes	(12,072)	526,511	845,504	1,186,162	1,001,590	34
Provision - Def. Operating Income Taxes - Net	236,404	(20,109)	(183,006)	(233,965)	(241,324)	35
Net Operating Income	\$1,080,865	\$939,118	\$1,230,355	\$1,768,363	\$1,411,924	36

Frontier Communications of AuSable Valley
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$1,080,865	\$939,118	\$1,230,355	\$1,768,363	\$1,411,924
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income		229,443	608,374	1,168,968	3,835,918
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	1,336	4,753	4,156	2,537	4,157
42 Gains/Losses - Disposal of Property				168	
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income			1,937,030	(1,934,146)	
45 Special Charges	1,436	(672)	(423)	612	1,064
46 Total Non-Operating Income & Expenses	(100)	234,868	2,549,983	(763,085)	3,839,011
NON-OPERATING TAXES					
47 Federal Income Taxes	203,690	98,229	937,085	(323,854)	1,314,322
48 Other					
49 Total Non-Operating Taxes	203,690	98,229	937,085	(323,854)	1,314,322
50 Income Available Before Interest Charges	877,075	1,075,757	2,843,253	1,329,132	3,936,613
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	11,291	10,909	(98,400)	117,653	7,612
53 Total Interest Charges	11,291	10,909	(98,400)	117,653	7,612
54 Income Before Extraordinary & Nonreg Items	865,784	1,064,848	2,941,653	1,211,479	3,929,001
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	661,377	508,926			
57 Total Extraordinary & Nonregulated Items	661,377	508,926			
58 Net Income	\$1,527,161	\$1,573,774	\$2,941,653	\$1,211,479	\$3,929,001
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,500,320	\$8,435,472	\$7,493,820	\$9,382,340	\$5,453,339
60 Transferred from Income	865,786	1,064,848	2,941,653	1,211,479	3,929,001
61 Appropriations					
Dividends Declared:					
62 Preferred Stock			2,000,000	3,100,000	
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	10,366,106	9,500,320	8,435,472	7,493,820	9,382,340
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$10,366,106	\$9,500,320	\$8,435,472	\$7,493,820	\$9,382,340

**Frontier Communications of New York
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$13,197)	\$42,019	\$40,820	(\$54,485)	\$733,228
2 Accounts Receivable (Net)	9,372,332	10,941,995	11,210,419	13,984,822	11,300,551
3 Current Deferred Income Taxes					
4 Other Current Assets	594,823	622,476	860,125	1,064,472	1,084,257
5 Total Current Assets	9,953,957	11,606,490	12,111,363	14,994,809	13,118,037
NON-CURRENT ASSETS					
6 Investments	125,595,433	106,161,146	88,715,698	87,783,956	84,264,564
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	2,717,664	2,719,467	2,717,664	2,720,910	2,833,232
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	6,190,000	6,190,000	6,190,000	6,190,000	6,190,000
12 Total Non-Current Assets	134,503,097	115,070,613	97,623,363	96,694,866	93,287,796
REGULATED PLANT					
13 Total Telecommunications Plant	189,200,097	187,292,929	185,748,087	185,007,673	181,928,434
14 Less: Accumulated Depr and Amort.	149,736,658	143,352,260	135,760,968	128,722,749	119,688,817
15 Net Regulated Plant	39,463,439	43,940,669	49,987,119	56,284,925	62,239,617
16 Total Assets & Other Debits	\$183,920,494	\$170,617,772	\$159,721,845	\$167,974,600	\$168,645,450
CURRENT LIABILITIES					
17 Accounts Payable	\$4,481,370	\$3,450,046	6,138,329	\$5,155,243	\$6,032,675
18 Notes Payable					
19 Advanced Billings	905,617	909,059	1,048,300	987,104	1,086,954
20 Customer Deposits	(318)	283	(2)		
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(16,203)	796,426	113,613	129,620	25,468
24 Total Current Liabilities	5,370,466	5,155,815	7,300,239	6,271,967	7,145,097
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	4,477,227	4,274,439	3,574,166	4,742,433	2,901,959
28 Other Deferred Credits	4,284,610	4,117,272	3,974,376	3,842,116	3,712,341
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	16,748,846	17,407,931	17,292,064	16,990,125	16,999,011
31 Total Other Liab. and Def. Credits	25,510,682	25,799,642	24,840,606	25,574,674	23,613,311
STOCKHOLDER'S EQUITY					
32 Common Stock	2,280,411	2,280,411	2,280,411	2,280,411	2,280,411
33 Preferred Stock					
34 Other Paid in Capital	63,236,046	63,236,046	63,236,046	63,236,046	63,236,046
35 Retained Earnings	87,522,889	74,145,858	62,064,543	70,611,502	72,370,585
36 Total Stockholder's Equity	153,039,346	139,662,315	127,581,000	136,127,959	137,887,042
37 Total Liab. and Stockholder's Equity	\$183,920,494	\$170,617,772	\$159,721,845	\$167,974,600	\$168,645,450

Frontier Communications of New York
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$14,439,306	\$15,933,339	\$16,692,408	\$19,294,572	\$20,530,411	1
Network Access Services	20,685,364	20,972,860	21,761,428	22,148,083	24,123,913	2
Long Distance Network Services	(21,570)	28,538	135,821			3
Miscellaneous Revenues	16,190,170	17,766,130	20,090,261	23,259,170	24,523,582	4
Less: Uncollectible Revenues	279,995	75,376	775,732	539,613	148,480	5
Total Operating Revenues	51,013,275	54,625,491	57,904,186	64,162,212	69,029,426	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	51,862	503	732	781	(30)	7
General Support Expenses	1,925,032	1,893,226	2,072,980	2,155,873	2,387,984	8
Central Office Switching	524,725	725,089	887,020	928,662	871,941	9
Operator Systems Expense	27,868	21,460	16,238	15,871	18,883	10
Central Office Transmission	471,979	571,810	676,063	647,854	473,738	11
Info. Origination/Termination	1,710,673	1,976,473	2,276,987	2,498,330	2,309,567	12
Cable & Wire Facilities	1,461,401	1,845,019	2,294,535	1,909,412	1,537,185	13
Total Plant Specific Operations	6,173,541	7,033,580	8,224,556	8,156,784	7,599,268	14
Other Plant, Property & Equipment	20	672	1,334	28	(80)	15
Network Operations	2,129,347	2,314,743	2,496,889	2,813,495	2,673,445	16
Access Expense	2,054,120	2,282,705	2,517,607	3,104,084	3,792,203	17
Depreciation and Amortization	7,167,252	8,434,498	9,802,045	9,792,203	9,977,816	18
Total Plant Non-Specific Operations	11,350,739	13,032,618	14,817,875	15,709,810	16,443,384	19
Marketing Expense	1,322,470	1,250,163	1,055,201	1,324,859	1,269,213	20
Services Expense	3,700,196	4,105,766	4,283,147	5,708,866	5,941,649	21
Total Customer Operations	5,022,666	5,355,929	5,338,348	7,033,725	7,210,861	22
Executive & Planning	871,880	489,808	374,011	533,023	598,519	23
General & Administrative	3,856,858	2,310,556	2,400,990	2,510,010	2,601,819	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	4,728,738	2,800,364	2,775,001	3,043,033	3,200,338	27
Total Operations Expense	27,275,684	28,222,491	31,155,780	33,943,352	34,453,851	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	2,288,810	3,230,911	3,633,873	3,206,998	3,089,925	31
Net Operating Income Before FIT	21,448,781	23,172,089	23,114,533	27,011,862	31,485,650	32
Investment Tax Credits - Net						33
Federal Income Taxes	(3,457,593)	7,562,971	7,887,302	9,699,017	10,838,325	34
Provision - Def. Operating Income Taxes - Net	9,269,606	593,390	202,785	(244,865)	181,652	35
Net Operating Income	\$15,636,768	\$15,015,728	\$15,024,446	\$17,557,710	\$20,465,673	36

Frontier Communications of New York
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$15,636,768	\$15,015,728	\$15,024,446	\$17,557,710	\$20,465,673
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income		2,836,884	7,868,570	7,790,552	5,519,432
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	11,625	27,709	42,457	30,353	27,898
42 Gains/Losses - Disposal of Property				1,638	
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	162,414	131,797	107,651	105,095	118,754
45 Special Charges	334,011	282,373	261,450	233,566	216,364
46 Total Non-Operating Income & Expenses	(159,972)	2,714,017	7,757,228	7,694,072	5,449,720
NON-OPERATING TAXES					
47 Federal Income Taxes	1,096,165	746,609	2,520,800	2,289,830	1,438,495
48 Other					
49 Total Non-Operating Taxes	1,096,165	746,609	2,520,800	2,289,830	1,438,495
50 Income Available Before Interest Charges	14,380,631	16,983,136	20,260,874	22,961,952	24,476,898
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	1,003,600	901,821	807,834	721,035	640,873
53 Total Interest Charges	1,003,600	901,821	807,834	721,035	640,873
54 Income Before Extraordinary & Nonreg Items	13,377,031	16,081,315	19,453,040	22,240,917	23,836,025
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$13,377,031	\$16,081,315	\$19,453,040	\$22,240,917	\$23,836,025
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$74,145,858	\$62,064,543	\$70,611,502	\$72,370,585	\$48,534,560
60 Transferred from Income	13,377,031	16,081,315	19,453,040	22,240,917	23,836,025
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		4,000,000	28,000,000	24,000,000	
64 Adjustments					
65 Ending Year Balance	87,522,889	74,145,858	62,064,543	70,611,502	72,370,585
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$87,522,889	\$74,145,858	\$62,064,543	\$70,611,502	\$72,370,585

Rochester Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,764,009	\$1,171,639	\$317,386	(\$2,868,757)	\$851,328
2 Accounts Receivable (Net)	60,394,934	109,074,814	70,031,390	78,597,876	81,707,918
3 Current Deferred Income Taxes					
4 Other Current Assets	6,745,070	7,355,366	13,265,776	13,003,571	13,172,466
5 Total Current Assets	68,904,013	117,601,818	83,614,552	88,732,690	95,731,712
NON-CURRENT ASSETS					
6 Investments	319,186,085	209,437,779	155,233,271	156,274,047	116,191,219
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	16,135	16,135	271,917	104,061	(63,795)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	184,230,250	184,395,250	184,560,250	184,725,250	184,890,250
12 Total Non-Current Assets	503,432,470	393,849,164	340,065,438	341,103,358	301,017,674
REGULATED PLANT					
13 Total Telecommunications Plant	1,495,378,697	1,477,756,362	1,463,135,558	1,447,829,751	1,420,548,003
14 Less: Accumulated Depr and Amort.	1,124,224,180	1,062,397,661	1,003,489,506	950,712,655	892,159,241
15 Net Regulated Plant	371,154,517	415,358,701	459,646,052	497,117,096	528,388,762
16 Total Assets & Other Debits	\$943,491,000	\$926,809,683	\$883,326,042	\$926,953,144	\$925,138,148
CURRENT LIABILITIES					
17 Accounts Payable	\$42,972,696	\$41,495,735	\$41,126,023	\$72,742,293	\$35,593,639
18 Notes Payable					
19 Advanced Billings	3,632,275	3,647,685	3,427,071	3,404,605	3,713,973
20 Customer Deposits	470	167	10,696	25,599	26,509
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	3,995,711	5,406,199	8,117,022	8,441,952	9,327,712
24 Total Current Liabilities	50,601,153	50,549,785	52,680,812	84,614,450	48,661,833
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	65,699,959	64,425,451	57,456,924	60,208,072	77,705,800
28 Other Deferred Credits	(21,906,258)	(19,933,084)	(18,484,872)	(17,551,263)	(16,316,615)
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	133,885,556	125,522,428	117,772,442	110,603,238	104,190,955
31 Total Other Liab. and Def. Credits	177,679,258	170,014,795	156,744,494	153,260,047	165,580,141
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	451,236,610	451,236,610	451,236,610	451,236,610	451,236,610
35 Retained Earnings	263,973,979	255,008,493	222,664,126	237,842,038	259,659,564
36 Total Stockholder's Equity	715,210,589	706,245,103	673,900,736	689,078,648	710,896,174
37 Total Liab. and Stockholder's Equity	\$943,491,000	\$926,809,683	\$883,326,042	\$926,953,144	\$925,138,148

Rochester Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$103,014,656	\$120,484,077	\$140,123,177	\$149,040,096	\$149,758,574	1
Network Access Services	97,861,876	94,381,432	81,363,743	88,125,531	90,415,128	2
Long Distance Network Services	389,165	1,226,548	1,887,000	1,389,688	1,734,709	3
Miscellaneous Revenues	66,237,004	76,047,683	81,982,154	87,189,468	84,817,132	4
Less: Uncollectible Revenues	3,710,937	4,854,247	3,672,497	4,559,224	2,919,517	5
Total Operating Revenues	263,791,764	287,285,493	301,683,576	321,185,560	323,806,026	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	889,101	898,789	278,027	356,807	347,984	7
General Support Expenses	12,675,071	11,370,039	14,383,701	13,629,509	15,933,424	8
Central Office Switching	5,690,219	6,010,448	7,208,399	8,568,931	9,054,441	9
Operator Systems Expense	180,758	136,768	140,762	183,173	221,443	10
Central Office Transmission	4,748,476	4,844,024	4,397,632	4,701,969	5,761,252	11
Info. Origination/Termination	4,382,540	6,392,939	5,163,107	5,561,025	6,511,953	12
Cable & Wire Facilities	24,646,746	23,981,234	25,617,616	26,181,564	27,755,642	13
Total Plant Specific Operations	53,212,911	53,634,240	57,189,244	59,182,978	65,586,138	14
Other Plant, Property & Equipment	(918)	224,100	7,693	126	(625)	15
Network Operations	15,277,841	14,001,775	21,152,056	24,969,320	23,825,945	16
Access Expense	5,351,137	5,497,275	5,874,711	6,190,979	9,904,262	17
Depreciation and Amortization	69,199,706	69,960,582	68,643,556	68,662,256	69,411,916	18
Total Plant Non-Specific Operations	89,827,766	89,683,733	95,678,016	99,822,681	103,141,498	19
Marketing Expense	10,452,812	9,594,650	8,370,341	11,439,028	11,250,545	20
Services Expense	30,164,026	30,784,728	32,216,833	34,820,141	34,969,600	21
Total Customer Operations	40,616,838	40,379,378	40,587,174	46,259,169	46,220,145	22
Executive & Planning	4,513,193	2,700,736	2,449,774	3,131,175	3,547,014	23
General & Administrative	36,299,311	26,865,708	17,755,135	15,131,154	16,848,974	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	40,812,504	29,566,444	20,204,909	18,262,329	20,395,988	27
Total Operations Expense	224,470,019	213,263,795	213,659,343	223,527,156	235,343,770	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	20,275,136	21,085,940	20,683,254	20,195,685	21,440,996	31
Net Operating Income Before FIT	19,046,609	52,935,757	67,340,979	77,462,718	67,021,261	32
Investment Tax Credits - Net						33
Federal Income Taxes	(21,583,707)	4,319,277	26,798,339	31,580,964	19,951,494	34
Provision - Def. Operating Income Taxes - Net	21,571,000	6,737,964	1,274,506	(2,279,432)	1,872,231	35
Net Operating Income	\$19,059,316	\$41,878,516	\$39,268,134	\$48,161,186	\$45,197,536	36

Rochester Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$19,059,316	\$41,878,516	\$39,268,134	\$48,161,186	\$45,197,536
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income		5,146,604	15,862,681	15,071,996	6,088,461
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	198,987	193,102	434,968	452,486	513,296
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	1,958,618	1,270,293	1,957,067	1,444,165	1,311,313
45 Special Charges	49,430	257,249	272,320	233,820	384,825
46 Total Non-Operating Income & Expenses	2,108,175	6,352,750	17,982,396	16,734,827	7,528,244
NON-OPERATING TAXES					
47 Federal Income Taxes	3,147,442	7,683,653			
48 Other					
49 Total Non-Operating Taxes	3,147,442	7,683,653			
50 Income Available Before Interest Charges	18,020,049	40,547,613	57,250,530	64,896,013	52,725,780
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	9,054,562	8,203,246	7,428,441	6,713,539	6,057,574
53 Total Interest Charges	9,054,562	8,203,246	7,428,441	6,713,539	6,057,574
54 Income Before Extraordinary & Nonreg Items	8,965,487	32,344,367	49,822,089	58,182,474	46,668,206
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	18,984,052	20,829,143	34,780,341	35,677,209	
57 Total Extraordinary & Nonregulated Items	18,984,052	20,829,143	34,780,341	35,677,209	
58 Net Income	\$27,949,539	\$53,173,511	\$84,602,430	\$93,859,683	\$46,668,206

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$255,008,493	\$222,664,126	\$237,842,038	\$259,659,564	\$212,991,358
60 Transferred from Income	8,965,486	32,344,367	49,822,089	58,182,474	46,668,206
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			65,000,000	80,000,000	
64 Adjustments					
65 Ending Year Balance	263,973,979	255,008,493	222,664,126	237,842,038	259,659,564
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$263,973,979	\$255,008,493	\$222,664,126	\$237,842,038	\$259,659,564

**Frontier Communications of Seneca Gorham
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$945)	\$4,511	\$15,944	\$40,252	\$39,074
2 Accounts Receivable (Net)	1,259,924	1,966,542	1,885,725	1,772,339	1,527,854
3 Current Deferred Income Taxes					
4 Other Current Assets	50,851	54,985	123,409	118,353	117,069
5 Total Current Assets	1,309,830	2,026,038	2,025,079	1,930,944	1,683,997
NON-CURRENT ASSETS					
6 Investments	9,122,393	7,244,201	4,974,126	7,044,572	6,377,355
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	334,165	334,165	334,165	334,165	334,165
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					47,950
11 Other Non-Current Assets					
12 Total Non-Current Assets	9,456,558	7,578,366	5,308,291	7,378,737	6,759,470
REGULATED PLANT					
13 Total Telecommunications Plant	26,062,437	25,427,670	24,859,521	24,433,880	23,745,842
14 Less: Accumulated Depr and Amort.	21,573,258	20,844,630	20,128,627	19,554,560	18,593,642
15 Net Regulated Plant	4,489,179	4,583,040	4,730,894	4,879,320	5,152,200
16 Total Assets & Other Debits	\$15,255,567	\$14,187,445	\$12,064,264	\$14,189,001	\$13,595,667
CURRENT LIABILITIES					
17 Accounts Payable	757,012	600,550	\$619,567	\$1,635,454	\$750,773
18 Notes Payable					
19 Advanced Billings	231,167	232,172	269,675	272,388	274,847
20 Customer Deposits	35	101			
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	92,047	107,191	30,014	20,014	318
24 Total Current Liabilities	1,080,261	940,014	919,257	1,927,856	1,025,938
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,267,771	1,239,919	587,507	191,157	955,771
28 Other Deferred Credits	(3,217)	1,861	10,399	1,180,051	25,406
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,004,199	1,072,529	1,109,024	1,129,611	1,163,346
31 Total Other Liab. and Def. Credits	2,268,753	2,314,309	1,706,929	2,500,819	2,144,523
STOCKHOLDER'S EQUITY					
32 Common Stock	1	1	1	1	1
33 Preferred Stock					
34 Other Paid in Capital	5,736,563	5,736,563	5,736,563	5,736,563	5,736,563
35 Retained Earnings	6,169,989	5,196,558	3,701,515	4,023,762	4,688,643
36 Total Stockholder's Equity	11,906,553	10,933,122	9,438,079	9,760,326	10,425,206
37 Total Liab. and Stockholder's Equity	\$15,255,567	\$14,187,445	\$12,064,264	\$14,189,001	\$13,595,667

**Frontier Communications of Seneca Gorham
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,**

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,745,691	\$1,895,443	\$1,937,174	\$2,029,508	\$2,116,507	1
Network Access Services	1,702,701	2,097,380	2,163,760	2,649,460	2,872,934	2
Long Distance Network Services	20,248	27,065	34,689			3
Miscellaneous Revenues	1,805,854	1,802,216	1,889,979	1,924,479	1,809,380	4
Less: Uncollectible Revenues	68,453	73,563	65,978	56,525	56,137	5
Total Operating Revenues	5,206,041	5,748,541	5,959,624	6,546,922	6,742,684	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	7,743	9	90	4,147	1	7
General Support Expenses	288,531	296,373	313,326	307,982	315,698	8
Central Office Switching	121,019	128,339	138,779	121,871	75,136	9
Operator Systems Expense	4,665	3,487	2,532	2,349	2,693	10
Central Office Transmission	93,892	80,360	72,477	76,238	84,985	11
Info. Origination/Termination	112,576	191,776	158,918	154,257	147,065	12
Cable & Wire Facilities	350,616	298,362	320,417	261,792	210,110	13
Total Plant Specific Operations	979,042	998,705	1,006,538	928,636	835,687	14
Other Plant, Property & Equipment	2	88	161	3	(10)	15
Network Operations	368,518	369,558	400,785	396,846	395,995	16
Access Expense	145,400	148,775	137,125	183,072	195,776	17
Depreciation and Amortization	771,103	802,886	814,600	1,013,529	1,502,905	18
Total Plant Non-Specific Operations	1,285,024	1,321,306	1,352,671	1,593,450	2,094,667	19
Marketing Expense	198,355	170,117	153,040	181,543	212,160	20
Services Expense	343,488	321,408	280,235	423,170	422,170	21
Total Customer Operations	541,843	491,525	433,275	604,713	634,330	22
Executive & Planning	121,276	66,715	46,791	63,313	67,293	23
General & Administrative	545,287	324,367	345,498	317,118	322,522	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	666,563	391,082	392,289	380,431	389,815	27
Total Operations Expense	3,472,472	3,202,618	3,184,773	3,507,230	3,954,499	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	247,313	362,710	322,555	324,144	339,391	31
Net Operating Income Before FIT	1,486,256	2,183,213	2,452,296	2,715,548	2,448,794	32
Investment Tax Credits - Net						33
Federal Income Taxes	(604,798)	115,944	1,432,749	790,412	1,557,306	34
Provision - Def. Operating Income Taxes - Net	732,830	648,181	27,857	(47,153)	9,397	35
Net Operating Income	\$1,358,224	\$1,419,088	\$991,690	\$1,972,289	\$882,091	36

**Frontier Communications of Seneca Gorham
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
37 Net Operating Income	\$1,358,224	\$1,419,088	\$991,690	\$1,972,289	\$882,091
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	3	178,928	550,123	643,511	2,128,853
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	1,637	607	2,864	1,918	2,513
42 Gains/Losses - Disposal of Property				210	
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income			1,098,150	(1,098,150)	49
45 Special Charges	7,807	(7,248)	(5,434)	(5,726)	5,475
46 Total Non-Operating Income & Expenses	(6,167)	186,783	1,656,571	(446,785)	2,136,890
NON-OPERATING TAXES					
47 Federal Income Taxes	354,264	74,909			
48 Other					
49 Total Non-Operating Taxes	354,264	74,909			
50 Income Available Before Interest Charges	997,793	1,530,962	2,648,261	1,525,504	3,018,981
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	39,977	35,919	(29,492)	90,389	25,527
53 Total Interest Charges	39,977	35,919	(29,492)	90,389	25,527
54 Income Before Extraordinary & Nonreg Items	957,816	1,495,043	2,677,753	1,435,115	2,993,454
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	1,120,454				
57 Total Extraordinary & Nonregulated Items	1,120,454				
58 Net Income	\$2,078,271	\$1,495,043	\$2,677,753	\$1,435,115	\$2,993,454
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$5,196,558	\$3,701,515	\$4,023,762	\$4,688,643	\$1,695,188
60 Transferred from Income	973,431	1,495,043	2,677,753	1,435,115	2,993,455
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			3,000,000	2,100,000	
64 Adjustments				4	
65 Ending Year Balance	6,169,989	5,196,558	3,701,515	4,023,762	4,688,643
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$6,169,989	\$5,196,558	\$3,701,515	\$4,023,762	\$4,688,643

**Frontier Communications of Sylvan Lake
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$1,834)	\$2,364	(\$37,307)	\$11,046	\$22,449
2 Accounts Receivable (Net)	1,245,919	1,657,292	2,049,262	2,880,241	2,512,449
3 Current Deferred Income Taxes					
4 Other Current Assets	143,388	55,464	232,784	135,760	182,502
5 Total Current Assets	1,387,473	1,715,120	2,244,739	3,027,047	2,717,400
NON-CURRENT ASSETS					
6 Investments	15,375,945	13,560,376	13,195,202	12,214,064	10,719,667
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	277,935	277,935	277,935	279,797	283,088
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	(321,000)	(321,000)	(321,000)	(321,000)	(321,000)
12 Total Non-Current Assets	15,332,880	13,517,311	13,152,137	12,172,861	10,681,755
REGULATED PLANT					
13 Total Telecommunications Plant	52,401,697	52,058,963	51,756,513	51,444,011	50,871,918
14 Less: Accumulated Depr and Amort.	41,593,758	40,036,826	37,829,281	35,035,016	32,158,656
15 Net Regulated Plant	10,807,939	12,022,137	13,927,232	16,408,995	18,713,262
16 Total Assets & Other Debits	\$27,528,292	\$27,254,568	\$29,324,108	\$31,608,903	\$32,112,417
CURRENT LIABILITIES					
17 Accounts Payable	891,597	852,080	\$1,666,559	\$2,024,408	\$1,575,430
18 Notes Payable					
19 Advanced Billings	174,623	175,282	220,866	203,454	244,051
20 Customer Deposits	71	(70)			
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	196,641	182,983	40,939	32,149	11,063
24 Total Current Liabilities	1,262,931	1,210,275	1,928,364	2,260,011	1,830,544
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,466,051	2,294,361	2,022,343	2,607,926	2,882,453
28 Other Deferred Credits	120,841	108,610	113,690	119,692	123,711
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	390,541	481,374	492,513	481,143	475,009
31 Total Other Liab. and Def. Credits	2,977,433	2,884,346	2,628,545	3,208,761	3,481,173
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	12,654,368	12,654,368	12,654,368	12,654,368	12,654,368
35 Retained Earnings	10,633,560	10,505,580	12,112,831	13,485,763	14,146,333
36 Total Stockholder's Equity	23,287,928	23,159,948	24,767,199	26,140,131	26,800,701
37 Total Liab. and Stockholder's Equity	\$27,528,292	\$27,254,568	\$29,324,108	\$31,608,903	\$32,112,417

**Frontier Communications of Sylvan Lake
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,**

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INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$2,435,216	\$2,645,315	\$3,301,222	\$3,816,678	\$4,271,808	1
Network Access Services	2,649,631	3,516,169	3,881,625	4,589,889	4,797,520	2
Long Distance Network Services	(3,795)	(1,426)	(245)			3
Miscellaneous Revenues	2,390,587	2,657,856	3,072,353	3,737,616	3,864,435	4
Less: Uncollectible Revenues	85,108	(19,940)	61,024	103,698	53,693	5
Total Operating Revenues	7,386,531	8,837,853	10,193,931	12,040,485	12,880,069	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	10,323	13	156	81	2	7
General Support Expenses	388,493	410,988	477,892	565,756	647,072	8
Central Office Switching	1,068,022	1,040,431	1,176,652	1,340,831	1,494,574	9
Operator Systems Expense	6,383	4,999	4,038	4,080	4,947	10
Central Office Transmission	143,545	153,090	195,405	211,042	212,316	11
Info. Origination/Termination	312,277	327,585	376,852	395,562	354,718	12
Cable & Wire Facilities	409,828	425,586	510,711	427,439	501,124	13
Total Plant Specific Operations	2,338,872	2,362,693	2,741,707	2,944,791	3,214,753	14
Other Plant, Property & Equipment	3	135	280	6	(20)	15
Network Operations	454,217	543,008	604,119	658,382	700,625	16
Access Expense	214,620	198,740	205,248	246,667	361,932	17
Depreciation and Amortization	1,806,573	2,514,667	3,059,689	3,034,273	3,010,657	18
Total Plant Non-Specific Operations	2,475,412	3,256,550	3,869,337	3,939,328	4,073,194	19
Marketing Expense	274,189	254,646	253,561	361,698	362,232	20
Services Expense	611,595	607,655	664,695	936,145	993,044	21
Total Customer Operations	885,784	862,301	918,256	1,297,843	1,355,276	22
Executive & Planning	172,562	101,865	80,575	118,128	139,302	23
General & Administrative	763,726	537,485	527,683	504,048	598,223	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	936,288	639,351	608,258	622,176	737,525	27
Total Operations Expense	6,636,356	7,120,894	8,137,558	8,804,138	9,380,748	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	596,289	688,435	587,721	689,201	736,895	31
Net Operating Income Before FIT	153,886	1,028,524	1,468,653	2,547,146	2,762,426	32
Investment Tax Credits - Net						33
Federal Income Taxes	(2,382,196)	98,516	674,126	1,051,326	745,508	34
Provision - Def. Operating Income Taxes - Net	2,017,286	265,687	232,594	155,445	386,160	35
Net Operating Income	\$518,796	\$664,321	\$561,933	\$1,340,375	\$1,630,758	36

**Frontier Communications of Sylvan Lake
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
37 Net Operating Income	\$518,796	\$664,321	\$561,933	\$1,340,375	\$1,630,758
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	2,301	3,024	801	129	6,050
42 Gains/Losses - Disposal of Property				371	
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges	(866)	(3,004)	(1,107)	(2,597)	4,011
46 Total Non-Operating Income & Expenses	3,167	6,028	1,908	3,097	2,039
NON-OPERATING TAXES					
47 Federal Income Taxes	370,410	169,296			
48 Other					
49 Total Non-Operating Taxes	370,410	169,296			
50 Income Available Before Interest Charges	151,553	501,053	563,841	1,343,472	1,632,797
INTEREST CHARGES					
51 Interest on Funded Debt			8,813		
52 Other Interest Expense	21,841	(391,696)	(1,072,039)	(995,958)	(629,585)
53 Total Interest Charges	21,841	(391,696)	(1,063,226)	(995,958)	(629,585)
54 Income Before Extraordinary & Nonreg Items	129,712	892,749	1,627,068	2,339,430	2,262,382
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	1,196,488				4,283
57 Total Extraordinary & Nonregulated Items	1,196,488				4,283
58 Net Income	\$1,326,200	\$892,749	\$1,627,068	\$2,339,430	\$2,266,665
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,505,580	\$12,112,831	\$13,485,763	\$14,146,333	\$11,879,670
60 Transferred from Income	127,981	892,749	1,627,068	2,339,430	2,266,665
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		2,500,000	3,000,000	3,000,000	
64 Adjustments					(2)
65 Ending Year Balance	10,633,560	10,505,580	12,112,831	13,485,763	14,146,333
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$10,633,560	\$10,505,580	\$12,112,831	\$13,485,763	\$14,146,333

Germantown Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$512,507	\$655,921	\$713,039	\$1,446,909	\$1,531,661
2 Accounts Receivable (Net)	275,418	301,731	354,790	378,628	529,215
3 Current Deferred Income Taxes	4,162	4,949	4,748	4,380	3,985
4 Other Current Assets	177,190	229,208	235,458	180,501	166,122
5 Total Current Assets	969,277	1,191,809	1,308,035	2,010,418	2,230,983
NON-CURRENT ASSETS					
6 Investments	4,420,858	4,421,010	4,330,392	3,128,540	3,355,718
7 Unamortized Debt Issuance Costs					4,735
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	557,604	408,627	382,579	327,330	261,839
11 Other Non-Current Assets	1,904,925	1,800,435	1,672,980	1,720,444	2,119,174
12 Total Non-Current Assets	6,883,387	6,630,072	6,385,950	5,176,314	5,741,467
REGULATED PLANT					
13 Total Telecommunications Plant	9,241,224	10,012,848	9,785,946	9,591,609	9,467,440
14 Less: Accumulated Depr and Amort.	5,948,867	7,257,391	7,006,276	6,744,192	6,473,630
15 Net Regulated Plant	3,292,357	2,755,458	2,779,670	2,847,417	2,993,810
16 Total Assets & Other Debits	\$11,145,022	\$10,577,340	\$10,473,656	\$10,034,149	\$10,966,260
CURRENT LIABILITIES					
17 Accounts Payable	\$1,091,940	\$392,078	\$619,449	\$221,306	\$553,931
18 Notes Payable					
19 Advanced Billings	23,080	21,776	22,671	34,866	30,950
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(188,425)	(102,303)	(344,678)	(81,116)	(25,621)
24 Total Current Liabilities	926,595	311,552	297,443	175,057	559,260
LONG-TERM DEBT					
25 Long-Term Debt					469,359
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	481,901	204,607	120,458	135,964	165,799
28 Other Deferred Credits	12,240	14,556	13,965	12,880	11,720
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,283,562	1,264,572	1,268,425	1,224,537	1,153,066
31 Total Other Liab. and Def. Credits	1,777,703	1,483,734	1,402,848	1,373,381	1,330,585
STOCKHOLDER'S EQUITY					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital	4,662	41,397	(37,772)	30,389	99,343
35 Retained Earnings	8,356,062	8,660,657	8,731,138	8,375,322	8,427,713
36 Total Stockholder's Equity	8,440,724	8,782,054	8,773,366	8,485,711	8,607,056
37 Total Liab. and Stockholder's Equity	\$11,145,022	\$10,577,340	\$10,473,656	\$10,034,149	\$10,966,260

Germantown Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$611,371	\$494,763	\$459,747	\$448,343	\$462,433	1
Network Access Services	1,478,905	1,807,387	1,853,602	2,173,390	2,417,456	2
Long Distance Network Services						3
Miscellaneous Revenues	306,960	305,165	331,517	317,537	329,032	4
Less: Uncollectible Revenues	1,072	(2,527)	(2,351)	(3,885)	(1,655)	5
Total Operating Revenues	2,396,164	2,609,842	2,647,217	2,943,156	3,210,575	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	7,282	6,018	9,111	9,643	2,256	7
General Support Expenses	289,976	276,979	268,327	303,040	311,753	8
Central Office Switching	281,198	207,770	272,285	238,020	266,133	9
Operator Systems Expense						10
Central Office Transmission	64,337	93,218	129,805	90,962	95,133	11
Info. Origination/Termination	23,629	22,368	22,757	11,837	9,242	12
Cable & Wire Facilities	100,066	84,891	109,364	131,348	135,962	13
Total Plant Specific Operations	766,487	691,244	811,650	784,851	820,479	14
Other Plant, Property & Equipment					4,293	15
Network Operations	299,198	312,789	379,665	327,887	396,436	16
Access Expense	66,898	54,506	40,820	35,579	34,416	17
Depreciation and Amortization	231,857	455,215	581,178	573,361	627,781	18
Total Plant Non-Specific Operations	597,953	822,511	1,001,662	936,827	1,062,927	19
Marketing Expense	103,513	61,470	39,909	37,096	64,678	20
Services Expense	190,628	195,727	278,028	296,624	307,067	21
Total Customer Operations	294,140	257,197	317,937	333,720	371,745	22
Executive & Planning	276,079	262,998	310,576	266,559	237,208	23
General & Administrative	702,327	768,489	808,641	791,497	776,966	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	978,406	1,031,487	1,119,217	1,058,057	1,014,174	27
Total Operations Expense	2,636,986	2,802,438	3,250,465	3,113,454	3,269,325	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	118,004	122,559	116,216	124,354	129,985	31
Net Operating Income Before FIT	(358,827)	(315,155)	(719,465)	(294,652)	(188,734)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(239,402)	(114,042)	(211,883)	(71,247)	7,096	34
Provision - Def. Operating Income Taxes - Net	148,028	85,259	(35,129)	(50,198)	(110,640)	35
Net Operating Income	(\$267,453)	(\$286,372)	(\$472,453)	(\$173,207)	(\$85,191)	36

Germantown Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$267,453)	(\$286,372)	(\$472,453)	(\$173,207)	(\$85,191)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	2,366	14,980	42,039	47,903	60,407
39 Interest Income	13,256	2,140	17,062	47,577	33,304
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(152)	90,619	1,201,852	132,677	203,253
44 Other Non-Operating Income	69,287	(21,623)	(150,379)	52,687	33,579
45 Special Charges	(57,729)	(63,120)	67,228	84,706	(88,558)
46 Total Non-Operating Income & Expenses	142,486	149,235	1,043,345	196,139	419,100
NON-OPERATING TAXES					
47 Federal Income Taxes	23,628	(78,887)	(46,923)	36,451	20,892
48 Other					
49 Total Non-Operating Taxes	23,628	(78,887)	(46,923)	36,451	20,892
50 Income Available Before Interest Charges	(148,595)	(58,250)	617,816	(13,519)	313,018
INTEREST CHARGES					
51 Interest on Funded Debt				17,710	25,735
52 Other Interest Expense		233		4,735	954
53 Total Interest Charges		233		22,445	26,689
54 Income Before Extraordinary & Nonreg Items	(148,595)	(58,483)	617,816	(35,964)	286,329
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$148,595)	(\$58,483)	\$617,816	(\$35,964)	\$286,329

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,765,397	\$6,926,498	\$7,772,533	\$7,957,601	\$6,392,678
60 Transferred from Income	(148,443)	(149,100)	(584,035)	(168,641)	83,076
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	156,000	12,000	262,000	16,427	517,193
64 Adjustments					1,999,040
65 Ending Year Balance	6,460,954	6,765,397	6,926,498	7,772,533	7,957,601
66 Appropriated/Undistr Affiliate Retained Earnings	1,895,108	1,895,260	1,804,641	602,789	470,112
67 Total Retained Earnings	\$8,356,062	\$8,660,657	\$8,731,138	\$8,375,322	\$8,427,713

**Hancock Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$60,349	\$155,050	\$148,155	\$220,129	\$276,266
2 Accounts Receivable (Net)	166,688	168,068	186,941	187,421	246,958
3 Current Deferred Income Taxes	8,941	8,291	8,636	9,002	10,375
4 Other Current Assets	1,234,557	1,172,783	1,069,303	978,893	905,580
5 Total Current Assets	1,470,535	1,504,192	1,413,035	1,395,445	1,439,179
NON-CURRENT ASSETS					
6 Investments	1,489,272	1,459,304	1,458,714	1,406,713	1,365,345
7 Unamortized Debt Issuance Costs	985	2,221	3,457	4,693	5,929
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	560,132	566,707	455,210	433,124	427,300
11 Other Non-Current Assets					
12 Total Non-Current Assets	2,050,389	2,028,232	1,917,381	1,844,530	1,798,574
REGULATED PLANT					
13 Total Telecommunications Plant	5,296,924	5,236,759	5,734,818	5,335,420	5,281,960
14 Less: Accumulated Depr and Amort.	3,885,735	3,629,725	3,937,556	3,638,676	3,348,004
15 Net Regulated Plant	1,411,189	1,607,034	1,797,262	1,696,744	1,933,956
16 Total Assets & Other Debits	\$4,932,113	\$5,139,458	\$5,127,678	\$4,936,719	\$5,171,709
CURRENT LIABILITIES					
17 Accounts Payable	\$994,100	\$867,140	\$1,094,491	\$654,917	\$597,516
18 Notes Payable	436,000	410,000			
19 Advanced Billings					27,032
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	55,825	122,879	130,247	121,369	113,109
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(123,178)	(51,806)	(53,737)	(53,929)	(10,550)
24 Total Current Liabilities	1,362,747	1,348,213	1,171,001	722,357	727,107
LONG-TERM DEBT					
25 Long-Term Debt	25,041	80,751	203,867	334,337	455,937
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	226,573	250,193	210,319	244,703	260,547
28 Other Deferred Credits	835,228	838,762	833,619	826,717	802,059
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	485,524	472,087	459,679	448,222	437,644
31 Total Other Liab. and Def. Credits	1,547,325	1,561,042	1,503,617	1,519,642	1,500,250
STOCKHOLDER'S EQUITY					
32 Common Stock	60,000	60,000	60,000	60,000	60,000
33 Preferred Stock					
34 Other Paid in Capital	(950,752)	(950,752)	(950,752)	(950,752)	(950,752)
35 Retained Earnings	2,887,752	3,040,204	3,139,945	3,251,135	3,379,167
36 Total Stockholder's Equity	1,997,000	2,149,452	2,249,193	2,360,383	2,488,415
37 Total Liab. and Stockholder's Equity	\$4,932,113	\$5,139,458	\$5,127,678	\$4,936,719	\$5,171,709

Hancock Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$337,473	\$328,758	\$347,581	\$370,193	\$362,019	1
Network Access Services	1,254,363	1,381,003	1,477,706	1,446,553	1,568,567	2
Long Distance Network Services	127	259	1,225	2,481	2,310	3
Miscellaneous Revenues	97,827	100,972	77,632	77,467	75,954	4
Less: Uncollectible Revenues	1,200	1,200	8,200	1,200	1,200	5
Total Operating Revenues	1,688,590	1,809,792	1,895,944	1,895,494	2,007,650	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,723	12,569	15,099	15,716	11,123	7
General Support Expenses	70,040	89,577	99,509	88,445	94,642	8
Central Office Switching	347,837	322,735	374,543	323,797	332,086	9
Operator Systems Expense						10
Central Office Transmission	1,415	698				11
Info. Origination/Termination						12
Cable & Wire Facilities	304,252	300,111	317,486	296,793	344,861	13
Total Plant Specific Operations	736,267	725,690	806,637	724,751	782,712	14
Other Plant, Property & Equipment						15
Network Operations	51,819	39,336	37,903	19,234	19,681	16
Access Expense	38,515	30,597	13,959	41,412	30,872	17
Depreciation and Amortization	255,104	281,275	299,759	297,837	288,261	18
Total Plant Non-Specific Operations	345,438	351,208	351,621	358,483	338,814	19
Marketing Expense	12,912	19,086	18,936	24,082	17,080	20
Services Expense	140,903	148,157	159,810	154,746	157,093	21
Total Customer Operations	153,815	167,243	178,746	178,828	174,173	22
Executive & Planning	290,252	295,251	346,932	392,649	320,665	23
General & Administrative	364,577	346,237	349,616	353,951	397,407	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	654,829	641,488	696,548	746,600	718,072	27
Total Operations Expense	1,890,349	1,885,629	2,033,552	2,008,662	2,013,771	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	84,852	90,236	92,804	89,365	91,105	31
Net Operating Income Before FIT	(286,611)	(166,073)	(230,412)	(202,533)	(97,226)	32
Investment Tax Credits - Net						33
Federal Income Taxes			(31,500)	(47,900)	(66,000)	34
Provision - Def. Operating Income Taxes - Net	(112,772)	(74,185)	(59,611)	(17,510)	33,815	35
Net Operating Income	(\$173,839)	(\$91,888)	(\$139,301)	(\$137,123)	(\$65,041)	36

Hancock Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$173,839)	(\$91,888)	(\$139,301)	(\$137,123)	(\$65,041)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income			4,568	29,159	4,157
39 Interest Income	492	3,469		7,857	19,572
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	29,968	590	60,254	41,420	(428,274)
44 Other Non-Operating Income			9,511		587,629
45 Special Charges	(16,013)	(16,249)		9,755	(20,848)
46 Total Non-Operating Income & Expenses	46,473	20,308	74,333	68,681	203,932
NON-OPERATING TAXES					
47 Federal Income Taxes	1,413	(2,345)	(418)	4,670	189,301
48 Other					16,833
49 Total Non-Operating Taxes	1,413	(2,345)	(418)	4,670	206,134
50 Income Available Before Interest Charges	(128,779)	(69,235)	(64,550)	(73,112)	(67,243)
INTEREST CHARGES					
51 Interest on Funded Debt	9,605	19,020	27,944	36,224	43,937
52 Other Interest Expense	14,068	11,486	1,236	1,236	1,236
53 Total Interest Charges	23,673	30,506	29,180	37,460	45,173
54 Income Before Extraordinary & Nonreg Items	(152,452)	(99,741)	(93,730)	(110,572)	(112,416)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$152,452)	(\$99,741)	(\$93,730)	(\$110,572)	(\$112,416)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,587,411	\$1,687,742	\$1,859,186	\$2,028,638	\$1,952,780
60 Transferred from Income	(182,420)	(100,331)	(153,984)	(151,992)	315,858
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			17,460	17,460	240,000
64 Adjustments					
65 Ending Year Balance	1,404,991	1,587,411	1,687,742	1,859,186	2,028,638
66 Appropriated/Undistr Affiliate Retained Earnings	1,482,761	1,452,793	1,452,203	1,391,949	1,350,529
67 Total Retained Earnings	\$2,887,752	\$3,040,204	\$3,139,945	\$3,251,135	\$3,379,167

Margaretville Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$339,775	\$496,567	\$647,987	\$935,351	\$1,468,465
2 Accounts Receivable (Net)	525,788	481,655	614,040	421,999	390,916
3 Current Deferred Income Taxes	5,236	4,691	4,365	3,703	3,252
4 Other Current Assets	213,816	208,939	215,433	191,341	190,335
5 Total Current Assets	1,084,615	1,191,852	1,481,825	1,552,394	2,052,968
NON-CURRENT ASSETS					
6 Investments	2,910,987	3,314,176	3,600,113	3,031,521	2,950,159
7 Unamortized Debt Issuance Costs	2,409	2,923	3,437	3,951	4,464
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	74,834	80,294	84,807	85,510	123,972
11 Other Non-Current Assets	897,553	785,343	676,760	579,165	485,813
12 Total Non-Current Assets	3,885,783	4,182,736	4,365,117	3,700,147	3,564,408
REGULATED PLANT					
13 Total Telecommunications Plant	12,391,830	12,201,727	12,046,928	11,782,145	11,408,061
14 Less: Accumulated Depr and Amort.	10,073,838	9,649,813	9,326,696	8,967,713	8,509,735
15 Net Regulated Plant	2,317,992	2,551,914	2,720,232	2,814,432	2,898,326
16 Total Assets & Other Debits	\$7,288,390	\$7,926,502	\$8,567,174	\$8,066,973	\$8,515,702
CURRENT LIABILITIES					
17 Accounts Payable	\$96,409	\$108,606	\$105,475	\$123,823	\$79,184
18 Notes Payable					
19 Advanced Billings	23,532	24,318	26,454	28,092	24,612
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	36,911	36,872	402,083	347,783	565,459
24 Total Current Liabilities	156,852	169,796	534,012	499,698	669,255
LONG-TERM DEBT					
25 Long-Term Debt	128,294	160,153	241,280	318,851	392,682
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	147,540	175,699	177,853	138,261	180,398
28 Other Deferred Credits	235,507	249,963	262,279	262,395	374,196
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	383,047	425,662	440,132	400,656	554,594
STOCKHOLDER'S EQUITY					
32 Common Stock	130,000	130,000	130,000	130,000	130,000
33 Preferred Stock					
34 Other Paid in Capital	7,973	5,887	5,527	16,856	14,373
35 Retained Earnings	6,482,224	7,035,004	7,216,223	6,700,912	6,754,798
36 Total Stockholder's Equity	6,620,197	7,170,891	7,351,750	6,847,768	6,899,171
37 Total Liab. and Stockholder's Equity	\$7,288,390	\$7,926,502	\$8,567,174	\$8,066,973	\$8,515,702

Margaretville Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$656,379	\$649,016	\$640,228	\$665,201	\$683,287	1
Network Access Services	1,240,315	1,381,321	1,477,878	1,630,620	1,575,681	2
Long Distance Network Services						3
Miscellaneous Revenues	349,042	376,609	363,924	397,925	418,530	4
Less: Uncollectible Revenues				6,000	6,000	5
Total Operating Revenues	2,245,736	2,406,946	2,482,030	2,687,746	2,671,498	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,096	1,307	2,178	10,580	7,881	7
General Support Expenses	102,314	100,681	121,920	102,700	152,413	8
Central Office Switching	84,846	97,154	112,623	108,137	126,539	9
Operator Systems Expense						10
Central Office Transmission	125,622	135,975	123,064	117,216	98,782	11
Info. Origination/Termination	20,916	17,543	18,701	18,687	23,938	12
Cable & Wire Facilities	135,860	142,610	144,622	179,937	152,341	13
Total Plant Specific Operations	470,654	495,270	523,108	537,257	561,894	14
Other Plant, Property & Equipment					1,387	15
Network Operations	176,183	164,041	148,739	177,768	146,175	16
Access Expense	54,746	44,053	47,280	45,459	43,743	17
Depreciation and Amortization	464,658	420,705	473,546	518,328	542,864	18
Total Plant Non-Specific Operations	695,587	628,799	669,565	741,555	734,169	19
Marketing Expense	13,396	12,248	14,192	14,292	16,448	20
Services Expense	333,661	379,801	416,173	351,090	345,052	21
Total Customer Operations	347,057	392,049	430,365	365,382	361,500	22
Executive & Planning	352,480	354,200	405,539	331,094	316,331	23
General & Administrative	385,897	420,900	474,778	531,738	522,549	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	738,377	775,100	880,317	862,832	838,880	27
Total Operations Expense	2,251,675	2,291,218	2,503,355	2,507,026	2,496,443	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	120,944	122,649	138,587	156,555	142,930	31
Net Operating Income Before FIT	(126,883)	(6,921)	(159,912)	24,165	32,125	32
Investment Tax Credits - Net						33
Federal Income Taxes	(21,113)	(4,722)	(102,047)	30,539	71,729	34
Provision - Def. Operating Income Taxes - Net	(24,319)	1,848	45,470	(5,405)	(62,603)	35
Net Operating Income	(\$81,451)	(\$4,047)	(\$103,335)	(\$969)	\$22,999	36

Margaretville Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$81,451)	(\$4,047)	(\$103,335)	(\$969)	\$22,999
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	204	185	167	334	297
39 Interest Income	1,321	3,209	13,622	35,464	23,515
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	127,555	112,093	848,881	170,421	55,707
44 Other Non-Operating Income	23,451	19,759	8,771	36,965	456,008
45 Special Charges	5,278	6,165	5,580	16,825	8,114
46 Total Non-Operating Income & Expenses	147,253	129,081	865,861	226,359	527,413
NON-OPERATING TAXES					
47 Federal Income Taxes	(1,303)	(646)	2,507	16,116	151,444
48 Other					21,954
49 Total Non-Operating Taxes	(1,303)	(646)	2,507	16,116	173,398
50 Income Available Before Interest Charges	67,105	125,680	760,019	209,274	377,014
INTEREST CHARGES					
51 Interest on Funded Debt	6,899	9,832	13,900	17,640	21,229
52 Other Interest Expense	(5,717)	(2,933)	3,308	18,020	516
53 Total Interest Charges	1,182	6,899	17,208	35,660	21,745
54 Income Before Extraordinary & Nonreg Items	65,923	118,781	742,811	173,614	355,269
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$65,923	\$118,781	\$742,811	\$173,614	\$355,269
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,589,547	\$6,882,859	\$7,216,429	\$7,440,736	\$7,368,674
60 Transferred from Income	(61,632)	6,688	(106,070)	3,193	299,562
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	618,703	300,000	227,500	227,500	227,500
64 Adjustments					
65 Ending Year Balance	5,909,212	6,589,547	6,882,859	7,216,429	7,440,736
66 Appropriated/Undistr Affiliate Retained Earnings	573,012	445,457	333,364	(515,517)	(685,938)
67 Total Retained Earnings	\$6,482,224	\$7,035,004	\$7,216,223	\$6,700,912	\$6,754,798

**Middleburgh Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,179,530	\$1,585,978	\$2,111,275	\$2,542,323	\$3,197,401
2 Accounts Receivable (Net)	749,596	989,556	1,003,874	844,127	758,853
3 Current Deferred Income Taxes	16,396	14,960	13,517	12,070	10,627
4 Other Current Assets	443,780	342,914	285,686	300,924	273,034
5 Total Current Assets	2,389,302	2,933,408	3,414,352	3,699,444	4,239,915
NON-CURRENT ASSETS					
6 Investments	1,866,093	1,987,814	2,096,673	2,168,372	2,098,363
7 Unamortized Debt Issuance Costs	5,199	5,774	6,478	7,181	7,884
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	951,950	692,016	705,336	703,387	701,011
11 Other Non-Current Assets	1,416,690	1,416,690	1,416,690	1,416,690	1,416,690
12 Total Non-Current Assets	4,239,932	4,102,294	4,225,177	4,295,630	4,223,948
REGULATED PLANT					
13 Total Telecommunications Plant	23,248,706	22,185,653	21,301,335	20,688,636	20,408,608
14 Less: Accumulated Depr and Amort.	17,847,674	17,136,424	16,510,528	15,751,168	14,810,807
15 Net Regulated Plant	5,401,032	5,049,229	4,790,807	4,937,468	5,597,801
16 Total Assets & Other Debits	\$12,030,266	\$12,084,931	\$12,430,336	\$12,932,542	\$14,061,664
CURRENT LIABILITIES					
17 Accounts Payable	\$260,815	\$215,709	\$260,964	\$240,030	\$295,879
18 Notes Payable					
19 Advanced Billings					(96)
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(63,409)	71,918	(78,000)	57,405	683,327
24 Total Current Liabilities	197,406	287,627	182,964	297,435	979,110
LONG-TERM DEBT					
25 Long-Term Debt	1,126,773	1,199,096	1,483,962	1,755,110	2,011,737
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	521,432	244,275	163,296	48,705	326,620
28 Other Deferred Credits	1,465,483	1,486,510	1,494,272	1,441,280	1,413,451
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	537,796	492,828	520,000	563,000	579,600
31 Total Other Liab. and Def. Credits	2,524,711	2,223,613	2,177,568	2,052,985	2,319,671
STOCKHOLDER'S EQUITY					
32 Common Stock	64,200	64,200	64,200	64,200	64,200
33 Preferred Stock					
34 Other Paid in Capital	(840,336)	(840,336)	(840,336)	(840,336)	(840,336)
35 Retained Earnings	8,957,512	9,150,731	9,361,978	9,603,148	9,527,282
36 Total Stockholder's Equity	8,181,376	8,374,595	8,585,842	8,827,012	8,751,146
37 Total Liab. and Stockholder's Equity	\$12,030,266	\$12,084,931	\$12,430,336	\$12,932,542	\$14,061,664

Middleburgh Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$64,200	\$1,076,429	\$1,131,327	\$1,214,372	\$1,236,178	1
Network Access Services		3,002,508	3,074,457	3,943,387	3,287,332	2
Long Distance Network Services	(840,336)					3
Miscellaneous Revenues	8,957,512	561,677	568,938	582,192	578,326	4
Less: Uncollectible Revenues	106,525	71,550	104,325	23,800	20,750	5
Total Operating Revenues	8,074,851	4,569,064	4,670,397	5,716,151	5,081,086	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	14,694	14,091	19,042	16,041	15,856	7
General Support Expenses	227,325	279,254	240,523	223,214	231,615	8
Central Office Switching	186,702	221,500	190,735	198,743	247,716	9
Operator Systems Expense						10
Central Office Transmission	207,829	187,012	240,250	242,860	233,354	11
Info. Origination/Termination	22,269	26,392	27,113	46,284	35,208	12
Cable & Wire Facilities	223,818	273,043	256,916	208,985	225,764	13
Total Plant Specific Operations	882,637	1,001,292	974,579	936,127	989,513	14
Other Plant, Property & Equipment	1,617	2,075	2,524	2,789	4,852	15
Network Operations	285,153	254,335	291,574	285,989	255,868	16
Access Expense	116,622	92,734	94,811	86,505	88,954	17
Depreciation and Amortization	753,199	841,381	920,907	1,550,327	1,496,254	18
Total Plant Non-Specific Operations	1,156,591	1,190,525	1,309,816	1,925,610	1,845,928	19
Marketing Expense	38,374	36,912	36,641	36,083	34,109	20
Services Expense	470,070	462,404	501,538	499,388	510,235	21
Total Customer Operations	508,444	499,316	538,179	535,471	544,344	22
Executive & Planning	599,628	495,975	472,838	463,810	453,877	23
General & Administrative	700,589	786,755	791,394	791,716	839,532	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,300,217	1,282,730	1,264,232	1,255,526	1,293,409	27
Total Operations Expense	3,847,889	3,973,863	4,086,806	4,652,734	4,673,194	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	301,695	310,325	319,357	325,835	387,838	31
Net Operating Income Before FIT	3,925,267	284,876	264,234	737,582	20,054	32
Investment Tax Credits - Net						33
Federal Income Taxes		(11,893)	(57,205)	424,761	190,756	34
Provision - Def. Operating Income Taxes - Net	64,639	85,886	113,775	(276,535)	(633,971)	35
Net Operating Income	\$3,860,628	\$210,883	\$207,664	\$589,356	\$463,269	36

Middleburgh Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$3,860,628	\$210,883	\$207,664	\$589,356	\$463,269
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income				74,015	
39 Interest Income	6,412	11,228	48,842	95,740	115,511
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property		(164)	(218)	(766)	(28,583)
43 Equity in Earnings of Affiliated Companies	(121,721)	(108,695)	(71,481)	(229,225)	(399,775)
44 Other Non-Operating Income	(109,578)	(122,929)	(163,868)	(148,683)	588,836
45 Special Charges	45,585	42,062	44,234	56,933	94,341
46 Total Non-Operating Income & Expenses	(270,472)	(262,622)	(230,959)	(265,852)	181,648
NON-OPERATING TAXES					
47 Federal Income Taxes	(48,852)	(50,985)	(52,690)	(3,093)	567,840
48 Other					
49 Total Non-Operating Taxes	(48,852)	(50,985)	(52,690)	(3,093)	567,840
50 Income Available Before Interest Charges	3,639,008	(754)	29,395	326,597	77,077
INTEREST CHARGES					
51 Interest on Funded Debt	87,477	97,828	113,219	127,841	141,675
52 Other Interest Expense	4,440	14,065	58,746	24,290	703
53 Total Interest Charges	91,917	111,893	171,965	152,131	142,378
54 Income Before Extraordinary & Nonreg Items	3,547,091	(112,647)	(142,570)	174,466	(65,301)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$3,547,091	(\$112,647)	(\$142,570)	\$174,466	(\$65,301)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,841,738	\$10,944,290	\$11,113,979	\$10,808,888	\$10,573,014
60 Transferred from Income	27,102	(3,952)	(71,089)	403,691	334,474
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	98,600	98,600	98,600	98,600	98,600
64 Adjustments					
65 Ending Year Balance	10,770,240	10,841,738	10,944,290	11,113,979	10,808,888
66 Appropriated/Undistr Affiliate Retained Earnings	(1,812,728)	(1,691,007)	(1,582,312)	(1,510,831)	(1,281,606)
67 Total Retained Earnings	\$8,957,512	\$9,150,731	\$9,361,978	\$9,603,148	\$9,527,282

**New York Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$0)	\$258,820	\$1,231,034	\$467,674,475	\$483,112,697
2 Accounts Receivable (Net)	846,650,940	884,593,642	1,206,502,066	985,103,589	1,076,621,277
3 Current Deferred Income Taxes					
4 Other Current Assets	124,125,273	176,410,882	259,698,305	227,899,456	232,610,763
5 Total Current Assets	970,776,212	1,061,263,345	1,467,431,405	1,680,677,520	1,792,344,737
NON-CURRENT ASSETS					
6 Investments	436,712,627	531,841,230	366,333,851	341,373,640	339,271,176
7 Unamortized Debt Issuance Costs	6,103,024	6,962,850	7,874,213	10,608,440	11,829,042
8 Deferred Charges	83,232,170	89,836,693	89,679,857	119,410,987	166,620,142
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	471,549,127	490,517,661	499,756,555	470,226,146	416,714,603
12 Total Non-Current Assets	997,596,948	1,119,158,435	963,644,475	941,619,213	934,434,963
REGULATED PLANT					
13 Total Telecommunications Plant	29,685,669,682	31,318,953,310	30,542,103,959	30,084,568,137	30,211,292,983
14 Less: Accumulated Depr and Amort.	19,126,125,850	20,840,004,083	20,202,690,437	19,735,045,854	19,706,082,848
15 Net Regulated Plant	10,559,543,832	10,478,949,227	10,339,413,522	10,349,522,283	10,505,210,134
16 Total Assets & Other Debits	\$12,527,916,992	\$12,659,371,007	\$12,770,489,402	\$12,971,819,017	\$13,231,989,834
CURRENT LIABILITIES					
17 Accounts Payable	516,354,150	\$498,764,485	\$868,104,167	\$820,003,636	\$787,374,877
18 Notes Payable	3,618,653,984	3,300,469,580	2,848,778,251	2,063,434,446	3,625,791,686
19 Advanced Billings	159,344,984	152,987,435	156,225,854	156,416,804	159,855,355
20 Customer Deposits	7,960,651	7,404,707	6,812,793	7,689,435	7,647,459
21 Current Maturities - Long-Term Debt	1,278,124	401,121,571	1,131,206	251,667,136	1,536,153
22 Current Deferred Income Taxes	(103,614,791)	(96,139,144)	(118,139,133)	33,435,279	38,651,334
23 Other Current Liabilities	414,784,399	542,387,579	600,762,946	616,236,537	625,035,271
24 Total Current Liabilities	4,614,761,501	4,806,996,212	4,363,676,084	3,948,883,272	5,245,892,135
LONG-TERM DEBT					
25 Long-Term Debt	2,250,735,680	2,251,102,617	2,649,688,104	2,651,160,078	2,900,371,877
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	16,787,001	17,369,153	19,180,550	21,100,262	23,250,166
27 Non-Current Deferred Taxes	269,720,558	86,850,059	(20,427,301)	11,887,783	339,837,364
28 Other Deferred Credits	283,425,357	253,118,877	149,974,328	289,861,711	216,359,870
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	5,945,289,620	4,473,303,329	4,404,599,235	3,984,336,727	3,563,319,616
31 Total Other Liab. and Def. Credits	6,515,222,536	4,830,641,417	4,553,326,812	4,307,186,483	4,142,767,015
STOCKHOLDER'S EQUITY					
32 Common Stock	1,000,010	1,000,010	1,000,010	1,000,010	1,000,000
33 Preferred Stock			-		
34 Other Paid in Capital	4,245,328,446	4,783,857,776	5,144,467,671	5,144,460,733	2,135,146,468
35 Retained Earnings	(5,099,131,180)	(4,014,227,025)	(3,941,669,279)	(3,080,871,560)	(1,193,187,661)
36 Total Stockholder's Equity	(852,802,724)	770,630,761	1,203,798,402	2,064,589,184	942,958,806
37 Total Liab. and Stockholder's Equity	\$12,527,916,992	\$12,659,371,007	\$12,770,489,402	\$12,971,819,017	\$13,231,989,834

New York Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,730,932,492	\$1,976,603,179	\$2,239,370,515	\$2,436,273,605	\$2,638,058,413	1
Network Access Services	2,109,161,592	2,120,781,198	2,173,914,471	2,207,803,194	2,139,796,795	2
Long Distance Network Services	112,868,052	130,272,806	137,586,464	142,636,451	148,290,976	3
Miscellaneous Revenues	1,083,515,337	1,014,909,181	964,203,327	718,128,172	955,358,465	4
Less: Uncollectible Revenues	54,132,700	66,609,686	61,768,654	58,576,239	36,486,641	5
Total Operating Revenues	4,982,344,773	5,175,956,679	5,453,306,123	5,446,265,183	5,845,018,008	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	3,764,606	6,596,203	22,790,003	15,907,776	18,813,074	7
General Support Expenses	380,129,286	396,271,124	420,719,528	403,163,562	446,246,690	8
Central Office Switching	191,770,638	218,619,722	207,436,276	225,865,863	234,734,485	9
Operator Systems Expense	209,756	138,541	182,913	371,187	398,739	10
Central Office Transmission	135,069,457	136,239,381	122,924,973	128,573,306	123,691,378	11
Info. Origination/Termination	794,069,743	621,786,502	501,755,962	360,401,866	288,148,812	12
Cable & Wire Facilities	908,208,176	1,188,785,494	918,560,718	1,015,775,872	1,063,067,738	13
Total Plant Specific Operations	2,413,221,662	2,568,436,967	2,194,370,373	2,150,059,432	2,175,100,916	14
Other Plant, Property & Equipment	1,075,988	11,441,664	12,074,259	8,978,665	9,720,970	15
Network Operations	1,653,314,219	602,872,014	745,700,972	768,564,940	813,321,153	16
Access Expense	89,744,189	110,362,863	112,634,258	124,949,842	149,127,714	17
Depreciation and Amortization	1,217,966,993	1,229,000,198	1,333,465,921	1,404,258,778	1,526,072,772	18
Total Plant Non-Specific Operations	2,962,101,389	1,953,676,738	2,203,875,410	2,306,752,225	2,498,242,609	19
Marketing Expense	306,953,486	327,130,078	342,217,241	381,441,787	300,166,330	20
Services Expense	561,055,928	567,002,282	580,676,014	591,231,566	627,354,738	21
Total Customer Operations	868,009,414	894,132,361	922,893,255	972,673,353	927,521,069	22
Executive & Planning	29,954,221	48,586,521	58,654,058	23,067,084	24,238,692	23
General & Administrative	966,489,217	827,701,635	832,871,093	1,060,274,305	1,007,273,202	24
Provision - Uncollectible Notes Rec.					0	25
Other						26
Total Corporate Operations	996,443,439	876,288,156	891,525,150	1,083,341,389	1,031,511,894	27
Total Operations Expense	7,239,775,904	6,292,534,222	6,212,664,189	6,512,826,400	6,632,376,487	28
Other Operating Income & Expenses	66,444,250	37,405,368	46,258,738	87,338,714	137,937,504	29
State & Local Income Taxes	(12,446,099)	(8,832,103)	2,580	13,726		30
Other Taxes	420,077,795	450,691,662	466,543,046	481,126,927	524,368,813	31
Net Operating Income Before FIT	(2,598,618,577)	(1,521,031,734)	(1,179,644,954)	(1,460,363,155)	(1,173,789,787)	32
Investment Tax Credits - Net	582,153	1,811,397	1,919,712	2,149,904	2,203,788	33
Federal Income Taxes	(1,065,904,580)	(793,717,459)	(357,932,280)	(288,425,716)	(364,732,063)	34
Provision - Def. Operating Income Taxes - Net	92,106,901	126,980,952	(181,605,544)	(241,886,639)	(87,592,454)	35
Net Operating Income	(\$1,624,238,746)	(\$852,483,830)	(\$638,187,418)	(\$927,900,896)	(\$719,261,482)	36

New York Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$1,624,238,746)	(\$852,483,830)	(\$638,187,418)	(\$927,900,896)	(\$719,261,482)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	4,242,021	411,903	5,691,622	23,028,555	23,713,351
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	13,991,889	16,126,829	17,558,298	18,878,737	20,569,756
42 Gains/Losses - Disposal of Property			(423)	(1,814)	726
43 Equity in Earnings of Affiliated Companies	488,800,727	563,961,041	60,164,881	30,548,470	30,955,270
44 Other Non-Operating Income	(14,786,388)	(14,277,797)	1,815,285	578,574	2,593,998
45 Special Charges	8,087,887	8,032,330	7,182,118	9,738,226	11,909,970
46 Total Non-Operating Income & Expenses	484,160,363	558,189,647	78,047,546	63,294,295	65,923,131
NON-OPERATING TAXES					
47 Federal Income Taxes	(998,625)	(1,682,069)	175,146	6,139,401	6,967,350
48 Other	3,945,956	3,804,125	4,748,000	654,895	4,776,000
49 Total Non-Operating Taxes	2,947,331	2,122,056	4,923,146	6,794,296	11,743,350
50 Income Available Before Interest Charges	(1,143,025,714)	(296,416,239)	(565,063,019)	(871,400,897)	(665,081,701)
INTEREST CHARGES					
51 Interest on Funded Debt	169,908,763	186,170,072	188,662,235	201,926,420	202,105,540
52 Other Interest Expense	171,234,373	108,588,380	106,873,800	166,292,886	186,389,559
53 Total Interest Charges	341,143,136	294,758,451	295,536,035	368,219,306	388,495,098
54 Income Before Extraordinary & Nonreg Items	(1,484,168,850)	(591,174,690)	(860,599,054)	(1,239,620,202)	(1,053,576,799)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues				328,104,847	234,773,488
57 Total Extraordinary & Nonregulated Items				328,104,847	234,773,488
58 Net Income	(\$1,484,168,850)	(\$591,174,690)	(\$860,599,054)	(\$911,515,356)	(\$818,803,311)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$4,477,065,544)	(\$4,141,856,259)	(\$3,220,893,658)	(\$1,302,661,290)	(\$850,089,433)
60 Transferred from Income	(1,972,969,577)	(1,155,135,731)	(920,763,936)	(942,063,825)	(849,758,581)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	983,194,026	819,926,447	(198,665)	(976,168,543)	(397,186,724)
65 Ending Year Balance	(5,466,841,095)	(4,477,065,544)	(4,141,856,259)	(3,220,893,658)	(1,302,661,290)
66 Appropriated/Undistr Affiliate Retained Earnings	367,709,915	462,838,518	200,186,980	140,022,099	109,473,629
67 Total Retained Earnings	(\$5,099,131,180)	(\$4,014,227,025)	(\$3,941,669,279)	(\$3,080,871,560)	(\$1,193,187,661)

Newport Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$378,672	\$195,578	\$159,518	\$365,549	\$107,069
2 Accounts Receivable (Net)	175,872	185,255	195,590	206,598	269,976
3 Current Deferred Income Taxes				658	2,230
4 Other Current Assets	163,709	169,978	172,223	187,565	164,201
5 Total Current Assets	718,253	550,811	527,331	760,370	543,476
NON-CURRENT ASSETS					
6 Investments	2,240,185	2,237,447	2,611,098	2,715,021	4,331,285
7 Unamortized Debt Issuance Costs	2,052	4,775	5,175	6,361	7,548
8 Deferred Charges	4,861	4,981	123	14,186	55,504
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	517,549	518,830	441,238	620,009	669,070
11 Other Non-Current Assets	13,889	12,071	9,992	8,628	7,042
12 Total Non-Current Assets	2,778,536	2,778,104	3,067,626	3,364,205	5,070,449
REGULATED PLANT					
13 Total Telecommunications Plant	11,272,940	11,153,316	10,987,092	10,906,892	10,591,869
14 Less: Accumulated Depr and Amort.	8,576,991	8,101,865	7,533,546	7,268,678	6,719,462
15 Net Regulated Plant	2,695,949	3,051,451	3,453,546	3,638,214	3,872,407
16 Total Assets & Other Debits	\$6,192,738	\$6,380,366	\$7,048,503	\$7,762,789	\$9,486,332
CURRENT LIABILITIES					
17 Accounts Payable	\$162,835	\$73,822	\$637,197	\$568,045	\$314,583
18 Notes Payable					
19 Advanced Billings	8,165	10,530	12,448	11,676	13,906
20 Customer Deposits	700	850	1,025	1,250	1,470
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(52,986)	(140,443)	(79,168)	(42,410)	38,137
24 Total Current Liabilities	118,714	(55,241)	571,502	538,561	368,096
LONG-TERM DEBT					
25 Long-Term Debt	752,292	805,387	842,938	878,535	1,025,309
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	393,027	417,775	392,453	461,818	521,158
28 Other Deferred Credits	334,682	364,259	636,476	1,076,476	1,363,532
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,104,758	1,120,195	502,433	790,622	674,023
31 Total Other Liab. and Def. Credits	1,832,467	1,902,229	1,531,362	2,328,916	2,558,713
STOCKHOLDER'S EQUITY					
32 Common Stock	119,650	119,650	119,650	119,650	119,650
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	3,369,615	3,608,341	3,983,051	3,897,127	5,414,564
36 Total Stockholder's Equity	3,489,265	3,727,991	4,102,701	4,016,777	5,534,214
37 Total Liab. and Stockholder's Equity	\$6,192,738	\$6,380,366	\$7,048,503	\$7,762,789	\$9,486,332

Newport Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$959,945	\$1,127,731	\$1,278,439	\$1,189,111	\$974,662	1
Network Access Services	880,984	945,986	1,029,662	979,835	1,019,786	2
Long Distance Network Services	103,056	32,776	5,100	23,084	46,399	3
Miscellaneous Revenues	602,863	423,664	615,943	690,156	696,452	4
Less: Uncollectible Revenues	6,000	5,500	6,750	4,750	2,000	5
Total Operating Revenues	2,540,848	2,524,657	2,922,394	2,877,436	2,735,299	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,793	4,637	11,703	10,036	9,794	7
General Support Expenses	83,773	89,888	126,993	121,286	113,392	8
Central Office Switching	213,828	202,282	196,099	204,521	189,283	9
Operator Systems Expense						10
Central Office Transmission	61,888	55,457	38,301	43,566	40,072	11
Info. Origination/Termination	20,970	28,804	28,101	39,456	24,219	12
Cable & Wire Facilities	143,018	157,568	170,331	152,884	153,202	13
Total Plant Specific Operations	528,270	538,636	571,528	571,749	529,962	14
Other Plant, Property & Equipment						15
Network Operations	113,599	125,343	127,048	115,224	115,352	16
Access Expense	69,228	57,749	61,102	37,400	39,810	17
Depreciation and Amortization	511,246	563,765	588,068	583,106	539,509	18
Total Plant Non-Specific Operations	694,073	746,857	776,218	735,730	694,671	19
Marketing Expense	30,662	30,453	27,941	28,893	26,804	20
Services Expense	414,164	460,691	489,236	492,255	590,527	21
Total Customer Operations	444,826	491,144	517,177	521,148	617,331	22
Executive & Planning	464,136	544,126	113,507	500,902	523,122	23
General & Administrative	555,039	521,529	475,751	517,979	492,274	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,019,175	1,065,655	589,258	1,018,881	1,015,396	27
Total Operations Expense	2,686,344	2,842,292	2,454,181	2,847,508	2,857,360	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	168,103	174,985	172,104	197,290	234,877	31
Net Operating Income Before FIT	(313,599)	(492,620)	296,109	(167,362)	(356,938)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(65,119)	(167,499)	(183,901)	(48,344)	(26,375)	34
Provision - Def. Operating Income Taxes - Net	(42,935)	(43,836)	227,896	(43,045)	(108,385)	35
Net Operating Income	(\$205,545)	(\$281,285)	\$252,114	(\$75,973)	(\$222,178)	36

Newport Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$205,545)	(\$281,285)	\$252,114	(\$75,973)	(\$222,178)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	95		78	55,619	140
39 Interest Income	15,673	30,427	41,665	49,928	48,207
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(47,447)	25,744	263,887	236,578	128,413
44 Other Non-Operating Income	21,253	(55,911)	(145,243)	26,322	501,474
45 Special Charges	3,613	6,031	7,949	7,356	8,440
46 Total Non-Operating Income & Expenses	(14,039)	(5,771)	152,438	361,091	669,794
NON-OPERATING TAXES					
47 Federal Income Taxes	6,194	(20,482)	(49,088)	13,108	178,432
48 Other					
49 Total Non-Operating Taxes	6,194	(20,482)	(49,088)	13,108	178,432
50 Income Available Before Interest Charges	(225,778)	(266,574)	453,640	272,010	269,184
INTEREST CHARGES					
51 Interest on Funded Debt	47,974	61,925	64,653	69,211	75,364
52 Other Interest Expense	2,764	2,922	20,497	33,060	17,233
53 Total Interest Charges	50,738	64,847	85,150	102,271	92,597
54 Income Before Extraordinary & Nonreg Items	(276,516)	(331,421)	368,490	169,739	176,587
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$276,516)	(\$331,421)	\$368,490	\$169,739	\$176,587
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$533,120	\$933,574	\$1,111,537	\$2,865,552	\$2,775,632
60 Transferred from Income	(229,069)	(357,165)	104,603	(66,839)	48,174
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				1,700,000	
64 Adjustments	37,790	(43,289)	(282,566)	12,824	41,746
65 Ending Year Balance	341,841	533,120	933,574	1,111,537	2,865,552
66 Appropriated/Undistr Affiliate Retained Earnings	3,027,774	3,075,221	3,049,477	2,785,590	2,549,012
67 Total Retained Earnings	\$3,369,615	\$3,608,341	\$3,983,051	\$3,897,127	\$5,414,564

Nicholville Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$128,098	\$115,986	\$357,572	\$761,021	\$1,144,480
2 Accounts Receivable (Net)	370,223	296,236	982,538	1,297,610	1,225,686
3 Current Deferred Income Taxes					
4 Other Current Assets	189,347	212,929	256,903	227,449	230,192
5 Total Current Assets	687,668	625,151	1,597,013	2,286,080	2,600,358
NON-CURRENT ASSETS					
6 Investments	1,024,964	939,587	378,907	260,441	307,908
7 Unamortized Debt Issuance Costs	6,895	8,014	9,132	10,251	11,369
8 Deferred Charges			-	-	
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	679,723	644,451	471,853	401,445	386,288
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,711,582	1,592,052	859,892	672,137	705,566
REGULATED PLANT					
13 Total Telecommunications Plant	9,852,205	9,988,951	11,366,583	11,061,819	10,778,067
14 Less: Accumulated Depr and Amort.	7,573,937	7,491,166	8,647,472	8,223,424	7,729,236
15 Net Regulated Plant	2,278,268	2,497,785	2,719,111	2,838,395	3,048,831
16 Total Assets & Other Debits	\$4,677,518	\$4,714,988	\$5,176,016	\$5,796,612	\$6,354,755
CURRENT LIABILITIES					
17 Accounts Payable	\$508,217	\$202,622	\$194,235	\$331,608	\$177,316
18 Notes Payable	49,890	27,205	37,338	64,112	77,436
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	180,100	239,263	223,045	212,044	198,307
22 Current Deferred Income Taxes					
23 Other Current Liabilities	172,521	141,966	(1,227)	185,233	172,461
24 Total Current Liabilities	910,728	611,056	453,391	792,997	625,519
LONG-TERM DEBT					
25 Long-Term Debt	1,316,784	1,498,984	1,741,894	1,965,865	2,179,824
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	289,363	299,033	272,870	190,888	211,503
28 Other Deferred Credits	782,353	905,649	1,051,112	1,060,724	1,015,640
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	1,071,716	1,204,682	1,323,982	1,251,612	1,227,143
STOCKHOLDER'S EQUITY					
32 Common Stock	41,000	41,000	41,000	41,000	41,000
33 Preferred Stock	100,000	100,000	100,000	100,000	100,000
34 Other Paid in Capital	(682,108)	(682,108)	(682,108)	(682,108)	(682,108)
35 Retained Earnings	1,919,398	1,941,374	2,197,857	2,327,247	2,863,377
36 Total Stockholder's Equity	1,378,290	1,400,266	1,656,749	1,786,139	2,322,269
37 Total Liab. and Stockholder's Equity	\$4,677,518	\$4,714,988	\$5,176,016	\$5,796,612	\$6,354,755

Nicholville Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$605,797	\$667,164	\$466,266	\$487,175	\$499,161	1
Network Access Services	1,464,435	1,505,914	1,853,337	2,061,771	2,325,936	2
Long Distance Network Services						3
Miscellaneous Revenues	101,530	128,396	163,194	251,078	315,857	4
Less: Uncollectible Revenues	14,575	23,941	25,431	6,248	13,115	5
Total Operating Revenues	2,157,188	2,277,533	2,457,366	2,793,775	3,127,839	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,455	8,418	10,102	4,268	268	7
General Support Expenses	217,813	247,348	280,896	274,122	262,674	8
Central Office Switching	274,221	286,700	318,012	336,702	278,465	9
Operator Systems Expense						10
Central Office Transmission	17,558	31,290	52,340	117,907	167,764	11
Info. Origination/Termination	8,164	12,464	19,639	20,180	18,957	12
Cable & Wire Facilities	124,295	285,543	251,536	267,223	128,200	13
Total Plant Specific Operations	654,507	871,763	932,525	1,020,402	856,328	14
Other Plant, Property & Equipment	(724)	754	551	3,526	12,025	15
Network Operations	191,728	224,149	228,333	273,054	252,510	16
Access Expense	31,283	25,204	25,059	30,169	29,623	17
Depreciation and Amortization	259,412	265,627	410,645	525,701	466,186	18
Total Plant Non-Specific Operations	481,699	515,734	664,588	832,450	760,345	19
Marketing Expense	2,485	1,713	6,723	12,842	18,576	20
Services Expense	223,290	254,211	260,085	288,701	291,324	21
Total Customer Operations	225,775	255,924	266,808	301,543	309,900	22
Executive & Planning	126,714	152,263	177,340	181,000	218,456	23
General & Administrative	534,711	513,012	549,811	553,691	536,673	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	661,425	665,275	727,150	734,692	755,128	27
Total Operations Expense	2,023,406	2,308,696	2,591,071	2,889,087	2,681,701	28
Other Operating Income & Expenses	4,010		12,500		(2,116)	29
State & Local Income Taxes						30
Other Taxes	139,883	151,966	147,005	152,901	194,619	31
Net Operating Income Before FIT	(2,091)	(183,129)	(268,210)	(248,213)	249,403	32
Investment Tax Credits - Net						33
Federal Income Taxes	117	1,377	(131,118)	(149,849)	35,531	34
Provision - Def. Operating Income Taxes - Net	(54,578)	(105,690)	11,574	(35,772)	(260,575)	35
Net Operating Income	\$52,370	(\$78,816)	(\$148,666)	(\$62,592)	\$474,447	36

Nicholville Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$52,370	(\$78,816)	(\$148,666)	(\$62,592)	\$474,447
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	43	79	11,703	44,499	395
39 Interest Income	628	6,295	12,420	28,640	31,364
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	75,168	(6,380)	182,381	(120,889)	(265,727)
44 Other Non-Operating Income		(1,614)	5,720		338,640
45 Special Charges	14,116	16,167	16,087	17,744	18,553
46 Total Non-Operating Income & Expenses	61,723	(17,787)	196,139	(65,494)	86,119
NON-OPERATING TAXES					
47 Federal Income Taxes	1,422	947	5,551	199,127	379,367
48 Other	840	903	1,780	7,195	6,845
49 Total Non-Operating Taxes	2,262	1,850	7,331	206,322	386,212
50 Income Available Before Interest Charges	111,830	(98,453)	40,142	(334,408)	174,354
INTEREST CHARGES					
51 Interest on Funded Debt	97,404	112,085	125,921	138,661	150,629
52 Other Interest Expense	28,336	16,577	35,544	54,994	12,815
53 Total Interest Charges	125,740	128,662	161,465	193,655	163,445
54 Income Before Extraordinary & Nonreg Items	(13,909)	(227,115)	(121,323)	(528,063)	10,909
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$13,909)	(\$227,115)	(\$121,323)	(\$528,063)	\$10,909
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,128,011	\$2,378,114	\$2,689,885	\$3,105,126	\$2,836,715
60 Transferred from Income	(89,077)	(242,036)	(303,704)	(407,174)	276,636
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	6,000	6,000	6,000	6,000	6,000
63 Common Stock	2,067	2,067	2,067	2,067	2,225
64 Adjustments					
65 Ending Year Balance	2,030,866	2,128,011	2,378,114	2,689,885	3,105,126
66 Appropriated/Undistr Affiliate Retained Earnings	(111,469)	(186,637)	(180,257)	(362,638)	(241,749)
67 Total Retained Earnings	\$1,919,397	\$1,941,374	\$2,197,857	\$2,327,247	\$2,863,377

**Ogden Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	(\$1,532)	(\$5,041)	\$18,736	\$15,324	\$12,335
2 Accounts Receivable (Net)	1,598,620	2,064,627	2,474,830	1,791,123	2,069,089
3 Current Deferred Income Taxes					
4 Other Current Assets	\$0			11,738	(0)
5 Total Current Assets	1,597,088	2,059,585	2,493,566	1,818,185	2,081,424
NON-CURRENT ASSETS					
6 Investments	23,642,508	21,828,996	19,023,476	18,013,950	15,444,128
7 Unamortized Debt Issuance Costs	4,550	14,810	25,070	35,330	45,590
8 Deferred Charges	864,845	864,879	864,879	864,973	865,110
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	129,110	129,110	129,110	129,110	129,110
12 Total Non-Current Assets	24,641,012	22,837,795	20,042,534	19,043,363	16,483,938
REGULATED PLANT					
13 Total Telecommunications Plant	47,030,296	46,510,739	45,806,661	44,820,527	43,795,794
14 Less: Accumulated Depr and Amort.	35,826,592	33,756,769	31,762,567	29,907,502	28,101,341
15 Net Regulated Plant	11,203,704	12,753,970	14,044,094	14,913,025	15,694,453
16 Total Assets & Other Debits	\$37,441,804	\$37,651,351	\$36,580,195	\$35,774,573	\$34,259,814
CURRENT LIABILITIES					
17 Accounts Payable	\$1,185,725	\$1,271,553	\$1,148,658	\$1,562,597	\$1,443,681
18 Notes Payable					
19 Advanced Billings	140,828	141,332	304,210	151,072	168,966
20 Customer Deposits			(8,517)	(8,517)	(8,517)
21 Current Maturities - Long-Term Debt	670,379	630,693	594,553	559,975	528,487
22 Current Deferred Income Taxes					
23 Other Current Liabilities	105,286	86,040	56,075	58,689	41,011
24 Total Current Liabilities	2,102,217	2,129,618	2,094,979	2,323,817	2,173,628
LONG-TERM DEBT					
25 Long-Term Debt	502,624	1,172,862	1,803,554	2,398,108	2,958,083
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	3,054,821	3,133,493	2,969,164	2,645,475	3,044,636
28 Other Deferred Credits	47,063	48,972	47,146	714,814	45,515
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	3,101,884	3,182,465	3,016,310	3,360,289	3,090,151
STOCKHOLDER'S EQUITY					
32 Common Stock	2,007,694	2,007,694	2,007,694	2,007,694	2,007,694
33 Preferred Stock					
34 Other Paid in Capital	196,769	196,769	196,769	196,769	196,769
35 Retained Earnings	29,530,616	28,961,942	27,460,888	25,487,896	23,833,489
36 Total Stockholder's Equity	31,735,079	31,166,405	29,665,351	27,692,359	26,037,952
37 Total Liab. and Stockholder's Equity	\$37,441,804	\$37,651,351	\$36,580,195	\$35,774,573	\$34,259,814

Ogden Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$3,632,998	\$3,931,949	\$4,103,996	\$4,537,437	\$4,913,490	1
Network Access Services	2,976,182	3,289,929	3,260,619	3,331,036	3,794,563	2
Long Distance Network Services	16,955	23,414	25,526		27	3
Miscellaneous Revenues	1,423,216	1,411,068	1,254,378	1,364,787	1,374,477	4
Less: Uncollectible Revenues	29,749	(117,455)	128,901	66,056	78,595	5
Total Operating Revenues	8,019,602	8,773,815	8,515,619	9,167,205	10,003,962	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	15,044	1	147	4	5	7
General Support Expenses	467,981	428,952	450,144	438,944	543,656	8
Central Office Switching	333,755	322,983	295,858	297,357	286,360	9
Operator Systems Expense	8,786	6,397	4,763	4,716	5,833	10
Central Office Transmission	34,183	30,186	56,381	54,917	32,289	11
Info. Origination/Termination	99,063	109,409	58,382	79,773	87,783	12
Cable & Wire Facilities	557,128	458,079	495,334	470,604	518,650	13
Total Plant Specific Operations	1,515,940	1,356,007	1,361,009	1,346,314	1,474,574	14
Other Plant, Property & Equipment	5	138	289	5	(5)	15
Network Operations	569,049	555,354	480,617	443,114	491,321	16
Access Expense	191,114	229,788	182,154	232,865	309,940	17
Depreciation and Amortization	2,128,298	2,095,799	2,079,198	2,064,042	2,027,715	18
Total Plant Non-Specific Operations	2,888,466	2,881,078	2,742,258	2,740,026	2,828,972	19
Marketing Expense	258,382	146,337	116,009	166,005	36,377	20
Services Expense	652,005	619,641	571,172	425,913	407,340	21
Total Customer Operations	910,388	765,979	687,180	591,918	443,717	22
Executive & Planning	204,667	94,317	67,268	93,875	115,287	23
General & Administrative	951,352	498,329	417,603	418,548	459,102	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,156,019	592,645	484,871	512,423	574,389	27
Total Operations Expense	6,470,813	5,595,709	5,275,319	5,190,682	5,321,652	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	627,711	689,284	673,155	688,689	868,196	31
Net Operating Income Before FIT	921,078	2,488,822	2,567,145	3,287,834	3,814,115	32
Investment Tax Credits - Net						33
Federal Income Taxes	364,216	480,493	1,172,914	1,006,366	1,696,654	34
Provision - Def. Operating Income Taxes - Net	(337,464)	157,938	(78,677)	(168,112)	(188,711)	35
Net Operating Income	\$894,326	\$1,850,391	\$1,472,908	\$2,449,580	\$2,306,172	36

Ogden Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$894,326	\$1,850,391	\$1,472,908	\$2,449,580	\$2,306,172
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				32	893,818
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	3,043	12,866	18,634	14,682	12,569
42 Gains/Losses - Disposal of Property				64,796	
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income			633,133	(627,479)	
45 Special Charges	4,121	2,025	772	2,320	17,978
46 Total Non-Operating Income & Expenses	(1,078)	10,841	650,995	(550,289)	888,409
NON-OPERATING TAXES					
47 Federal Income Taxes	218,442	218,047			
48 Other					
49 Total Non-Operating Taxes	218,442	218,047			
50 Income Available Before Interest Charges	674,806	1,643,185	2,123,903	1,899,292	3,194,581
INTEREST CHARGES					
51 Interest on Funded Debt	95,872	131,870	166,448	197,937	228,861
52 Other Interest Expense	10,260	10,261	(15,537)	46,948	10,260
53 Total Interest Charges	106,132	142,131	150,911	244,885	239,121
54 Income Before Extraordinary & Nonreg Items	568,674	1,501,054	1,972,992	1,654,407	2,955,460
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	730,270				
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$568,674	\$1,501,054	\$1,972,992	\$1,654,407	\$2,955,460
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$28,961,942	\$27,460,888	\$25,487,896	\$23,833,489	\$20,878,030
60 Transferred from Income	568,674	1,501,054	1,972,992	1,654,407	2,955,460
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	29,530,616	28,961,942	27,460,888	25,487,896	23,833,489
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$29,530,616	\$28,961,942	\$27,460,888	\$25,487,896	\$23,833,489

**Oneida County Rural Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,014,303	\$1,039,444	\$1,408,019	\$2,497,963	\$2,781,812
2 Accounts Receivable (Net)	1,515,190	1,129,383	1,209,751	801,405	820,069
3 Current Deferred Income Taxes					
4 Other Current Assets	285,525	232,006	234,896	238,750	266,487
5 Total Current Assets	2,815,018	2,400,833	2,852,666	3,538,118	3,868,368
NON-CURRENT ASSETS					
6 Investments	5,297,562	5,055,119	4,109,775	5,038,840	4,858,534
7 Unamortized Debt Issuance Costs					57
8 Deferred Charges			104,782	104,782	104,782
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	622,861	537,839	561,920	197,225	195,515
11 Other Non-Current Assets	3,118,121	3,010,719	2,726,788	2,664,838	2,499,097
12 Total Non-Current Assets	9,038,544	8,603,677	7,503,265	8,005,685	7,657,985
REGULATED PLANT					
13 Total Telecommunications Plant	13,784,397	15,335,235	15,307,937	15,274,977	14,784,850
14 Less: Accumulated Depr and Amort.	9,238,403	10,289,963	9,674,772	9,133,130	8,351,912
15 Net Regulated Plant	4,545,994	5,045,272	5,633,165	6,141,847	6,432,938
16 Total Assets & Other Debits	\$16,399,556	\$16,049,782	\$15,989,096	\$17,685,650	\$17,959,291
CURRENT LIABILITIES					
17 Accounts Payable	\$207,918	\$169,278	\$222,163	\$177,954	\$419,038
18 Notes Payable					
19 Advanced Billings	98,872	96,971	94,547	94,754	5,864
20 Customer Deposits	750	750	825	875	875
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,472,524	737,994	1,080,898	(150,462)	(273,747)
24 Total Current Liabilities	1,780,064	1,004,993	1,398,433	123,121	152,030
LONG-TERM DEBT					
25 Long-Term Debt	3,687,392	3,895,443	4,503,467	5,207,588	5,330,743
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	965,912	947,592	582,260	982,452	995,876
28 Other Deferred Credits	304,739	350,370	280,208	291,936	299,151
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	150,000	202,000	255,000	307,000	361,000
31 Total Other Liab. and Def. Credits	1,420,651	1,499,962	1,117,468	1,581,388	1,656,027
STOCKHOLDER'S EQUITY					
32 Common Stock	85,100	85,100	85,100	85,100	85,100
33 Preferred Stock	33,350	34,750	34,850	34,850	34,850
34 Other Paid in Capital	(2,311,801)	(2,032,142)	(2,851,603)	(1,224,384)	(1,133,883)
35 Retained Earnings	11,704,800	11,561,676	11,701,381	11,877,987	11,834,424
36 Total Stockholder's Equity	9,511,449	9,649,384	8,969,728	10,773,553	10,820,491
37 Total Liab. and Stockholder's Equity	\$16,399,556	\$16,049,782	\$15,989,096	\$17,685,650	\$17,959,291

Oneida County Rural Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$807,829	\$739,441	\$703,676	\$754,130	\$818,062	1
Network Access Services	1,390,064	1,387,302	1,551,444	1,910,411	1,749,468	2
Long Distance Network Services	230,263	81,887	3,569	114,077	211,175	3
Miscellaneous Revenues	983,660	243,721	539,868	224,241	500,354	4
Less: Uncollectible Revenues	1,440		506	18	8,328	5
Total Operating Revenues	3,410,376	2,452,351	2,798,051	3,002,841	3,270,731	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	7,343	15,029	15,811	16,957	22,570	7
General Support Expenses	121,051	122,466	140,347	144,414	268,968	8
Central Office Switching	123,395	107,692	106,548	111,718	125,880	9
Operator Systems Expense						10
Central Office Transmission	160,221	179,982	212,636	301,179	207,573	11
Info. Origination/Termination	7,646	16,754	27,036	28,021	35,665	12
Cable & Wire Facilities	706,391	177,570	354,281	195,076	309,913	13
Total Plant Specific Operations	1,126,047	619,493	856,659	797,365	970,569	14
Other Plant, Property & Equipment						15
Network Operations	214,278	182,922	170,759	205,057	287,913	16
Access Expense	49,411	42,175	44,261	37,534	33,756	17
Depreciation and Amortization	586,851	606,765	711,121	848,036	881,470	18
Total Plant Non-Specific Operations	850,540	831,862	926,141	1,090,627	1,203,139	19
Marketing Expense	8,013	14,503	14,002	13,026	2,827	20
Services Expense	217,358	226,637	270,870	299,339	338,137	21
Total Customer Operations	225,371	241,140	284,872	312,365	340,964	22
Executive & Planning	160,624	158,878	181,937	147,117	387,101	23
General & Administrative	493,022	481,137	597,839	535,110	571,846	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	653,646	640,015	779,776	682,227	958,947	27
Total Operations Expense	2,855,604	2,332,510	2,847,448	2,882,584	3,473,620	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	211,266	218,124	218,582	226,760	238,947	31
Net Operating Income Before FIT	343,506	(98,283)	(267,979)	(106,503)	(441,836)	32
Investment Tax Credits - Net						33
Federal Income Taxes	5,738	(61,930)	(242,008)	(127,548)	(105,884)	34
Provision - Def. Operating Income Taxes - Net	16,339	(114,120)	73,378	30,836	(91,421)	35
Net Operating Income	\$321,429	\$77,767	(\$99,349)	(\$9,791)	(\$244,531)	36

Oneida County Rural Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$321,429	\$77,767	(\$99,349)	(\$9,791)	(\$244,531)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	23,572	23,763	32,066	26,818	
39 Interest Income	165,948	153,796	171,835	200,865	18,727
40 Income - Sinking and Other Funds					236,180
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property			3,420	7,268	27,841
43 Equity in Earnings of Affiliated Companies	90,425	153,048	86,044	105,518	(93,576)
44 Other Non-Operating Income	(21,787)	(120,142)	(8,546)	41,627	113,141
45 Special Charges	9,777	235,051	33,941	(9,118)	(2,811)
46 Total Non-Operating Income & Expenses	248,381	(24,586)	250,878	391,214	305,124
NON-OPERATING TAXES					
47 Federal Income Taxes	80,071	(32,075)	67,647	58,860	99,027
48 Other					
49 Total Non-Operating Taxes	80,071	(32,075)	67,647	58,860	99,027
50 Income Available Before Interest Charges	489,739	85,256	83,882	322,563	(38,434)
INTEREST CHARGES					
51 Interest on Funded Debt	342,738	220,903	256,559	270,359	246,198
52 Other Interest Expense	64	170	41	4,753	608
53 Total Interest Charges	342,802	221,073	256,600	275,112	246,806
54 Income Before Extraordinary & Nonreg Items	146,937	(135,817)	(172,718)	47,451	(285,240)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$146,937	(\$135,817)	(\$172,718)	\$47,451	(\$285,240)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,188,650	\$9,481,403	\$9,744,053	\$9,806,008	\$10,001,560
60 Transferred from Income	56,512	(288,865)	(258,762)	(58,067)	(191,664)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	2,016	2,091	2,091	2,091	2,091
63 Common Stock	1,797	1,797	1,797	1,797	1,797
64 Adjustments					
65 Ending Year Balance	9,241,349	9,188,650	9,481,403	9,744,053	9,806,008
66 Appropriated/Undistr Affiliate Retained Earnings	2,463,451	2,373,026	2,219,978	2,133,934	2,028,416
67 Total Retained Earnings	\$11,704,800	\$11,561,676	\$11,701,381	\$11,877,987	\$11,834,424

Ontario Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$664,568	\$310,926	\$290,331	\$690,752	\$506,487
2 Accounts Receivable (Net)	2,788,734	2,283,622	1,860,472	1,505,115	959,878
3 Current Deferred Income Taxes					
4 Other Current Assets	374,078	368,388	390,489	401,218	468,069
5 Total Current Assets	3,827,380	2,962,936	2,541,291	2,597,085	1,934,434
NON-CURRENT ASSETS					
6 Investments	132,201	144,151	136,228	105,046	88,384
7 Unamortized Debt Issuance Costs	2,400	3,600	4,800	6,000	7,200
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	634,225	589,463	489,415	563,375	545,876
11 Other Non-Current Assets	1,715,653	2,255,350	2,093,530	2,500,049	2,581,643
12 Total Non-Current Assets	2,484,479	2,992,564	2,723,973	3,174,470	3,223,103
REGULATED PLANT					
13 Total Telecommunications Plant	12,848,605	12,520,417	12,359,059	12,106,623	15,033,256
14 Less: Accumulated Depr and Amort.	5,206,547	4,596,333	4,033,379	3,475,124	5,765,631
15 Net Regulated Plant	7,642,058	7,924,084	8,325,680	8,631,499	9,267,625
16 Total Assets & Other Debits	\$13,953,917	\$13,879,584	\$13,590,944	\$14,403,053	\$14,425,162
CURRENT LIABILITIES					
17 Accounts Payable	\$84,822	\$136,301	\$126,311	\$382,469	\$234,694
18 Notes Payable	162,864	239,388	239,215	240,375	253,509
19 Advanced Billings	464,958	118,691	131,362	131,625	43,329
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	154,899	206,532	206,532	206,532	214,286
22 Current Deferred Income Taxes	33,134				
23 Other Current Liabilities	505,523	518,592	525,172	541,768	576,558
24 Total Current Liabilities	1,406,200	1,219,503	1,228,592	1,502,769	1,322,376
LONG-TERM DEBT					
25 Long-Term Debt	826,116	1,032,648	1,239,180	1,445,712	1,671,429
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,846,101	1,854,734	1,651,696	1,787,140	1,790,742
28 Other Deferred Credits	341,666	247,052	245,719	170,847	197,092
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	377,629	369,768	279,604	620,540	642,763
31 Total Other Liab. and Def. Credits	2,565,396	2,471,554	2,177,019	2,578,527	2,630,597
STOCKHOLDER'S EQUITY					
32 Common Stock	115,000	115,000	115,000	115,000	115,000
33 Preferred Stock					
34 Other Paid in Capital	(1,398,151)	(1,463,952)	(1,596,853)	(1,541,392)	(1,401,275)
35 Retained Earnings	10,439,356	10,504,830	10,428,007	10,302,437	10,087,035
36 Total Stockholder's Equity	9,156,205	9,155,878	8,946,154	8,876,045	8,800,760
37 Total Liab. and Stockholder's Equity	\$13,953,917	\$13,879,584	\$13,590,944	\$14,403,053	\$14,425,162

Ontario Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$646,084	\$733,704	\$770,004	\$846,354	\$879,701	1
Network Access Services	2,136,550	2,188,001	2,029,500	1,903,744	1,965,454	2
Long Distance Network Services						3
Miscellaneous Revenues	527,672	569,125	577,827	601,642	646,598	4
Less: Uncollectible Revenues	14,045	9,887	8,316	21,428	29,940	5
Total Operating Revenues	3,296,261	3,480,943	3,369,015	3,330,312	3,461,813	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	6,075	4,146	4,983	14,740	10,087	7
General Support Expenses	201,644	215,864	187,933	151,098	167,340	8
Central Office Switching	291,206	315,439	357,353	267,525	289,625	9
Operator Systems Expense						10
Central Office Transmission	68,153	105,073	61,548	116,388		11
Info. Origination/Termination	73,391	60,919	58,057	62,524	74,111	12
Cable & Wire Facilities	156,761	181,360	219,940	237,847	262,230	13
Total Plant Specific Operations	797,230	882,801	889,814	850,122	803,393	14
Other Plant, Property & Equipment	450	1	(132)		473	15
Network Operations	376,075	247,135	215,854	113,812	171,791	16
Access Expense	78,170	70,576	70,860	69,534	70,277	17
Depreciation and Amortization	599,124	592,098	586,010	510,884	545,613	18
Total Plant Non-Specific Operations	1,053,819	909,810	872,592	694,230	788,154	19
Marketing Expense	76,779	70,431	85,794	144,210	123,475	20
Services Expense	340,956	319,150	370,742	509,366	609,188	21
Total Customer Operations	417,735	389,581	456,536	653,576	732,663	22
Executive & Planning	298,673	244,259	221,437	246,716	242,888	23
General & Administrative	608,696	496,581	468,124	429,865	408,180	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	907,369	740,840	689,561	676,581	651,068	27
Total Operations Expense	3,176,153	2,923,032	2,908,503	2,874,509	2,975,278	28
Other Operating Income & Expenses	(5)			4,833		29
State & Local Income Taxes						30
Other Taxes	155,480	244,892	259,494	253,169	254,400	31
Net Operating Income Before FIT	(35,377)	313,019	201,018	207,467	232,135	32
Investment Tax Credits - Net						33
Federal Income Taxes	9,459	8,151	4,694	(620)	(8,464)	34
Provision - Def. Operating Income Taxes - Net	(33,554)	(28,744)	(33,538)	25,600	(54,509)	35
Net Operating Income	(\$11,282)	\$333,612	\$229,862	\$182,487	\$295,108	36

Ontario Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$11,282)	\$333,612	\$229,862	\$182,487	\$295,108
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	14,875	16,102	14,293	5,500	5,000
39 Interest Income	17,946	13,957	27,026	33,482	42,234
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	3,341	2,991	5,892	44,441	59,901
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(8,136)	2,923	31,182	16,662	(181,852)
44 Other Non-Operating Income	39,027	(95,763)	(39,770)	206,779	(5,585)
45 Special Charges	6,391	(1,035)	(1,371)	41,258	8,074
46 Total Non-Operating Income & Expenses	60,662	(58,755)	39,994	265,606	(88,376)
NON-OPERATING TAXES					
47 Federal Income Taxes	155	59,150	(4,694)	620	(161,892)
48 Other					
49 Total Non-Operating Taxes	155	59,150	(4,694)	620	(161,892)
50 Income Available Before Interest Charges	49,225	215,707	274,550	447,473	368,624
INTEREST CHARGES					
51 Interest on Funded Debt	59,882	72,699	88,535	115,423	102,234
52 Other Interest Expense	11,131	17,373	16,979	17,037	19,687
53 Total Interest Charges	71,013	90,072	105,514	132,460	121,921
54 Income Before Extraordinary & Nonreg Items	(21,788)	125,635	169,036	315,013	246,703
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$21,788)	\$125,635	\$169,036	\$315,013	\$246,703

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,781,486	\$10,704,663	\$10,579,093	\$10,363,691	\$10,188,106
60 Transferred from Income	(13,652)	122,712	137,854	315,013	246,703
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	43,686	43,531	43,466	70,829	71,118
64 Adjustments	(8,135)	(2,357)	31,182	(28,782)	
65 Ending Year Balance	10,716,012	10,781,486	10,704,663	10,579,093	10,363,691
66 Appropriated/Undistr Affiliate Retained Earnings	(276,656)	(276,656)	(276,656)	(276,656)	(276,656)
67 Total Retained Earnings	\$10,439,356	\$10,504,830	\$10,428,007	\$10,302,437	\$10,087,035

Oriskany Falls Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$756,172	\$1,611,138	\$1,646,859	\$1,525,410	\$1,384,573
2 Accounts Receivable (Net)	119,295	54,369	39,466	55,446	62,031
3 Current Deferred Income Taxes					
4 Other Current Assets	9,446	6,432	7,296	22,813	25,984
5 Total Current Assets	884,913	1,671,939	1,693,621	1,603,669	1,472,588
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets					
REGULATED PLANT					
13 Total Telecommunications Plant	1,491,894	1,734,756	1,557,036	1,538,468	1,529,987
14 Less: Accumulated Depr and Amort.	636,427	1,134,953	1,035,205	991,859	949,631
15 Net Regulated Plant	855,467	599,803	521,831	546,609	580,356
16 Total Assets & Other Debits	\$1,740,380	\$2,271,742	\$2,215,452	\$2,150,278	\$2,052,944
CURRENT LIABILITIES					
17 Accounts Payable	48,201	\$41,379	\$37,737	\$44,465	\$43,448
18 Notes Payable					
19 Advanced Billings	4,947	4,804	4,878	5,045	4,290
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes	103	(1,209)	(3,531)	(3,386)	(491)
23 Other Current Liabilities	19,064	38,074	11,321	15,388	7,442
24 Total Current Liabilities	72,315	83,048	50,405	61,512	54,689
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	178,672	122,029	146,836	152,219	155,643
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(42,768)	(39,441)	(46,831)	(43,478)	(40,008)
31 Total Other Liab. and Def. Credits	135,904	82,588	100,005	108,741	115,635
STOCKHOLDER'S EQUITY					
32 Common Stock	1,490	1,490	1,490	1,490	1,490
33 Preferred Stock					
34 Other Paid in Capital	21,865	20,629	28,162	26,890	25,570
35 Retained Earnings	1,508,806	2,083,987	2,035,390	1,951,644	1,855,560
36 Total Stockholder's Equity	1,532,161	2,106,106	2,065,042	1,980,024	1,882,620
37 Total Liab. and Stockholder's Equity	\$1,740,380	\$2,271,742	\$2,215,452	\$2,150,278	\$2,052,944

Oriskany Falls Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$160,185	\$181,083	\$204,995	\$249,041	\$248,827	1
Network Access Services	177,722	151,987	121,868	142,753	142,062	2
Long Distance Network Services						3
Miscellaneous Revenues	103,774	96,115	97,672	58,106	59,341	4
Less: Uncollectible Revenues	(2,866)	(2,972)	7,421	10,240	3,225	5
Total Operating Revenues	444,547	432,157	417,114	439,660	447,005	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	347	649	2,396	3,511	1,553	7
General Support Expenses	24,501	27,455	8,857	8,124	11,490	8
Central Office Switching	7,533	9,950	3,502	4,506	5,855	9
Operator Systems Expense						10
Central Office Transmission	2,914	2,093	1,902	1,937	2,908	11
Info. Origination/Termination	15,691	16,544	17,524	21,715	15,766	12
Cable & Wire Facilities	41,035	18,411	14,045	19,320	11,349	13
Total Plant Specific Operations	92,021	75,102	48,226	59,113	48,921	14
Other Plant, Property & Equipment						15
Network Operations	32,667	35,762	41,374	39,391	37,486	16
Access Expense	3,896	3,527	5,531	5,367	6,363	17
Depreciation and Amortization	96,163	87,805	53,696	54,163	55,309	18
Total Plant Non-Specific Operations	132,726	127,094	100,601	98,921	99,158	19
Marketing Expense	25,052	26,764	28,105	27,398	28,076	20
Services Expense	22,579	29,936	35,562	40,235	51,896	21
Total Customer Operations	47,631	56,700	63,667	67,633	79,972	22
Executive & Planning	12,480	9,624	7,569	13,540	14,087	23
General & Administrative	66,074	66,839	72,163	89,074	87,699	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	78,554	76,463	79,732	102,614	101,786	27
Total Operations Expense	350,932	335,359	292,226	328,281	329,837	28
Other Operating Income & Expenses		315				29
State & Local Income Taxes						30
Other Taxes	25,268	32,357	31,552	30,697	34,904	31
Net Operating Income Before FIT	68,347	64,756	93,336	80,682	82,264	32
Investment Tax Credits - Net						33
Federal Income Taxes	(32,024)	45,407	40,117	36,620	29,458	34
Provision - Def. Operating Income Taxes - Net	55,986	(22,711)	(5,718)	(5,933)	1,811	35
Net Operating Income	\$44,385	\$42,060	\$58,937	\$49,995	\$50,995	36

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Oriskany Falls Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$44,385	\$42,060	\$58,937	\$49,995	\$50,995
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	5,972	10,308	38,555	71,021	66,059
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges	25,289	205	203	115	461
46 Total Non-Operating Income & Expenses	(19,317)	10,103	38,352	70,906	65,598
NON-OPERATING TAXES					
47 Federal Income Taxes	(6,751)	3,566	13,401	24,817	22,959
48 Other					
49 Total Non-Operating Taxes	(6,751)	3,566	13,401	24,817	22,959
50 Income Available Before Interest Charges	31,819	48,597	83,888	96,084	93,634
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense			142		
53 Total Interest Charges			142		
54 Income Before Extraordinary & Nonreg Items	31,819	48,597	83,746	96,084	93,634
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$31,819	\$48,597	\$83,746	\$96,084	\$93,634
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,083,987	\$2,035,390	\$1,951,644	\$1,855,560	\$1,761,926
60 Transferred from Income	31,819	48,597	83,746	96,084	93,634
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	607,000				
64 Adjustments					
65 Ending Year Balance	1,508,806	2,083,987	2,035,390	1,951,644	1,855,560
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,508,806	\$2,083,987	\$2,035,390	\$1,951,644	\$1,855,560

**Pattersonville Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$664,902	\$680,178	\$457,328	\$536,676	\$553,006
2 Accounts Receivable (Net)	133,657	94,689	105,194	114,769	129,019
3 Current Deferred Income Taxes					
4 Other Current Assets	140,479	137,743	206,417	135,528	173,460
5 Total Current Assets	939,037	912,610	768,939	786,973	855,485
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					13,710
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes				10,840	13,358
11 Other Non-Current Assets					
12 Total Non-Current Assets				10,840	27,068
REGULATED PLANT					
13 Total Telecommunications Plant	4,786,964	4,823,738	4,794,085	4,724,139	4,613,690
14 Less: Accumulated Depr and Amort.	4,266,680	4,089,455	3,756,550	3,512,881	3,308,947
15 Net Regulated Plant	520,283	734,282	1,037,535	1,211,258	1,304,743
16 Total Assets & Other Debits	\$1,459,320	\$1,646,892	\$1,806,474	\$2,009,071	\$2,187,296
CURRENT LIABILITIES					
17 Accounts Payable	\$34,172	\$32,755	\$40,184	\$35,887	\$59,440
18 Notes Payable					
19 Advanced Billings	3,404	2,878	10,582	10,243	14,116
20 Customer Deposits	368	270	250	100	831
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	36,856	35,902	12,052	38,035	41,485
24 Total Current Liabilities	74,799	71,805	63,068	84,266	115,873
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	0	163	291	599	1,181
27 Non-Current Deferred Taxes	210,889	258,899	315,535	338,816	374,134
28 Other Deferred Credits	3,436	8,018	12,600	52,522	66,991
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(14,334)				(62,547)
31 Total Other Liab. and Def. Credits	199,991	267,081	328,427	391,937	379,760
STOCKHOLDER'S EQUITY					
32 Common Stock	84,000	84,000	84,000	96,000	96,000
33 Preferred Stock					
34 Other Paid in Capital				(83,270)	(83,270)
35 Retained Earnings	1,100,530	1,224,006	1,330,980	1,520,137	1,678,933
36 Total Stockholder's Equity	1,184,530	1,308,006	1,414,980	1,532,867	1,691,663
37 Total Liab. and Stockholder's Equity	\$1,459,320	\$1,646,892	\$1,806,474	\$2,009,071	\$2,187,296

Pattersonville Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$265,087	\$276,774	\$306,081	\$376,947	\$411,084	1
Network Access Services	363,511	362,591	370,980	381,878	383,595	2
Long Distance Network Services	454,897	561,647	570,737	594,521	748,157	3
Miscellaneous Revenues	231,264	163,983	172,308	192,132	186,486	4
Less: Uncollectible Revenues	1,537	3,149	3,318	2,693	2,990	5
Total Operating Revenues	1,313,222	1,361,845	1,416,789	1,542,785	1,726,332	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	10,353	15,293	6,095	4,392	7,142	7
General Support Expenses	82,316	85,408	87,478	101,975	74,229	8
Central Office Switching	167,543	192,744	169,779	190,841	168,658	9
Operator Systems Expense						10
Central Office Transmission	119,043	101,347	102,703	85,188	74,425	11
Info. Origination/Termination	26,071	27,783	22,005	27,864	24,707	12
Cable & Wire Facilities	133,103	108,725	97,092	81,511	126,837	13
Total Plant Specific Operations	538,430	531,301	485,152	491,771	475,998	14
Other Plant, Property & Equipment						15
Network Operations	68,556	74,883	79,927	75,205	72,617	16
Access Expense	17,942	12,585	11,508	29,091	27,924	17
Depreciation and Amortization	237,257	336,642	301,174	262,124	260,759	18
Total Plant Non-Specific Operations	323,755	424,110	392,608	366,420	361,300	19
Marketing Expense	2,970	1,965	2,066	4,128	5,104	20
Services Expense	159,176	155,291	157,838	186,350	193,628	21
Total Customer Operations	162,146	157,256	159,904	190,478	198,732	22
Executive & Planning	98,082	106,903	180,097	189,640	176,217	23
General & Administrative	264,664	252,048	316,983	308,634	375,140	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	362,746	358,951	497,080	498,274	551,357	27
Total Operations Expense	1,387,077	1,471,619	1,534,744	1,546,944	1,587,387	28
Other Operating Income & Expenses	1,570	5,177	5,036	1,691	5,075	29
State & Local Income Taxes						30
Other Taxes	67,380	70,421	70,673	84,141	88,048	31
Net Operating Income Before FIT	(139,665)	(175,017)	(183,592)	(86,608)	55,972	32
Investment Tax Credits - Net						33
Federal Income Taxes	4,755	3,722	(42,449)	2,727	2,244	34
Provision - Def. Operating Income Taxes - Net	(57,597)	(65,530)	(2,095)	(36,881)	6,186	35
Net Operating Income	(\$86,823)	(\$113,209)	(\$139,048)	(\$52,455)	\$47,542	36

Pattersonville Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$86,823)	(\$113,209)	(\$139,048)	(\$52,455)	\$47,542
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	5,939	7,529	17,314	24,561	24,232
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies			22,661	1,657	39,240
44 Other Non-Operating Income			1,077	1,329	818
45 Special Charges	754	1,204			
46 Total Non-Operating Income & Expenses	5,185	6,325	38,898	24,889	62,655
NON-OPERATING TAXES					
47 Federal Income Taxes	572	821	3,510	3,116	13,778
48 Other				235	2,291
49 Total Non-Operating Taxes	572	821	3,510	3,351	16,069
50 Income Available Before Interest Charges	(82,210)	(107,705)	(103,660)	(30,917)	94,127
INTEREST CHARGES					
51 Interest on Funded Debt					1,750
52 Other Interest Expense	(734)	(731)	(2,573)	1,880	289
53 Total Interest Charges	(734)	(731)	(2,573)	1,880	2,039
54 Income Before Extraordinary & Nonreg Items	(81,476)	(106,973)	(101,087)	(32,797)	92,088
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$81,476)	(\$106,973)	(\$101,087)	(\$32,797)	\$92,088
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,224,006	\$1,330,980	\$1,520,137	\$1,678,933	\$1,922,845
60 Transferred from Income	(81,476)	(106,973)	(101,087)	(32,797)	92,088
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	42,000		16,800	126,000	336,000
64 Adjustments			(71,270)		
65 Ending Year Balance	1,100,530	1,224,006	1,330,980	1,520,137	1,678,933
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,100,530	\$1,224,006	\$1,330,980	\$1,520,137	\$1,678,933

**Port Byron Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,890,240	\$1,461,907	\$1,377,878	\$1,410,134	\$923,692
2 Accounts Receivable (Net)	336,475	495,001	438,731	473,388	495,293
3 Current Deferred Income Taxes					
4 Other Current Assets	58,077	57,509	44,536	84,633	148,767
5 Total Current Assets	2,284,792	2,014,417	1,861,145	1,968,155	1,567,752
NON-CURRENT ASSETS					
6 Investments	49,878	85,087	126,163	158,437	181,910
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	49,878	85,087	126,163	158,437	181,910
REGULATED PLANT					
13 Total Telecommunications Plant	10,234,298	10,391,556	10,704,895	10,669,552	10,598,878
14 Less: Accumulated Depr and Amort.	7,035,781	6,704,062	6,803,549	6,424,571	5,848,162
15 Net Regulated Plant	3,198,517	3,687,494	3,901,346	4,244,981	4,750,716
16 Total Assets & Other Debits	\$5,533,187	\$5,786,998	\$5,888,654	\$6,371,573	\$6,500,378
CURRENT LIABILITIES					
17 Accounts Payable	\$286,538	\$357,924	\$292,690	\$396,005	\$272,237
18 Notes Payable					
19 Advanced Billings	5,571	3,542	5,005	10,970	5,105
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	35,532	42,142	46,199	59,652	52,508
22 Current Deferred Income Taxes	(11,159)	(16,843)	(10,874)	(10,722)	(4,235)
23 Other Current Liabilities	32,522	38,765	38,693	53,594	113,308
24 Total Current Liabilities	349,004	425,530	371,713	509,499	438,923
LONG-TERM DEBT					
25 Long-Term Debt	8,802	41,400	83,933	127,218	161,117
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	571,272	595,614	607,090	541,200	599,146
28 Other Deferred Credits		32,832	68,876	350,591	373,193
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(47,061)	(43,218)	12,866	35,726	51,123
31 Total Other Liab. and Def. Credits	524,211	585,228	688,832	927,517	1,023,462
STOCKHOLDER'S EQUITY					
32 Common Stock	60,002	60,002	60,002	60,002	60,002
33 Preferred Stock					
34 Other Paid in Capital	89,980	89,708	48,245	37,346	30,764
35 Retained Earnings	4,501,188	4,585,130	4,635,929	4,709,991	4,786,110
36 Total Stockholder's Equity	4,651,170	4,734,840	4,744,176	4,807,339	4,876,876
37 Total Liab. and Stockholder's Equity	\$5,533,187	\$5,786,998	\$5,888,654	\$6,371,573	\$6,500,378

Port Byron Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$564,744	\$622,245	\$677,531	\$763,460	\$762,043	1
Network Access Services	1,040,370	1,154,004	1,304,198	1,506,129	1,554,918	2
Long Distance Network Services						3
Miscellaneous Revenues	699,728	645,096	643,427	425,365	395,020	4
Less: Uncollectible Revenues	34,029	45,841	41,394	35,309	20,399	5
Total Operating Revenues	2,270,813	2,375,504	2,583,762	2,659,645	2,691,582	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,821	4,851	12,252	15,480	16,397	7
General Support Expenses	145,932	140,226	66,603	59,069	49,800	8
Central Office Switching	46,318	73,317	74,694	85,797	88,801	9
Operator Systems Expense						10
Central Office Transmission	156,515	196,650	110,538	258,172	178,045	11
Info. Origination/Termination	131,206	124,581	162,208	195,326	186,332	12
Cable & Wire Facilities	223,454	227,094	166,280	154,403	124,323	13
Total Plant Specific Operations	708,246	766,719	592,575	768,247	643,698	14
Other Plant, Property & Equipment						15
Network Operations	200,301	200,893	246,189	268,663	268,859	16
Access Expense	69,405	64,075	74,397	82,429	61,825	17
Depreciation and Amortization	440,866	616,629	691,279	681,495	698,907	18
Total Plant Non-Specific Operations	710,572	881,597	1,011,865	1,032,587	1,029,591	19
Marketing Expense	132,432	138,459	143,150	143,510	143,042	20
Services Expense	122,350	165,368	192,407	220,513	247,107	21
Total Customer Operations	254,782	303,827	335,557	364,023	390,149	22
Executive & Planning	84,090	69,899	51,371	73,649	97,363	23
General & Administrative	362,392	352,026	372,767	403,734	420,842	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	446,482	421,925	424,138	477,383	518,205	27
Total Operations Expense	2,120,082	2,374,068	2,364,135	2,642,240	2,581,643	28
Other Operating Income & Expenses		1,992				29
State & Local Income Taxes						30
Other Taxes	99,642	107,287	172,824	174,860	165,479	31
Net Operating Income Before FIT	51,089	(103,859)	46,803	(157,455)	(55,540)	32
Investment Tax Credits - Net						33
Federal Income Taxes	24,933	(6,352)	49,161	2,165	(19,392)	34
Provision - Def. Operating Income Taxes - Net	(18,527)	(42,607)	(26,308)	(63,576)	(8,619)	35
Net Operating Income	\$44,683	(\$54,900)	\$23,950	(\$96,044)	(\$27,529)	36

Port Byron Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$44,683	(\$54,900)	\$23,950	(\$96,044)	(\$27,529)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	8,330	8,296	36,075	52,738	37,218
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(15)	(164)	230,698	895	91,960
45 Special Charges	205,916	758	1,041	629	2,787
46 Total Non-Operating Income & Expenses	(197,601)	7,374	265,732	53,004	126,391
NON-OPERATING TAXES					
47 Federal Income Taxes	(69,203)	2,287	89,526	18,467	43,912
48 Other			9,636		87
49 Total Non-Operating Taxes	(69,203)	2,287	99,162	18,467	43,999
50 Income Available Before Interest Charges	(83,715)	(49,813)	190,520	(61,507)	54,863
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	227	986	(10,418)	14,612	1,300
53 Total Interest Charges	227	986	(10,418)	14,612	1,300
54 Income Before Extraordinary & Nonreg Items	(83,942)	(50,799)	200,938	(76,119)	53,563
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$83,942)	(\$50,799)	\$200,938	(\$76,119)	\$53,563
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,585,130	\$4,635,929	\$4,709,991	\$4,786,110	\$4,732,547
60 Transferred from Income	(83,942)	(50,799)	200,938	(76,119)	53,563
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			275,000		
64 Adjustments					
65 Ending Year Balance	4,501,188	4,585,130	4,635,929	4,709,991	4,786,110
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$4,501,188	\$4,585,130	\$4,635,929	\$4,709,991	\$4,786,110

**State Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$12,029	\$408,145	\$255,241	\$204,294	\$259,519
2 Accounts Receivable (Net)	279,605	236,867	344,205	311,630	504,185
3 Current Deferred Income Taxes					
4 Other Current Assets	632,208	553,583	560,322	554,551	431,335
5 Total Current Assets	923,842	1,198,595	1,159,768	1,070,475	1,195,039
NON-CURRENT ASSETS					
6 Investments	983,318	952,129	886,016	794,458	994,317
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	69,705	69,705	69,705	69,705	69,705
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,053,023	1,021,834	955,721	864,163	1,064,022
REGULATED PLANT					
13 Total Telecommunications Plant	23,254,286	20,444,292	19,467,193	18,673,893	17,934,084
14 Less: Accumulated Depr and Amort.	16,595,785	15,855,505	15,180,801	14,367,805	13,368,234
15 Net Regulated Plant	6,658,501	4,588,787	4,286,392	4,306,088	4,565,850
16 Total Assets & Other Debits	\$8,635,366	\$6,809,216	\$6,401,881	\$6,240,726	\$6,824,911
CURRENT LIABILITIES					
17 Accounts Payable	\$115,080	\$279,769	\$60,320	\$79,459	\$65,953
18 Notes Payable	1,500,000				
19 Advanced Billings					
20 Customer Deposits	11,547	12,637	14,047	16,829	18,419
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(75,630)	75,794	25,165	(19,540)	174,388
24 Total Current Liabilities	1,550,997	368,200	99,532	76,748	258,760
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	43,547	(192,070)	(192,918)	(203,842)	(39,823)
28 Other Deferred Credits	539,813	574,337	540,119	524,697	540,352
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,097,737	1,419,284	1,468,102	1,288,584	1,215,848
31 Total Other Liab. and Def. Credits	1,681,097	1,801,551	1,815,303	1,609,439	1,716,377
STOCKHOLDER'S EQUITY					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	5,323,272	4,559,465	4,407,046	4,474,539	4,769,774
36 Total Stockholder's Equity	5,403,272	4,639,465	4,487,046	4,554,539	4,849,774
37 Total Liab. and Stockholder's Equity	\$8,635,366	\$6,809,216	\$6,401,881	\$6,240,726	\$6,824,911

State Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,376,189	\$1,309,614	\$1,296,313	\$1,231,626	\$1,343,747	1
Network Access Services	1,788,707	1,755,450	1,748,659	1,793,265	1,884,780	2
Long Distance Network Services	590,503	517,908	452,704	546,806	887,587	3
Miscellaneous Revenues	1,222,149	1,143,987	1,092,626	1,030,370	919,919	4
Less: Uncollectible Revenues	17,144	82,981	17,971	(1,956)	11,620	5
Total Operating Revenues	4,960,404	4,643,978	4,572,331	4,604,023	5,024,413	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses		(1,515)	37,434	49,384	34,819	7
General Support Expenses	300,421	241,738	275,299	258,441	233,155	8
Central Office Switching	528,304	445,363	458,000	488,377	507,802	9
Operator Systems Expense						10
Central Office Transmission	79,341	73,340	92,974	27,353	26,331	11
Info. Origination/Termination	230,654	238,130	195,526	208,151	253,832	12
Cable & Wire Facilities	301,912	283,886	272,990	186,671	193,597	13
Total Plant Specific Operations	1,440,632	1,280,942	1,332,223	1,218,377	1,249,536	14
Other Plant, Property & Equipment	73,518	70,453	67,649	71,451	74,401	15
Network Operations	323,478	345,683	329,809	312,611	307,844	16
Access Expense	11,626	20,742				17
Depreciation and Amortization	782,346	730,717	812,996	1,021,071	962,393	18
Total Plant Non-Specific Operations	1,190,968	1,167,595	1,210,454	1,405,133	1,344,638	19
Marketing Expense	26,346	29,609	20,136	20,671	31,940	20
Services Expense	575,269	664,430	673,702	685,272	723,862	21
Total Customer Operations	601,615	694,039	693,838	705,943	755,802	22
Executive & Planning	314,340	337,198	339,485	371,357	397,142	23
General & Administrative	285,068	332,468	279,107	291,273	271,570	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	599,408	669,666	618,592	662,630	668,712	27
Total Operations Expense	3,832,623	3,812,242	3,855,107	3,992,083	4,018,688	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	273,060	261,936	245,372	170,535	246,202	31
Net Operating Income Before FIT	854,721	569,800	471,852	441,405	759,523	32
Investment Tax Credits - Net						33
Federal Income Taxes	(57,606)	139,409	17,482	292,330	377,771	34
Provision - Def. Operating Income Taxes - Net	284,752	(50,560)	34,009	(227,007)	(171,534)	35
Net Operating Income	\$627,575	\$480,951	\$420,361	\$376,082	\$553,286	36

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State Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$627,575	\$480,951	\$420,361	\$376,082	\$553,286
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	31,189	66,113	91,558	2,674	152,655
44 Other Non-Operating Income					
45 Special Charges	11,673	12,128	15,169	12,262	4,173
46 Total Non-Operating Income & Expenses	19,516	53,985	76,389	(9,588)	148,482
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	647,091	534,936	496,750	366,494	701,768
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	10,861	35	60	60	640
53 Total Interest Charges	10,861	35	60	60	640
54 Income Before Extraordinary & Nonreg Items	636,230	534,901	496,690	366,434	701,128
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$636,230	\$534,901	\$496,690	\$366,434	\$701,128
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$3,507,336	\$3,421,030	\$3,580,081	\$3,675,457	\$3,574,984
60 Transferred from Income	605,041	468,788	405,132	363,760	548,473
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	360,000	360,000	384,000	384,000	448,000
64 Adjustments	487,577	(22,482)	(180,183)	(75,136)	
65 Ending Year Balance	4,239,954	3,507,336	3,421,030	3,580,081	3,675,457
66 Appropriated/Undistr Affiliate Retained Earnings	1,083,318	1,052,129	986,016	894,458	1,094,317
67 Total Retained Earnings	\$5,323,272	\$4,559,465	\$4,407,046	\$4,474,539	\$4,769,774

**Taconic Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31,**

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,220	\$1,220	\$1,220	\$1,000	\$234,663
2 Accounts Receivable (Net)	5,696,221	5,964,401	6,900,415	3,922,641	8,333,582
3 Current Deferred Income Taxes	59,818	54,467	45,306	61,207	50,349
4 Other Current Assets	805,030	767,205	933,635	643,445	895,726
5 Total Current Assets	6,562,289	6,787,293	7,880,576	4,628,293	9,514,319
NON-CURRENT ASSETS					
6 Investments	2,932,328	2,527,960	2,652,308	2,650,125	5,472,594
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	162,786	256,704	351,388	498,034	1,312,821
11 Other Non-Current Assets					
12 Total Non-Current Assets	3,095,114	2,784,664	3,003,696	3,148,159	6,785,416
REGULATED PLANT					
13 Total Telecommunications Plant	72,338,568	71,601,250	71,013,992	69,302,928	68,991,673
14 Less: Accumulated Depr and Amort.	51,440,686	51,158,089	50,407,696	49,554,744	47,731,255
15 Net Regulated Plant	20,897,882	20,443,160	20,606,296	19,748,185	21,260,417
16 Total Assets & Other Debits	\$30,555,285	\$30,015,117	\$31,490,568	\$27,524,637	\$37,560,153
CURRENT LIABILITIES					
17 Accounts Payable	\$6,533,120	\$5,503,433	\$7,822,553	\$3,223,364	\$4,244,910
18 Notes Payable					
19 Advanced Billings	(7,955)				
20 Customer Deposits			1,182	1,182	1,295
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	177,465	147,003	383,646	650,261	662,885
24 Total Current Liabilities	6,702,630	5,650,436	8,207,381	3,874,807	4,909,089
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC				11,935	13,808
27 Non-Current Deferred Taxes	3,330,678	2,761,852	2,150,206	1,589,295	1,580,070
28 Other Deferred Credits	484,507	771,177	1,060,037	1,371,819	1,653,738
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	844,880	994,255	(958,180)	45,786	46,080
31 Total Other Liab. and Def. Credits	4,660,065	4,527,283	2,252,063	3,018,835	3,293,696
STOCKHOLDER'S EQUITY					
32 Common Stock	677,719	677,719	677,719	677,719	677,719
33 Preferred Stock					
34 Other Paid in Capital	1,581,615	1,581,615	1,581,615	1,581,615	1,581,615
35 Retained Earnings	16,933,257	17,578,064	18,771,790	18,371,660	27,098,033
36 Total Stockholder's Equity	19,192,590	19,837,397	21,031,124	20,630,994	29,357,367
37 Total Liab. and Stockholder's Equity	\$30,555,285	\$30,015,117	\$31,490,568	\$27,524,637	\$37,560,153

Taconic Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$6,291,137	\$6,777,829	\$6,947,570	\$6,992,604	\$7,004,827	1
Network Access Services	8,913,380	9,075,300	9,338,829	10,047,571	11,124,255	2
Long Distance Network Services	133,482	134,295	220,042	255,725	251,624	3
Miscellaneous Revenues	1,303,509	1,373,369	1,412,660	1,223,253	1,519,375	4
Less: Uncollectible Revenues	167,827	189,575	(87,569)	280,111	148,851	5
Total Operating Revenues	16,473,681	17,171,217	18,006,670	18,239,042	19,751,231	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(2,809)	1,505	15,693	12,433	11,425	7
General Support Expenses	3,423,789	1,487,092	1,517,313	1,292,625	1,225,984	8
Central Office Switching	682,378	695,522	805,018	795,423	787,760	9
Operator Systems Expense						10
Central Office Transmission	71,443	79,643	73,512	95,093	96,349	11
Info. Origination/Termination						12
Cable & Wire Facilities	1,881,758	2,190,256	1,826,215	1,984,948	1,851,997	13
Total Plant Specific Operations	6,056,559	4,454,018	4,237,751	4,180,522	3,973,515	14
Other Plant, Property & Equipment		12,345	38,946	9,803	38	15
Network Operations	1,498,375	1,535,849	1,688,180	1,563,796	1,593,414	16
Access Expense	518,956	417,350	384,631	430,761	406,557	17
Depreciation and Amortization	2,638,257	2,631,331	2,769,964	2,666,490	4,169,811	18
Total Plant Non-Specific Operations	4,655,588	4,596,875	4,881,721	4,670,850	6,169,820	19
Marketing Expense	250,263	371,641	377,589	597,186	517,290	20
Services Expense	1,788,558	2,023,283	1,986,517	2,373,899	2,151,678	21
Total Customer Operations	2,038,821	2,394,924	2,364,106	2,971,084	2,668,968	22
Executive & Planning	256,914	571,201	616,510	644,037	887,559	23
General & Administrative	1,698,638	2,378,412	2,348,740	2,579,863	2,517,028	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,955,552	2,949,613	2,965,250	3,223,899	3,404,587	27
Total Operations Expense	14,706,520	14,395,430	14,448,828	15,046,355	16,216,890	28
Other Operating Income & Expenses						29
State & Local Income Taxes	(1,386)	23,714	11,427	22,365	99,351	30
Other Taxes	855,462	742,623	836,535	830,974	844,518	31
Net Operating Income Before FIT	913,085	2,009,450	2,709,880	2,339,348	2,590,472	32
Investment Tax Credits - Net			11,935	1,873	7,494	33
Federal Income Taxes	(46,790)	2,114,833	468,271	1,014,367	1,535,487	34
Provision - Def. Operating Income Taxes - Net	42,874	(457,199)	691,375	603,370	(113,893)	35
Net Operating Income	\$917,001	\$351,816	\$1,562,169	\$723,484	\$1,176,372	36

Taconic Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$917,001	\$351,816	\$1,562,169	\$723,484	\$1,176,372
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	1,542,368			1,789,585	1,522,580
44 Other Non-Operating Income				4,461,438	10,032,668
45 Special Charges	92	(150)	(383)	1,954	13,004
46 Total Non-Operating Income & Expenses	1,542,276	150	383	6,249,068	11,542,244
NON-OPERATING TAXES					
47 Federal Income Taxes	516,845	(778,650)	(138,343)	210,942	2,941,056
48 Other	125,801	68,320	94,229	1,486,416	51,884
49 Total Non-Operating Taxes	642,646	(710,330)	(44,114)	1,697,358	2,992,940
50 Income Available Before Interest Charges	1,816,631	1,062,296	1,606,666	5,275,194	9,725,676
INTEREST CHARGES					
51 Interest on Funded Debt					440
52 Other Interest Expense	38,161	57,316	75,184	92,723	102,858
53 Total Interest Charges	38,161	57,316	75,184	92,723	103,298
54 Income Before Extraordinary & Nonreg Items	1,778,470	1,004,979	1,531,482	5,182,471	9,622,378
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	2,186,090	1,906,295	767,269		
57 Total Extraordinary & Nonregulated Items	2,186,090	1,906,295	767,269		
58 Net Income	\$3,964,560	\$2,911,274	\$2,298,751	\$5,182,471	\$9,622,378
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$17,578,064	\$18,771,790	\$14,166,497	\$24,682,455	\$25,297,657
60 Transferred from Income	2,422,192	2,911,274	2,298,751	3,392,798	8,099,798
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		4,105,000	4,628,000	13,908,755	8,715,000
64 Adjustments	(145,545)		6,934,542		
65 Ending Year Balance	19,854,711	17,578,064	18,771,790	14,166,497	24,682,455
66 Appropriated/Undistr Affiliate Retained Earnings	(2,921,454)			4,205,163	2,415,578
67 Total Retained Earnings	\$16,933,257	\$17,578,064	\$18,771,790	\$18,371,660	\$27,098,033

Township Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$3,002,866	\$2,622,609	\$2,234,501	\$2,339,492	\$2,090,104
2 Accounts Receivable (Net)	332,720	565,756	551,121	738,072	687,638
3 Current Deferred Income Taxes					
4 Other Current Assets	63,238	60,595	67,946	162,014	182,227
5 Total Current Assets	3,398,824	3,248,960	2,853,568	3,239,578	2,959,969
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges		100	100	100	
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets		100	100	100	
REGULATED PLANT					
13 Total Telecommunications Plant	17,883,607	18,418,292	18,796,724	18,654,522	18,265,961
14 Less: Accumulated Depr and Amort.	11,030,958	10,421,373	10,170,192	9,490,141	8,631,366
15 Net Regulated Plant	6,852,649	7,996,919	8,626,532	9,164,381	9,634,595
16 Total Assets & Other Debits	\$10,251,473	\$11,245,979	\$11,480,200	\$12,404,059	\$12,594,564
CURRENT LIABILITIES					
17 Accounts Payable	\$332,634	\$418,344	\$328,859	\$456,242	\$338,378
18 Notes Payable					
19 Advanced Billings	65,796	70,870	73,406	89,408	63,990
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	855	3,656	13,048	12,980	22,356
22 Current Deferred Income Taxes	(3,575)	(5,375)	(5,873)	(6,344)	(2,485)
23 Other Current Liabilities	118,833	108,091	59,831	52,056	56,522
24 Total Current Liabilities	514,543	595,586	469,271	604,342	478,761
LONG-TERM DEBT					
25 Long-Term Debt		855	4,511	14,140	13,350
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,419,711	1,632,820	1,734,094	1,304,768	1,249,695
28 Other Deferred Credits				1,526,783	1,583,859
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	427,765	421,760	537,958	555,771	601,758
31 Total Other Liab. and Def. Credits	1,847,476	2,054,580	2,272,052	3,387,322	3,435,312
STOCKHOLDER'S EQUITY					
32 Common Stock	10,000	10,000	10,000	10,000	10,000
33 Preferred Stock					
34 Other Paid in Capital	3,613,927	3,611,919	3,527,330	3,574,886	3,569,353
35 Retained Earnings	4,265,527	4,973,039	5,197,036	4,813,369	5,087,788
36 Total Stockholder's Equity	7,889,454	8,594,958	8,734,366	8,398,255	8,667,141
37 Total Liab. and Stockholder's Equity	\$10,251,473	\$11,245,979	\$11,480,200	\$12,404,059	\$12,594,564

Township Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$752,831	\$854,857	\$982,316	\$1,171,457	\$1,216,085	1
Network Access Services	1,518,030	1,909,905	1,971,262	2,085,789	2,067,844	2
Long Distance Network Services						3
Miscellaneous Revenues	602,803	538,493	589,900	535,872	557,841	4
Less: Uncollectible Revenues	18,615	3,841	16,773	16,303	1,291	5
Total Operating Revenues	2,855,049	3,299,414	3,526,705	3,776,815	3,840,479	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	8,711	7,397	3,808	18,175	20,108	7
General Support Expenses	194,170	201,783	72,638	77,060	53,023	8
Central Office Switching	129,530	150,446	160,689	202,903	143,664	9
Operator Systems Expense						10
Central Office Transmission	139,644	193,987	220,570	323,185	204,796	11
Info. Origination/Termination	149,873	128,422	186,849	174,843	205,871	12
Cable & Wire Facilities	265,715	296,076	254,235	210,510	205,949	13
Total Plant Specific Operations	887,643	978,111	898,789	1,006,676	833,411	14
Other Plant, Property & Equipment						15
Network Operations	321,099	332,553	365,421	372,395	371,359	16
Access Expense	71,198	60,191	90,217	94,751	83,262	17
Depreciation and Amortization	633,673	1,022,736	1,206,705	1,227,592	1,007,695	18
Total Plant Non-Specific Operations	1,025,970	1,415,480	1,662,343	1,694,738	1,462,316	19
Marketing Expense	200,460	219,055	235,298	234,487	234,711	20
Services Expense	174,264	248,981	287,490	310,149	361,361	21
Total Customer Operations	374,724	468,036	522,788	544,636	596,072	22
Executive & Planning	100,031	77,936	61,889	112,095	133,277	23
General & Administrative	552,598	543,477	510,791	664,984	694,367	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	652,629	621,413	572,680	777,079	827,644	27
Total Operations Expense	2,940,966	3,483,040	3,656,600	4,023,129	3,719,443	28
Other Operating Income & Expenses	(245)	1,037				29
State & Local Income Taxes						30
Other Taxes	163,901	179,243	212,054	206,135	217,399	31
Net Operating Income Before FIT	(250,063)	(361,832)	(341,949)	(452,449)	(96,363)	32
Investment Tax Credits - Net						33
Federal Income Taxes	124,289	8,953	(25,840)	(239,500)	(90,573)	34
Provision - Def. Operating Income Taxes - Net	(211,759)	(135,856)	(67,846)	50,501	52,475	35
Net Operating Income	(\$162,593)	(\$234,929)	(\$248,263)	(\$263,450)	(\$58,265)	36

Township Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$162,593)	(\$234,929)	(\$248,263)	(\$263,450)	(\$58,265)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	17,625	19,110	62,147	105,218	102,748
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income		(11)	1,402,876	7,277	822,789
45 Special Charges	855,739	965	1,496	778	3,456
46 Total Non-Operating Income & Expenses	(838,114)	18,134	1,463,527	111,717	922,081
NON-OPERATING TAXES					
47 Federal Income Taxes	(293,339)	6,346	488,382	34,314	322,131
48 Other			66,762	(1)	802
49 Total Non-Operating Taxes	(293,339)	6,346	555,144	34,313	322,933
50 Income Available Before Interest Charges	(707,368)	(223,141)	660,120	(186,046)	540,883
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	144	856	(72,547)	88,373	12,765
53 Total Interest Charges	144	856	(72,547)	88,373	12,765
54 Income Before Extraordinary & Nonreg Items	(707,512)	(223,997)	732,667	(274,419)	528,118
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$707,512)	(\$223,997)	\$732,667	(\$274,419)	\$528,118
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,973,039	\$5,197,036	\$4,813,369	\$5,087,788	\$4,559,670
60 Transferred from Income	(707,512)	(223,997)	732,667	(274,419)	528,118
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			349,000		
64 Adjustments					
65 Ending Year Balance	4,265,527	4,973,039	5,197,036	4,813,369	5,087,788
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$4,265,527	\$4,973,039	\$5,197,036	\$4,813,369	\$5,087,788

Trumansburg Home Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,305,928	\$1,196,954	\$1,181,920	\$1,701,042	\$3,367,356
2 Accounts Receivable (Net)	2,669,528	1,497,117	664,190	1,051,452	754,935
3 Current Deferred Income Taxes					
4 Other Current Assets	798,627	838,856	647,439	733,906	797,846
5 Total Current Assets	4,774,083	3,532,927	2,493,550	3,486,400	4,920,137
NON-CURRENT ASSETS					
6 Investments	3,743,466	3,645,432	3,761,401	2,959,889	1,377,620
7 Unamortized Debt Issuance Costs	4,800	7,200	9,600	12,000	14,400
8 Deferred Charges		5,832	5,832	5,832	5,832
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	320,074	288,255	296,791	462,647	454,160
11 Other Non-Current Assets	2,312,740	2,814,230	2,590,117	3,290,215	3,414,800
12 Total Non-Current Assets	6,381,080	6,760,949	6,663,741	6,730,583	5,266,812
REGULATED PLANT					
13 Total Telecommunications Plant	25,797,237	25,150,618	25,424,547	24,900,195	24,189,892
14 Less: Accumulated Depr and Amort.	15,836,462	14,784,017	14,207,800	13,315,881	12,326,395
15 Net Regulated Plant	9,960,775	10,366,601	11,216,747	11,584,314	11,863,497
16 Total Assets & Other Debits	\$21,115,938	\$20,660,477	\$20,374,037	\$21,801,297	\$22,050,446
CURRENT LIABILITIES					
17 Accounts Payable	\$1,625,791	\$1,443,300	\$1,427,605	\$1,349,684	\$751,529
18 Notes Payable	345,460	429,275	427,219	420,782	431,615
19 Advanced Billings	458,149	478,585	499,021	518,747	186,482
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	299,235	299,235	398,980	398,980	357,143
22 Current Deferred Income Taxes					
23 Other Current Liabilities	889,042	859,639	546,114	779,869	740,030
24 Total Current Liabilities	3,617,677	3,510,034	3,298,939	3,468,062	2,466,799
LONG-TERM DEBT					
25 Long-Term Debt	1,595,916	1,994,896	2,393,876	2,792,856	3,285,714
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,197,183	2,081,035	1,829,115	1,965,157	2,278,443
28 Other Deferred Credits	276,482	296,445	292,251	275,423	318,710
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	321,990	273,309	266,987	798,160	823,753
31 Total Other Liab. and Def. Credits	2,795,655	2,650,789	2,388,353	3,038,740	3,420,906
STOCKHOLDER'S EQUITY					
32 Common Stock	240,000	240,000	240,000	240,000	240,000
33 Preferred Stock					
34 Other Paid in Capital	(2,014,959)	(2,154,475)	(2,601,601)	(2,335,774)	(1,946,961)
35 Retained Earnings	14,881,648	14,419,233	14,654,469	14,597,413	14,583,989
36 Total Stockholder's Equity	13,106,689	12,504,758	12,292,868	12,501,639	12,877,028
37 Total Liab. and Stockholder's Equity	\$21,115,938	\$20,660,477	\$20,374,037	\$21,801,297	\$22,050,446

Trumansburg Home Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,493,827	\$1,626,544	\$1,617,781	\$1,683,511	\$1,742,657	1
Network Access Services	2,980,156	3,141,202	3,074,538	3,102,188	2,887,656	2
Long Distance Network Services						3
Miscellaneous Revenues	936,810	885,380	788,197	782,278	764,585	4
Less: Uncollectible Revenues	24,450	22,502	21,366	29,726	66,874	5
Total Operating Revenues	5,386,343	5,630,624	5,459,150	5,538,251	5,328,024	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	5,935	5,861	6,338	24,698	14,847	7
General Support Expenses	532,712	542,053	503,226	433,337	324,038	8
Central Office Switching	399,403	374,678	284,024	229,062	333,046	9
Operator Systems Expense						10
Central Office Transmission	123,954	161,704	144,632	209,145		11
Info. Origination/Termination	150,864	121,097	107,796	94,846	66,454	12
Cable & Wire Facilities	262,623	300,656	538,525	550,828	481,196	13
Total Plant Specific Operations	1,475,491	1,506,049	1,584,541	1,541,916	1,219,581	14
Other Plant, Property & Equipment	587	(1)	(2,866)	124	(813)	15
Network Operations	369,865	330,006	208,340	159,806	122,881	16
Access Expense	131,071	110,189	103,943	92,586	94,647	17
Depreciation and Amortization	1,108,670	1,090,497	1,031,017	1,269,163	1,102,855	18
Total Plant Non-Specific Operations	1,610,193	1,530,691	1,340,434	1,521,679	1,319,570	19
Marketing Expense	82,675	115,736	134,883	232,091	183,237	20
Services Expense	381,051	404,135	469,734	740,773	861,522	21
Total Customer Operations	463,726	519,871	604,617	972,864	1,044,759	22
Executive & Planning	436,073	394,502	373,871	369,173	356,300	23
General & Administrative	848,766	798,014	768,638	712,398	673,501	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,284,839	1,192,516	1,142,509	1,081,571	1,029,801	27
Total Operations Expense	4,834,249	4,749,127	4,672,101	5,118,030	4,613,711	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	287,643	424,008	420,064	397,785	401,583	31
Net Operating Income Before FIT	264,451	457,489	366,985	22,436	312,730	32
Investment Tax Credits - Net						33
Federal Income Taxes	46,418	122,750	(126,558)	26,109	12,955	34
Provision - Def. Operating Income Taxes - Net	(2,246)	22,633	173,343	(154,959)	(39,609)	35
Net Operating Income	\$220,279	\$312,106	\$320,200	\$151,286	\$339,384	36

Trumansburg Home Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$220,279	\$312,106	\$320,200	\$151,286	\$339,384
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	22,910	25,326	22,426	5,500	5,052
39 Interest Income	42,126	35,496	62,753	93,509	120,003
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	6,295	1,679	17,640	71,014	21,442
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	359,322	(254,756)	1,227	(346,601)	(240,281)
44 Other Non-Operating Income	92,746	(224,441)	(106,780)	723,120	454,388
45 Special Charges	14,692	13,414	8,176	38,972	49,151
46 Total Non-Operating Income & Expenses	508,707	(430,110)	(10,910)	507,570	311,453
NON-OPERATING TAXES					
47 Federal Income Taxes	83,768	(79,265)	(19,996)	288,883	168,873
48 Other					
49 Total Non-Operating Taxes	83,768	(79,265)	(19,996)	288,883	168,873
50 Income Available Before Interest Charges	645,218	(38,739)	329,286	369,973	481,964
INTEREST CHARGES					
51 Interest on Funded Debt	108,747	135,909	167,945	226,414	185,481
52 Other Interest Expense	20,239	6,841	50,726	32,129	35,532
53 Total Interest Charges	128,986	142,750	218,671	258,543	221,013
54 Income Before Extraordinary & Nonreg Items	516,232	(181,489)	110,615	111,430	260,951
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$516,232	(\$181,489)	\$110,615	\$111,430	\$260,951

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$14,836,247	\$15,071,483	\$15,014,427	\$15,001,003	\$14,809,516
60 Transferred from Income	516,232	73,267	110,615	111,430	260,951
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	53,818	53,747	53,558	69,224	69,464
64 Adjustments		(254,756)		(28,782)	
65 Ending Year Balance	15,298,662	14,836,247	15,071,483	15,014,427	15,001,003
66 Appropriated/Undistr Affiliate Retained Earnings	(417,014)	(417,014)	(417,014)	(417,014)	(417,014)
67 Total Retained Earnings	\$14,881,648	\$14,419,233	\$14,654,469	\$14,597,413	\$14,583,989

Vernon Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,818,230	\$1,520,876	\$1,180,981	\$773,109	\$377,003
2 Accounts Receivable (Net)	164,182	409,826	209,740	242,228	398,199
3 Current Deferred Income Taxes					
4 Other Current Assets	39,945	39,639	35,339	104,754	106,364
5 Total Current Assets	2,022,357	1,970,341	1,426,060	1,120,091	881,566
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets					
REGULATED PLANT					
13 Total Telecommunications Plant	10,031,679	9,995,673	10,096,696	10,134,072	9,947,055
14 Less: Accumulated Depr and Amort.	5,915,780	5,580,663	5,230,848	4,863,914	4,337,306
15 Net Regulated Plant	4,115,899	4,415,010	4,865,848	5,270,158	5,609,749
16 Total Assets & Other Debits	\$6,138,256	\$6,385,351	\$6,291,908	\$6,390,249	\$6,491,315
CURRENT LIABILITIES					
17 Accounts Payable	\$215,609	\$371,155	\$241,428	\$242,995	\$236,732
18 Notes Payable					
19 Advanced Billings	20,450	20,262	22,411	25,212	17,951
20 Customer Deposits					
21 Current Maturities - Long-Term Debt		979	2,348	2,349	8,495
22 Current Deferred Income Taxes	(2,866)	(2,975)	(3,720)	(4,190)	(2,940)
23 Other Current Liabilities	40,566	32,962	51,638	62,024	67,196
24 Total Current Liabilities	273,759	422,383	314,105	328,390	327,434
LONG-TERM DEBT					
25 Long-Term Debt			978	3,327	
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	922,381	955,207	919,947	860,739	861,104
28 Other Deferred Credits				86,258	81,094
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(102,721)	(94,379)	53,692	142,507	159,040
31 Total Other Liab. and Def. Credits	819,660	860,828	973,639	1,089,504	1,101,238
STOCKHOLDER'S EQUITY					
32 Common Stock	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
33 Preferred Stock					
34 Other Paid in Capital	2,838,758	2,838,902	2,742,037	2,690,954	2,683,357
35 Retained Earnings	(193,921)	(136,762)	(138,851)	(121,926)	(20,714)
36 Total Stockholder's Equity	5,044,837	5,102,140	5,003,186	4,969,028	5,062,643
37 Total Liab. and Stockholder's Equity	\$6,138,256	\$6,385,351	\$6,291,908	\$6,390,249	\$6,491,315

Vernon Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$656,073	\$711,490	\$789,812	\$891,011	\$911,751	1
Network Access Services	700,400	857,812	813,731	896,281	1,035,411	2
Long Distance Network Services						3
Miscellaneous Revenues	361,918	317,185	322,931	243,540	314,582	4
Less: Uncollectible Revenues	13,683	1,554	19,080	12,312	4,181	5
Total Operating Revenues	1,704,708	1,884,933	1,907,394	2,018,520	2,257,563	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	6,352	5,619	13,756	12,775	16,967	7
General Support Expenses	100,122	114,840	59,858	69,412	61,479	8
Central Office Switching	80,527	86,881	79,379	99,913	91,248	9
Operator Systems Expense						10
Central Office Transmission	58,765	73,178	93,979	161,240	117,359	11
Info. Origination/Termination	77,447	67,222	95,772	120,694	150,493	12
Cable & Wire Facilities	158,988	173,031	160,008	128,166	124,693	13
Total Plant Specific Operations	482,201	520,771	502,752	592,200	562,239	14
Other Plant, Property & Equipment						15
Network Operations	156,736	176,432	231,022	242,182	260,634	16
Access Expense	48,221	41,878	54,770	56,774	50,626	17
Depreciation and Amortization	381,182	524,127	535,205	538,834	529,655	18
Total Plant Non-Specific Operations	586,139	742,437	820,997	837,790	840,915	19
Marketing Expense	101,216	102,677	104,251	103,548	111,366	20
Services Expense	94,609	125,592	152,687	190,776	247,502	21
Total Customer Operations	195,825	228,269	256,938	294,324	358,868	22
Executive & Planning	52,598	41,921	33,397	56,407	57,221	23
General & Administrative	269,814	272,278	309,389	346,236	339,051	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	322,412	314,199	342,786	402,643	396,272	27
Total Operations Expense	1,586,577	1,805,676	1,923,473	2,126,957	2,158,294	28
Other Operating Income & Expenses		887				29
State & Local Income Taxes						30
Other Taxes	81,438	86,730	112,602	111,606	132,097	31
Net Operating Income Before FIT	36,693	(6,586)	(128,681)	(220,043)	(32,828)	32
Investment Tax Credits - Net						33
Federal Income Taxes	55,677	65,052	(922)	(36,273)	(12,532)	34
Provision - Def. Operating Income Taxes - Net	(42,680)	(67,219)	(43,077)	(45,663)	(24,099)	35
Net Operating Income	\$23,696	(\$4,419)	(\$84,682)	(\$138,107)	\$3,803	36

Vernon Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	\$23,696	(\$4,419)	(\$84,682)	(\$138,107)	\$3,803
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	8,927	10,983	22,582	24,307	13,712
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(15)	(65)	81,546	37,580	34,754
45 Special Charges	133,268	718	915	563	1,345
46 Total Non-Operating Income & Expenses	(124,356)	10,200	103,213	61,324	47,121
NON-OPERATING TAXES					
47 Federal Income Taxes	(43,524)	3,505	34,904	19,363	16,460
48 Other			3,471	(1)	34
49 Total Non-Operating Taxes	(43,524)	3,505	38,375	19,362	16,494
50 Income Available Before Interest Charges	(57,136)	2,276	(19,844)	(96,145)	34,430
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	23	187	(2,919)	5,067	411
53 Total Interest Charges	23	187	(2,919)	5,067	411
54 Income Before Extraordinary & Nonreg Items	(57,159)	2,089	(16,925)	(101,212)	34,019
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$57,159)	\$2,089	(\$16,925)	(\$101,212)	\$34,019
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$136,762)	(\$138,851)	(\$121,926)	(\$20,714)	(\$54,733)
60 Transferred from Income	(57,159)	2,089	(16,925)	(101,212)	34,019
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	(193,921)	(136,762)	(138,851)	(121,926)	(20,714)
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	(\$193,921)	(\$136,762)	(\$138,851)	(\$121,926)	(\$20,714)

Warwick Valley Telephone Company
Comparative Balance Sheet
For the Year Ended December 31,

	2010	2009	2008	2007	2006
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$13,333,379	\$9,284,431	\$7,198,680	\$5,640,617	\$11,021,099
2 Accounts Receivable (Net)	33,064,219	26,270,647	18,380,437	11,680,077	8,008,818
3 Current Deferred Income Taxes					
4 Other Current Assets	979,468	1,114,390	1,616,373	1,977,002	1,423,580
5 Total Current Assets	47,377,066	36,669,468	27,195,490	19,297,696	20,453,496
NON-CURRENT ASSETS					
6 Investments	5,901,458	9,130,970	8,906,231	8,946,299	8,093,655
7 Unamortized Debt Issuance Costs	20,628	39,375	51,975	64,575	77,175
8 Deferred Charges	943,179	662,655	710,127	762,231	814,333
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	(77,134)	18,234	208,898	119,165	3,289,505
11 Other Non-Current Assets	4,342,882	4,331,297	4,312,818	4,291,177	177,924
12 Total Non-Current Assets	11,131,013	14,182,531	14,190,049	14,183,447	12,452,592
REGULATED PLANT					
13 Total Telecommunications Plant	71,361,928	70,333,461	69,158,033	67,736,082	64,966,062
14 Less: Accumulated Depr and Amort.	46,882,002	42,975,607	38,831,682	34,977,723	31,685,617
15 Net Regulated Plant	24,479,926	27,357,854	30,326,351	32,758,359	33,280,445
16 Total Assets & Other Debits	\$82,988,005	\$78,209,853	\$71,711,890	\$66,239,502	\$66,186,532
CURRENT LIABILITIES					
17 Accounts Payable	\$31,197,145	\$25,401,170	\$18,600,219	\$12,055,594	\$5,104,408
18 Notes Payable					
19 Advanced Billings	332,497	268,093	163,455	175,185	190,830
20 Customer Deposits	45,818	102,460	99,425	115,878	127,658
21 Current Maturities - Long-Term Debt	1,518,633	1,518,633	1,518,633	1,518,633	1,518,633
22 Current Deferred Income Taxes		(1,148)	(1,584)		
23 Other Current Liabilities	5,071,101	2,412,130	(315,727)	2,617,178	4,781,529
24 Total Current Liabilities	38,165,194	29,701,338	20,064,421	16,482,468	11,723,058
LONG-TERM DEBT					
25 Long-Term Debt	1,138,974	2,657,606	4,176,238	5,694,870	7,213,503
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	607,253	2,267,496	2,526,190	3,319,185	6,893,749
28 Other Deferred Credits	234,775	234,775		19	19
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	6,554,035	5,766,912	10,050,995	4,323,960	7,583,541
31 Total Other Liab. and Def. Credits	7,396,063	8,269,183	12,577,185	7,643,164	14,477,309
STOCKHOLDER'S EQUITY					
32 Common Stock	59,975	59,908	59,845	59,846	59,846
33 Preferred Stock	500,000	500,000	500,000	500,000	500,000
34 Other Paid in Capital	(706,199)	(1,097,469)	(1,226,345)	(1,260,878)	(1,260,878)
35 Retained Earnings	36,433,998	38,119,287	35,560,546	37,120,032	33,473,694
36 Total Stockholder's Equity	36,287,774	37,581,726	\$34,894,046	\$36,419,000	32,772,662
37 Total Liab. and Stockholder's Equity	\$82,988,005	\$78,209,853	\$71,711,890	\$66,239,502	\$66,186,532

Warwick Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

INCOME STATEMENT	2010	2009	2008	2007	2006	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$2,875,748	\$3,026,623	\$3,171,932	\$3,437,353	\$3,631,319	1
Network Access Services	9,774,813	8,801,159	8,839,860	8,942,465	9,469,723	2
Long Distance Network Services	232,061	612,767	990,026	1,439,444	1,087,867	3
Miscellaneous Revenues	2,986,327	3,519,253	3,992,082	3,966,512	4,268,616	4
Less: Uncollectible Revenues	242,500	330,000	216,962	301,000	32,500	5
Total Operating Revenues	15,626,449	15,629,802	16,776,938	17,484,774	18,425,025	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses					12,035	7
General Support Expenses	568,732	560,798	614,284	616,969	898,232	8
Central Office Switching	473,539	622,072	730,264	701,625	673,581	9
Operator Systems Expense				88		10
Central Office Transmission	1,538,482	1,598,115	1,672,982	1,179,985	1,451,358	11
Info. Origination/Termination	1,000,452	974,710	1,162,764	958,748	1,021,874	12
Cable & Wire Facilities	334,528	431,718	643,380	538,320	811,693	13
Total Plant Specific Operations	3,915,733	4,187,413	4,823,674	3,995,734	4,868,773	14
Other Plant, Property & Equipment		1,523	(60,775)	48,225	180,753	15
Network Operations	888,670	694,823	728,698	709,825	893,658	16
Access Expense		(379)	9,027	1,055		17
Depreciation and Amortization	4,067,126	4,106,702	4,001,162	3,798,761	3,590,189	18
Total Plant Non-Specific Operations	4,955,796	4,802,669	4,678,112	4,557,866	4,664,600	19
Marketing Expense	1,424,758	1,401,199	1,665,320	1,207,287	692,691	20
Services Expense	2,594,317	2,381,235	2,537,056	2,849,868	3,159,195	21
Total Customer Operations	4,019,075	3,782,434	4,202,376	4,057,154	3,851,886	22
Executive & Planning	1,484,842	1,035,212	1,228,752	1,645,519	1,530,299	23
General & Administrative	3,121,980	3,874,853	2,890,724	3,776,284	6,250,744	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	4,606,822	4,910,065	4,119,476	5,421,804	7,781,043	27
Total Operations Expense	17,497,426	17,682,581	17,823,638	18,032,559	21,166,301	28
Other Operating Income & Expenses	8,912				610,910	29
State & Local Income Taxes						30
Other Taxes	1,088,358	1,233,719	1,165,936	1,159,006	1,033,862	31
Net Operating Income Before FIT	(2,950,423)	(3,286,497)	(2,212,636)	(1,706,791)	(3,164,228)	32
Investment Tax Credits - Net						33
Federal Income Taxes	3,117,273	2,885,656	2,782,178	2,636,907	(220,924)	34
Provision - Def. Operating Income Taxes - Net						35
Net Operating Income	(\$6,067,696)	(\$6,172,153)	(\$4,994,814)	(\$4,343,698)	(\$2,943,304)	36

Warwick Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31,

	2010	2009	2008	2007	2006
37 Net Operating Income	(\$6,067,696)	(\$6,172,153)	(\$4,994,814)	(\$4,343,698)	(\$2,943,304)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	132,512	51,665	69,631	321,601	454,165
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction				69,380	16,772
42 Gains/Losses - Disposal of Property	143,261	97,202	12,181	(19,884)	4,317
43 Equity in Earnings of Affiliated Companies	(3,241,114)	323,799	467,728	391,465	133,563
44 Other Non-Operating Income	12,616,060	12,502,530	10,436,103	9,714,379	9,475,960
45 Special Charges	428,210	32,067	64,955	47,858	158,009
46 Total Non-Operating Income & Expenses	9,222,509	12,943,129	10,920,688	10,429,083	9,926,768
NON-OPERATING TAXES					
47 Federal Income Taxes				(47,536)	2,191,252
48 Other					
49 Total Non-Operating Taxes				(47,536)	2,191,252
50 Income Available Before Interest Charges	3,154,813	6,770,976	5,925,874	6,132,921	4,792,211
INTEREST CHARGES					
51 Interest on Funded Debt	99,231	148,159	328,803	590,810	684,668
52 Other Interest Expense	666	(47,519)	(218,114)	50,210	110,064
53 Total Interest Charges	99,897	100,640	110,689	641,020	794,733
54 Income Before Extraordinary & Nonreg Items	3,054,916	6,670,336	5,815,185	5,491,901	3,997,479
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$3,054,916	\$6,670,336	\$5,815,185	\$5,491,901	\$3,997,479
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$37,795,488	\$35,092,818	\$36,728,567	\$33,340,131	\$40,854,158
60 Transferred from Income	3,036,167	6,346,536	5,347,459	5,100,437	3,863,916
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	25,000	25,000	25,000	25,000	25,000
63 Common Stock	5,198,512	4,735,742	4,289,024	4,281,424	9,633,204
64 Adjustments	825,855	1,116,876	(2,669,184)	2,594,423	(1,719,739)
65 Ending Year Balance	36,433,998	37,795,488	35,092,818	36,728,567	33,340,131
66 Appropriated/Undistr Affiliate Retained Earnings		323,799	467,728	391,465	133,563
67 Total Retained Earnings	\$36,433,998	\$38,119,287	\$35,560,546	\$37,120,032	\$33,473,694